



Annual Report  
and Accounts  
2006/07





## Annual Report & Accounts 2006/07

This annual report is about the first year of operation of Northumberland, Tyne and Wear NHS Trust which provides a wide range of mental health, disability and other specialist services to people living in the North East of England and elsewhere in the country.

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# Chairman and Chief Executive's foreword

We are delighted to present to you the first Annual Report of Northumberland Tyne and Wear NHS Trust. This report outlines the role and responsibilities of the Trust, and records some of the key achievements of the organisation since our establishment in April 2006. The publication of this report represents, in part, our responsibility to account for our performance against local and national targets for the delivery of mental health, learning disability, neuro-disability and substance misuse services.

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This report demonstrates that we have made some significant progress in a number of areas. We are not complacent about what has been achieved – there is much more to do. But it is important that we do take the time to reflect on the successes. It is also essential to recognise these are the achievements of our staff – individually and collectively. Whilst reading through this report it is clear that everything we have achieved is through those staff – staff in many roles and in all parts of the Trust and our valued partners. On behalf of the Trust Board we want to formally recognise their significant contribution to a successful first year and to say "thank you".

During our first year of operation we have seen the results of unparalleled capital investment in mental health and disability services. St Georges Park Hospital, Morpeth was formally opened in May 2006, replacing outdated accommodation and significantly improving the quality of the physical environment for patients and staff. Similarly superb improvements have been achieved in the award winning accommodation at the Bamburgh Clinic at St Nicholas'

Hospital, Newcastle, providing specialist forensic and personality disorder services. The Trust also took delivery of the new hospital at Walkergate. This replaces facilities at Hunters Moor, the Hartside Unit at St Nicholas' Hospital and the Janie Hepple Unit at Prudhoe, and provides "state of the art" accommodation for the very specialist neuro-rehabilitation and neuro-psychiatry services.

Over the last three years we have witnessed a total capital investment, including these three major hospital developments, of over £90 million. This investment has achieved improvements in the provision of the therapeutic environment for patients that will be difficult to match in any other similar Trust. Everyone involved can be justly proud of their contribution. We will build on the experience and expertise in delivering these improvements as we plan the investment in new in-patient services South of Tyne.

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We have also seen significant developments in community based services with the continued development of the crisis intervention and home treatment services – helping to support people in their own homes rather than hospital. Access to psychological therapies, services greatly valued by patients, has also been improved in some areas. However, this represents a major challenge for us in the year ahead. Waiting times are unacceptably high and we will continue to drive down these waiting times and improve access.

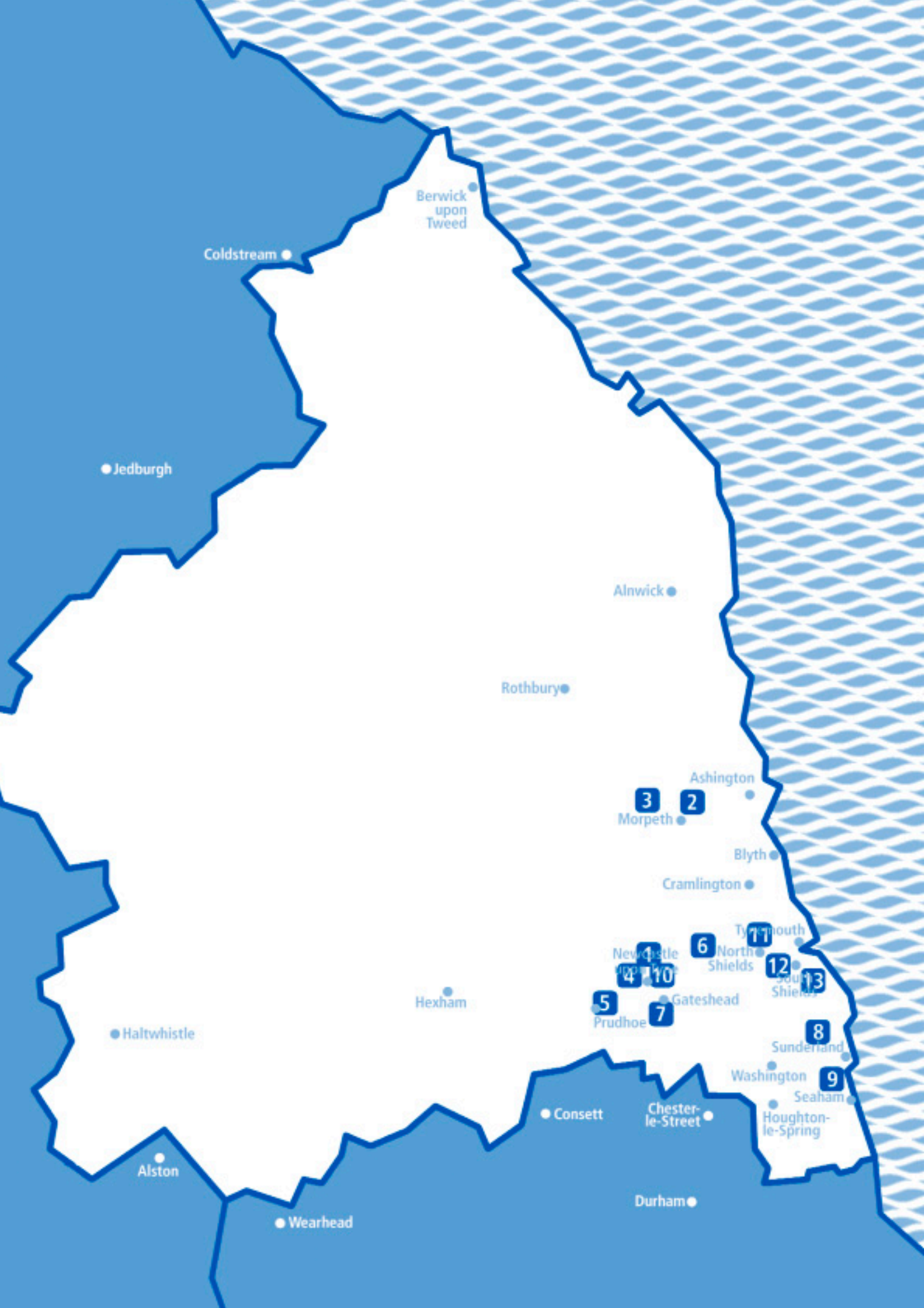
Learning Disability services continue to undergo massive changes as institutional, hospital care is increasingly replaced by a range of community based services and more domestic, homely accommodation designed around the needs of individual people. The resettlement programme has been challenging for staff and for patients and their families, but the success has been built around positive partnerships and good communication.

Communication across the Trust – with staff, service users, carers and our partner organisations – is critically important. We recognise more needs to be done in this respect. This is all the more important as we move towards Foundation Trust status. During 2007 we will be consulting on our plans to become a Foundation Trust in 2008. We recognise that this will demand effective engagement and involvement of all those who deliver, and those who rely on the services that we provide.

We want to build on our successes to date as we strive towards our goal of delivering excellence in mental health and disability services. In doing so we look forward to the involvement of staff, staff side representatives, our partners and the people and communities that we serve.

Jules Preston  
Chairman  
13 June 2007

Alan Hall  
Chief Executive  
13 June 2007



Berwick upon  
Tweed

Coldstream

Jedburgh

Alnwick

Rothbury

Ashington

3

2

Morpeth

Blyth

Cramlington

Tyne and  
Wear

6

North  
Shields

12

South  
Shields

13

Newcastle

1

4

10

5

Prudhoe

7

Gateshead

8

Sunderland

Washington

9

Seaham

Houghton-  
le-Spring

Hexham

Haltwhistle

Alston

Wearhead

Consett

Chester-  
le-Street

Durham



# All about our Trust

Northumberland, Tyne and Wear NHS Trust was established on April 1, 2006. We employ nearly 7,000 staff and have an annual budget of more than £280 million.

We provide mental health, learning disability, neuro rehabilitation and substance misuse services for a population of approximately 1.4 million and also some specialist regional and national services.

The local communities we serve cover the whole of Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside, Sunderland and parts of North Easington.

We provide services in people's homes, in health centres, clinics, schools, community mental health centres, specialist units and centres across the North East.

Our in-patient services are provided on a number of hospital sites including:

- 1 St Nicholas Hospital, Gosforth
- 2 St George's Park, Morpeth
- 3 Northgate Hospital, Morpeth
- 4 Newcastle General Hospital
- 5 Prudhoe Hospital
- 6 Walkergate Park
- 7 Tranwell Unit, Queen Elizabeth Hospital, Gateshead
- 8 Monkwearmouth Hospital, Sunderland
- 9 Cherry Knowle Hospital, Ryhope
- 10 Royal Victoria Infirmary, Newcastle
- 11 North Tyneside General Hospital, North Shields
- 12 Palmer Community Hospital, South Tyneside
- 13 Bede Wing, South Tyneside General Hospital

We also provide social and residential care services for people with learning disabilities in more than 50 community homes.

We work closely with partner organisations in the public, private and voluntary sectors and with representatives of the local communities we serve.

The Trust was formed following the merger of the former Newcastle, North Tyneside and Northumberland Mental Health NHS Trust, South of Tyne and Wearside Mental Health NHS Trust and Northgate and Prudhoe NHS Trust, a specialist disability trust.

The merger took place in order to create a larger organisation which would bring benefits including better recruitment and retention of staff, improving the range and quality of services, the local integration of services and developing effective partnerships with other organisations.

Another key benefit of the merger was strengthening accountability to local people and the Trust is now planning to take this further by applying for Foundation Trust status from April 2008 in line with national priorities. This will bring about an increased emphasis on community participation in decision-making.

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## Our strategy and objectives

Staff, service users, carers and representatives took part in a series of events immediately the Trust was set up so that their views could shape the values, vision and priorities of the Trust and the services we provide.

In October 2006, a draft Outline Service Development Strategy was developed and reviewed by the Board. We then decided to seek further views from our partners, service users, carers, staff and their representatives, the public and voluntary organisations. Using these views, we have drawn up a Strategy for the general direction of the Trust over the next five years.

Our priorities for the year are described more fully throughout the report but include:

## Our services

- Complete the re-settlement of individuals from Northgate and Prudhoe Hospitals
- Work towards the re-design of services South of Tyne and the development of an outline business case for the replacement of Cherry Knowle Hospital
- Develop a service model and outline business case for children's and young people's mental health and learning disability services North of Tyne

## Working together

- Develop effective partnerships

## Quality care

- Ensure the effective transition to a single merged organisation
- Develop effective pathways through care
- Deliver NHS targets

## Financial and business priorities

- Achieve robust financial health
- Develop a Trust business model

## Our values

The following values were drawn up in consultation with staff, service users, carers and representatives of partner organisations and it has been agreed that these values will underpin the care and treatment we provide.

- We will place users and carers at the centre of everything we do
- We will treat users and carers with respect and dignity
- We will support and show respect towards our staff; we will encourage their personal and professional development; we will acknowledge their expertise and professionalism; and we will value the role that they fulfil
- We will always look to do things better – encouraging and acknowledging improvement and innovation
- We will promote effective team and partnership working
- We will be honest, show trust, have integrity and be open and transparent in our work
- We will embrace diversity
- We will listen to the views of others

## The Trust Board

The Trust Board is made up of Executive and Non Executive Directors led by a Non Executive Chair. Members meet monthly and in public. The Board is responsible for ensuring that the Trust is accountable to the public for the services it provides.

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Chairman	Jules Preston
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### Non Executive Directors

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Don Chroston
Ken Grey
Fiona Standfield
Anne Ward Platt
Chris Watson

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### Executive Directors

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Chief Executive	Alan Hall
Medical Director	Andrew Fairbairn
Director of Finance	James Duncan
Director of Human Resources	Elizabeth Latham
Director of Nursing	Gary O'Hare
Chief Operating Officer	Roy McLachlan

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### Operational Directors

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Services for working age adults	Russell Patton
Services for older people	Adele Coulthard
Learning disabilities services	Kate Simpson
Children, young people and specialist services	Bruce Dickie
Forensic services	Colin McCoy

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Further details of the Trust's corporate arrangements are shown on page 83.

# Highlights of our first year

## Walkergate Park

Building work on Walkergate Park, was completed and the new purpose built PFI centre for neurological services opened its doors to patients in April 2007. Neuro rehabilitation, neuro psychiatry and neuro behaviour services are provided here.

## Young People's Unit

The kitchen and dining room at the Young People's Unit at Newcastle General Hospital has been refurbished and was opened in February 2007 by Bruce Dickie, the Trust's Director for Children, Young People and Specialist Services.

## World Mental Health Day

Service users at The Art Room at St Nicholas Hospital celebrated World Mental Health Day 2006 with a display of self portraits, some drawn as a sensory exercise by touch alone and service users contributed to an exhibition of artwork at Saltwell Park, Gateshead.

## St George's Park

The Duchess of Northumberland formally opened the £28 million new hospital at Morpeth by illuminating a high technology plaque in the foyer.

## Information pack

An information pack about palliative care for people with a learning disability was launched in February 2007 and has been submitted as an example of best practice to a national strategy group.

## Bamburgh Clinic

The new Bamburgh Clinic at St Nicholas Hospital won two awards at the national NHS Building Better Healthcare ceremony in London in November 2006. The unit provides services for people with a personality disorder.

## Take a Stand Campaign

A national/international cinema advert aimed at young people, was launched as part of Sunderland Take a Stand Campaign against mental health stigma developed in partnership with Thornhill Business and Enterprise School,. The advert won a Royal Television Society (RTS) award and was nominated at the BAFTA mental health media awards for 2006.

## Victorian walled garden

The Victorian walled garden at Prudhoe Hospital won the Hospitals, Hospices and Medical Centres category of the Northumbria in Bloom contest for the second time.

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## Cherry Knowle

The horticultural project at Cherry Knowle Hospital has been in full bloom and so far, has grown 15,000 bedding and 5,000 basket plants as well as carrying out tree planting for St Paul's Primary School in Ryhope to raise awareness of mental health and environmental issues.

*Passionate* about your wellbeing

## Soundbites:

- “ *Staff have really helped my son and have worked with him, he's a different boy*”  
**Parent about children and young people's services**
- “ *Thanks for making me realise that my glass might be half-full instead of half-empty, you really are the A-Team!*”  
**Children, young people and specialist services user**
- “ *All patients spoke positively about staff, it is very evident that patients are treated with dignity and respect*”  
**Accreditation for Acute Inpatient Mental Health Services (AIMS) from Royal College of Psychiatrists achieved by Collingwood Court at St Nicholas Hospital**
- “ *Very impressed with it all, this has been needed for a long time in Newcastle*”  
**Patient about Walkergate Park**
- “ *Really helped me change my perception of what mental health is*”  
**About the Barnes Unit, (Sunderland Adolescent Mental Health Services) project with a local college**
- “ *Since I moved into my own home I have made another list of things I want to do and as I do each thing I tick it off my list*”  
**Viv, former resident at Northgate Hospital**



# What we do – our services

## Services for working age adults

**A priority for the Trust is to work with our partners towards the redesign of services South of Tyne and the development of an outline business case for the replacement of Cherry Knowle Hospital.**

The establishment of the new Trust gave us the opportunity to reflect on the progress made so far on the plans to redevelop Cherry Knowle Hospital and take careful account of affordability issues.

The Project Board and Project Team were relaunched and working with our commissioning partners and key stakeholders, we began to examine how we can best deliver services to people across the South of Tyne and Wear area. We are fully committed to this initiative and will continue to progress this work over the forthcoming year.

Other key achievements during 2006/07 include:

### Northumberland

- The opening of St George's Park Hospital in May 2006 created the opportunity to review the model of service offered to users. After consultation with a range of stakeholders, acute in-patient services for working age adults are now provided through a single assessment ward for all admissions. There are two treatment and recovery wards for users who require ongoing in-patient services.
- A number of services are in place to support service users in the community including Community Mental Health Teams and specialist provision such as the Early Intervention Team and Assertive Outreach Team Services.

## Newcastle and North Tyneside

- Community based services in North Tyneside have taken part for 18 months in a payment by results pilot project involving the assessment of service users referred to community teams. A Clinical Decision Support Tool has been developed to support service analysis and a framework to manage payment by results and the project is currently being introduced in community services in Newcastle.
- A project, to develop expertise in assessing, treating and caring for patients with bi-polar disorder, has been running in Newcastle and North Tyneside for 18 months. Led by a senior doctor and senior nurse, it links a central specialist support team and two expert patients with community mental health teams across the area and provides training for staff.
- An audit of the National Institute for Health and Clinical Excellence (NICE) bi-polar guidelines is being undertaken across the area's community based services by the central team to assist the development of services.
- Standards of care have been further improved through the development of in-patient multi disciplinary team working under the Royal College of Psychiatrists' acute accreditation for acute in-patient mental health services scheme (AIMS).

## Gateshead / South Tyneside

- The South Tyneside Urgent Care Team was set up 18 months ago as a multi-disciplinary team providing intensive therapeutic interventions to mental health service users who have a substantial/critical level of mental health need. It ensures treatment and intervention is provided by the most appropriately skilled professional, at the most appropriate time and is easily accessed through a single 24-hour contact number. Any person, regardless of background, can make contact for self-referral.

- Service users are actively encouraged to participate in the development of a Wellness Recovery Action Plan (WRAP) used to aid their recovery, promote early discharge and ensure that all services are aware of their specific needs of individuals at any stage of their illness. Work is currently underway in Gateshead to develop this process which was Highly Commended in the Care Services Improvement Partnership (CSIP) Positive Practice Awards.

## Sunderland and North Easington

- A national/international cinema advert was developed in partnership with Thornhill Business and Enterprise School as part of Sunderland Take a Stand Campaign against mental health stigma. Aimed at young people, it has audience figures of over 7.5 million and won a Royal Television Society (RTS) award, as well as being nominated at the BAFTA mental health media awards 2006 and showcased at the Cannes Film Festival.
- The Health Minister, the Rt Hon Rosie Winterton MP, addressed a conference in March 2007 chaired by Trust chairman Jules Preston. This was hosted as part of continuing work around service user involvement and to launch a new suicide prevention cinema trailer.
- The Trust and Sunderland City Council agreed in 2006 to evaluate the Sunderland Community Mental Health Partnership. As a result of the evaluation the Partnership was reconfigured to form the Sunderland Adult Mental Health Rehabilitation and Recovery Partnership. This focuses on rehabilitations and recovery services in both in-patient and community services. This reconfiguration is designed to complement the future direction of travel for services delivered by the Trust and Sunderland City Council for people with mental health problems. Benefits include the opportunity to build on the strengths of existing partnership arrangements, improved outcomes for people with serious mental illness and their carers, real opportunities for recovery and a focus on people with severe longer term mental health needs in compliance with the White Paper, "Our Health, Our Care, Our Say."

## Services for older people

Key achievements during 2006/07 include:

- All localities have successfully introduced integrated Community Mental Health Teams (CMHTs) for older people from March 2006. In Sunderland, this resulted in the recruitment of two new community psychiatry nurses (CPNs).
- Phase Two of the modernisation of services in Northumberland is now complete following the successful move into St George's Park and this included an expansion of staffing to the local CMHTs.
- The Trust Board approved plans to progress the modernisation of continuing care services in Newcastle. This will initially involve building improvements to Ashgrove and Silverdale nursing homes.

Other successful developments included:

South Tyneside:

- Needs- based service model
- New ways of working by consultants
- Partnership working in locality (operational and strategic)

South of Tyne:

- Significant remodelling/reform of services
- Significant development of specialist services for intermediate care
- Developing services for the young with onset dementia
- General Hospital Liaison and Memory Management
- Developing nurse leaders and nursing quality and accountability
- Ownership of priorities by the wider South Tyneside Older People's community
- Positive success around workforce (eg resolution of nursing recruitment and retention issues)
- Move to three substantive consultants
- Successful recruitment of psychology staff

## Children, young people and specialist services

**A priority for the Trust is to develop a service model and Outline Business Case to enable the re-design of Children and Young People's Mental Health and Learning Disability Services (Tier 3 and 4 services North of Tyne)**

We currently provide a range of mental health and learning disability services for children and young people. The quality and location of some of the current in-patient facilities are, however, far from ideal and there is also a need to provide comprehensive and integrated services in line with national strategy.

During 2006/07 the Trust continued to work with commissioners and key stakeholders to develop a draft service specification for Tier 4 integrated child and adolescent mental health and learning disability services with the aim of progressing a business case for the redesign of services during the forthcoming year.

Organisational structures are also now in place to provide the basis for the future development of integrated, efficient and effective services with staff working across professional boundaries and highly-skilled clinical staff able to spend more time on direct patient care activities.

## What service users and carers say

- “ *Staff would either ring me or I would ring them. It didn't matter how late I rang, staff always listened. I never felt as though I had to get off the phone.* ”
- “ *The staff seemed to listen a lot more, they make you feel welcome and so friendly. The meetings were more informative unlike the meeting at home where I feel ignored.* ”
- “ *A hospital like Prudhoe is needed in every County.* ”
- “ *Doing activities is one of the best things about the place.* ”
- “ *Staff here are very friendly and are always welcoming when you visit.* ”
- “ *Thank you for supporting me through a difficult time. Your kindness, and understanding will always be appreciated.* ”
- “ *I have never been in a private hospital but I think Ward 31A and its staff surpass even that!* ”

## Working in partnership with others we achieved the following:

- The Barnes Unit (Sunderland Adolescent Mental Health Services) has been working with staff and pupils at a local college to promote positive images of mental health, challenging stereotypes, and service design.
- The successful evolution of Newcastle Children and Adolescent Mental Health Services (CAMHS) into '0-18' geographical teams has led to setting up successful multi-agency working across the areas.

Workers from a very wide range of backgrounds now meet to discuss information about the needs of children and families in the area.

- A recent report highlights the importance of Newcastle CAMHS developments when working with young people in the Newcastle Youth Offending Team (YOT) stating that, "The CAMHS workers in the team were clinical psychologists, able to access specialist CAMHS services, consultation to YOT and direct clinical contact with children and young people attending the YOT".
- Newcastle CAMHS are leading the way with a new model of integrated services for children and young people who are looked after in foster and residential care placements. Under Children's Trust partnership arrangements, a new multidisciplinary CAMHS team have joined with education and social services to form the Aspire multi-agency team for Looked After Children.
- The Newcastle Community Learning Disability team have been working in partnership with Streetwise, a health project for young people in Newcastle, to raise awareness around relationships and sex education with young people with learning disabilities.
- A multi-agency care pathway is being developed for children and families affected by Attention Deficit Hyperactivity Disorder (ADHD) as a result of the close working between social and clinical staff, parents and young people. The team have developed the 'Our Stories' DVD and a parent presentation of the material has been applauded at a number of well-attended conferences and CAMHS events.
- The CAMHS Tier 4 in-patients units for young people with learning disabilities have developed a system of Risk Assessment Summary Reports to provide parents, referrers, and community agencies a comprehensive view of the varied risks which a young person may present to themselves, to others, or to which they may be subject. This is believed to be the only CAMH Service to provide parents and referrers with such reports on a routine basis.

- The CAMH teams in Northumberland are developing ADHD and Autism Spectrum Disorder (ASD) pathways as a service linking with learning disability.
- The CAMH teams are developing Investing in Children and working towards involving young people in service audits and developments.
- Walkergate Park, a new purpose-built centre, opened its doors to patients in April 2007. It brings together three neurological services – neuro rehabilitation, neuro psychiatry and neuro behavioural. The centre was developed through a Private Finance Initiative (PFI) partnership.

### What people say about Walkergate Park

- “ *Fantastic resource for patients and staff, art work in corridor noisy.* ”
- “ *Impressive building with everything at hand, looking forward to seeing it in use.* ”
- “ *Very well planned, vast amount of space in rooms, excellent for wheel chair users.* ”

- Building work started on the new Learning Disabilities Medium Secure facility for young people who have a learning disability. This innovative service will enable the Trust to work in an integrated way to meet the needs of young people with learning disabilities who need medium security. It is expected to be completed by March 2008 with patients admitted from April 2008.



- The continued success of seconded Trust nursing staff to Northumbria University in Lecturer/Practitioner posts is expanding the experience of staff and ensuring students benefit from highly skilled clinicians who are currently in practice.
- The work undertaken developing and subsequently implementing the Nursing Communication Structure in order to engage nurses throughout the organisation, encourages the sharing of information and best practice.
- Work is in progress on creating centralised nursing systems, for example, the recruitment of newly qualified nurses, preceptorship and secondment of healthcare assistants into nurse training.
- As part of a wide range of services, the Regional Eating Disorder Service offers multi-disciplinary training, a unique multi-agency self help carer group and systemic therapy.
- The move into new Mother and Baby Unit accommodation in May 2006 means babies up to the age of 12 months can now accompany their mothers on admission. The unit's staff have contributed to interagency parent work to promote positive infant mental health.
- Two members of the Regional Affective Disorders Service have been awarded Fellowships. Dr Paul Mackin was awarded a 5 year Department of Health Clinician Specialist Award for his work on metabolic dysregulation in severe mental illness and Dr David Cousins a three year MRC Training Fellowship for his work on functional imaging of the effects of lithium.
- Cognitive Behavioural Therapy  
The service has successfully piloted an evening clinic to improve access for patients.

## Forensic services

The development and improvement of Forensic Services continued with a significant number of achievements during the year including:

- The opening of the new Bamburgh Clinic at St Nicholas Hospital.

This enabled the national pilot Personality Disorder unit to expand to 16 beds and was the the first NHS Procure 21 project to be successfully completed in the North East. It also marked the completion of a successful recruitment campaign.

The building has won a series of awards, the latest being presented at a ceremony in March 2007. The Trust and construction company Laing O'Rourke were Highly Commended for Integration and Collaboration at a Constructing Excellence campaign.

- Relocation of forensic mental health low secure services enabling an expansion from six to ten beds
- Two community teams, mental health and personality disorder, now work under the same roof which enables flexibility to deliver the various aspects of care
- A three year pilot role in co-ordinating Close Supervision Centres was successfully completed
- The Adult Forensic Service (Mental Health and Personality Disorder) developed a project group to look at developing the service for carers of individuals who are currently in-patients
- Low secure forensic mental health services (Bede Ward, St Nicholas Hospital) were awarded with Excellence in Practice Accreditation in a ceremony in November 2006, all other forensic mental health wards are at varying stages of completion

- Forensic Learning Disabilities service developed a community outreach service to the Sunderland area similar to initiatives serving Cumbria
- Professor Greg O'Brien was elected Associate Dean of the Royal College of Psychiatrists and is part of the national Department of Health Forensic Learning Disability Strategy Steering Group
- Jayne Todd (Forensic Community Mental Health Team) was given the award for Health and Care Professional by The Patients Council in partnership with Launchpad
- Ollie Kendal (Bede Ward) was given the Support Worker award by The Patients Council in partnership with Launchpad
- Staff contributed significantly to the planning and delivery of the 6th International Conference on the Care and Treatment of Offenders with a Learning Disability

## Learning disability services

**The Trust's priorities for 2006/07 included completing the re-settlement of individuals from Northgate and Prudhoe Hospitals**

Valuing People, the national strategy for learning disabilities published in 2001, clearly stated that programmes should be developed to enable people still living in long-stay hospitals to move into more appropriate community based accommodation. The programmes were called resettlement programmes.

At the beginning of April 2006, there were 35 people living at Northgate and Prudhoe Hospitals. Working together with carers, services users, advocates, commissioners and professionals, person-

centred plans were developed for each individual. Over the year, all but three people moved from hospital into their own homes with the appropriate level of support. In the majority of cases, they moved back to their own local area and are nearer to family and friends.

As a result of these people moving out of Northgate and Prudhoe Hospitals, four long-stay wards closed during the year. Some of the staff now work in community homes and others have been redeployed into other Trust services.

### **A service provider's story**

*Mark is a Scheme Manager living in Newcastle. He currently supports two people who previously lived in Prudhoe Hospital and who are now living in their own homes.*

*He says: "The person-centred plans certainly helped us to develop a better understanding of who the men are and they were full of handy tips such as one of the men does not like dogs. The plans also helped us get the staff match right when we were recruiting the staff team.*

*The plan was very good in helping us understand the men's individual preferences particularly in relation to how they meet their health needs. When one of the men first moved out of hospital he was on build up drinks. Now, because he has his meals in the way he prefers, he no longer requires this."*

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### **Eddie's story**

*Eddie moved into his own home in June 2006. He can remember making his person-centred plan and talking about the things he wanted, including the house he wanted to live in and to cook his own Sunday breakfast.*

*Now he is tremendously proud of his new home. He loves listening to his CDs and he has them on display in the living room where he can easily get to them. He has his own kitchen and there are lots of things he enjoys doing there. And he does most of his own housework.*

*The staff who support Eddie say Eddie's person-centred plan gave them a good idea of what he needed. Now they can expand what they know about him so, as time goes by, he can try more and more of the things he talked about in his plan and maybe new things he hadn't even thought about.*

### **A parent's story**

*Until very recently, William, who does not have verbal communication, lived in Northgate Hospital. His father, Jeremy, first became interested in person-centred planning when he went to facilitator training. When it became clear William would be moving out of hospital, Jeremy was able to use this knowledge to make sure William's plan was based around what was important to him.*

*Jeremy says: "Putting together the plan was a long process but we wanted to make sure no decisions were made before we had given some thought as to what William might want. I don't believe this process ever comes to an end.*

*"William has now moved out of hospital and although it is early days, things for him look quite promising. We were invited to William's house for Sunday lunch recently and it was lovely that William stayed with us at the table for the whole of the meal. I don't think this has ever happened in the hospital or at home."*

## **Viv's story**

*Viv had lived in Northgate Hospital for approximately 26 years and had tried living in the community before but things had not worked out for her.*

*She agreed to make a person-centred plan to see if this would help other people to know how she wants to live her life and was given support to do this. She enjoyed doing this and in March 2006, moved into her own home.*

*She says: "In my person-centred plan, it tells people about what I like and what I don't like. I have already started to do a lot of the things I like. I have been out for a curry and for a pizza and I am also starting to learn to cook my own meals.*

*"I have made a board up which I keep in the kitchen to help me decide what meals I want to eat. I am also good at washing up, putting my laundry in the washing machine and hanging out my washing."*

## **Listen Up!**

We are committed to enabling people with learning disabilities to have as much choice and control as possible over their lives and the services and support they receive.

July 2006 marked the first formal meeting of a new Service User Forum at Northgate. About 40 people attended the meeting and at the second meeting in September, the members asked for the Forum to be renamed and called the Committee Group.

The Committee now meet regularly and agree at each meeting what they want to talk about next and who they want to come and speak to them.

Following each meeting, Simon, a member of the Committee, designs a colourful newsletter to explain to everyone what was discussed, what people said and what actions were agreed.

A two year work programme around involvement and inclusion initiatives has also been developed.

## Learning Lessons

In July 2006, the Healthcare Commission published a report outlining the findings from the investigation into the provision of services for people with a learning disability at Cornwall Partnership NHS Trust.

The investigations highlighted years of abusive practice and in some cases, real injury suffered by some people. The Trust reviewed the Commission's report and decided to carry out a thorough review of the Trust's learning disability services, focusing in particular on:

- the care environment
- care planning and service user involvement
- person-centred approach
- communication with families
- information we provide for service users and family carers

A review team was set up and visits to services organised. The aim of the visits was to share good practice and identify specific areas for improvement. The findings have now been presented to the Trust Board and an action plan agreed to address those areas requiring improvement.

Representatives from the Healthcare Commission are planning to visit our services in April.

## End of Life care

A great deal of excellent work has been carried out across the region in recent years with the aim of improving and promoting palliative care for people with a learning disability.

During 2006, funding was awarded to develop a resource pack and guide on End of Life Care. This unique pack was designed in partnership with the University of Edinburgh and is specifically for those caring for or supporting people with a learning disability at the end of life.

The pack will be available on the NHS End of Life Care Programme web site and it has been submitted as an example of best practice to the national End of Life Strategy Group.

## Local services for local people

Inpatient acute, assessment and treatment mental health services for people with a learning disability who live in Gateshead and South Tyneside are currently provided from Northgate and Prudhoe Hospitals. This can cause travel difficulties for relatives and friends who want to keep in contact.

The accommodation at the Prudhoe Hospital site includes multi-occupancy dormitory style accommodation and requires major refurbishment. The Trust is also committed to the closure of Prudhoe Hospital and this means all services must be moved from the site.

The Trust and Gateshead and South Tyneside Primary Care Trust have been working to develop plans for a new local service accessible from Gateshead and South Tyneside. A public consultation into the plans has been carried out and there is a lot of support for the plans so the Trust will be working with the Primary Care Trust over the next few months to take these forward.



## Service snippets from Sunderland

A comprehensive range of services for people with a learning disability living in Sunderland is provided through a partnership with Sunderland Social Services. These services have continued to develop and improve.

### Developments over the last year include:

- The Assertive Outreach Team provides a nursing and associate multi-disciplinary service for people with learning disabilities who exhibit challenging behaviour and / or experience mental illness. This new team reviewed its ways of working and was allocated additional funding which means it can provide services to many more people.
- The Complex Needs Team provides support to address the health needs of people with profound and multiple learning disabilities. Additional funding allowed the team to develop and successfully support people with profound and multiple learning disabilities to move from long-stay hospitals back to a home in Sunderland.
- Nursing staff completed a course that qualifies them to work as dysphasia practitioners. This marks the potential development of an innovative multi- disciplinary dysphasia service which would be one of the first of its kind nationally.
- There continues to be an increasing demand for psychology services and in response, the service has developed a range of new ways of working to maximise the use of resources and reduce waiting times.
- The speech and language therapy team continued to develop and is now able to offer a more comprehensive service. Initiatives include the provision of evening drop-in advice sessions, the establishment of community- based groups and multidisciplinary team consultation.

# Quality care

## The Trust's priorities for 2006/07 included:

### Ensuring effective transition to a single merged organisation with

- A single integrated governance structure and process
- Common information systems, in particular patient information systems

### Developing effective pathways through care to ensure

- User focus
- Delivery of access and choice in line with national and local requirements
- Delivery of best practice
- Common standards of care across the Trust
- Efficiency and effectiveness in delivery

### Delivering NHS targets including

- Core and developmental standards
- Existing and new national targets
- Local Delivery Plan targets

As an NHS Trust, we must contribute to the delivery of high quality services. We must do this in a way that makes best use of resources and delivers services people need to nationally consistent standards of quality and safety.

The establishment of the new Trust gave us the opportunity to review our governance arrangements and ensure that they support the safe delivery of care to service users and their carers and also reduce risk to staff, the organisation and the local community.

During 2006, we introduced new integrated governance arrangements based upon the Healthcare Commission's Standards for Better Health. These include five Domain Groups which are subgroups of the Board and chaired by an Executive Director. These are:

- Safety
- Clinical and cost effectiveness
- Patient focus
- Accessible and responsive care
- Care environment and amenities

The Domain Groups are responsible for providing assurance to the Board that all proper systems and processes are in place to ensure that the Trust complies with national standards and also share best practice across all its services.

The Performance Framework within the NHS is known as the Annual Health Check and is made up of an assessment of performance in the following areas:

- Performance in delivering core standards
- Financial Standing as determined in the Auditor's Local Evaluation (ALE)
- Performance in delivering existing and new national targets
- Performance in Improvement Reviews which assess the whole system performance of services provided to the public.

In October 2006, the Healthcare Commission published their ratings of all NHS Trusts. The ratings are made up of two parts – quality of services and use of resources. The ratings published in respect of the three former organisations are shown on the next page as is the expected end of year position for 2006/07 as reported to the Trust Board in May 2007.

With regard to our performance in delivering the National Core Standards, our new integrated governance arrangements and self assessment work highlighted that we did not have enough

## Healthcare Commission – Annual Health Check

Component	2005/06 NNN(MH)	2005/06 STW(MH)	2005/06 N&P(LD)	2006/07 NTW
	Level of Performance			Forecast 31/03/07
<b>Core Standards:</b> Insufficient Assurance / Non-compliance	4 Insufficient Assurance	4 Insufficient Assurance	5 Insufficient Assurance	2 Insufficient Assurance 1 Non-compliant
<b>HC Rating</b>	Almost met	Almost met	Partly met	Almost met
<b>Developmental Standards D2a</b>	N/A	N/A	N/A	Limited Progress
<b>Existing National Targets</b>	2			1
Crisis Resolution Team implementation	Achieved	Achieved	N/A	Achieved
CAMHS: Increased services	Achieved	Achieved	N/A	N/A
<b>HC Rating</b>	Fully met	Fully met	N/A	Fully met
<b>New National Targets</b>	9			7
Audit of suicide prevention	Achieved	Achieved	N/A	Achieved
CMHT integration (Older People)	Underachieved	Failed	N/A	Achieved
Data quality on ethnic group	Underachieved	Achieved	Achieved	Underachieved
Drug misusers sustained in treatment	Achieved	DNA	N/A	Achieved
Emergency bed days	N/A	N/A	DNA	N/A
Experience of patients	Satisfactory	Satisfactory	N/A	Achieved
Infection control	Achieved	Achieved	Achieved	Achieved
Obesity: identification and management in secondary care	Underachieved	Underachieved	Achieved	N/A
Smoke-free NHS	Underachieved	Failed	Underachieved	Achieved
<b>HC Rating</b>	Fair	Weak	Good	Good/Excellent
<b>HC overall rating – Quality</b>	Fair	Fair	Fair	Good
<b>HC overall rating – Use of resources</b>	Good	Weak	Fair	Fair

N/A – Not Applicable

DNA – Data not available

Achieved / Compliant

Underachieved / Insufficient Assurance

Failed / Non-Compliant

information to declare compliance with the following standards, for which we regard we have insufficient assurance:

- 5a Implementation of NICE Guidelines
- 5b Clinical Supervision

We also declared that we were non-compliant in one standard:

- C16 Information for patients

Our public declaration can be viewed on our web site  
[www.nrw.nhs.uk](http://www.nrw.nhs.uk)

We recognise these as key areas for development in 2007-2008. In particular, within our financial strategy, we have identified specific investment to support the development of progress in implementing NICE guidelines and monitoring this consistently across the Trust. We have also identified the development of a Trust-wide strategy for information for patients as one of our key priorities within our annual business plan.

On the use of resources we were identified as having achieved a fair performance for the year, represented by an ALE rating of 2. This is due to the Trust having merged and the fact that, as a result, we could not have systems of control and performance management embedded for the full year. This should be seen in the context of our overall strong financial performance. We are committed to achieving a rating of excellent (4) overall in 2007 – 2008.

The rating for our first year as a Trust will be confirmed and published in October 2007 and this can be viewed on the Healthcare Commission's website [www.healthcarecommissioning.org.uk](http://www.healthcarecommissioning.org.uk)

This website also gives details of the methodology for calculating these key performance indicators, which are used consistently for reporting within the Trust.

We have worked hard throughout the year to improve our systems and processes and share best practice across the new organisation

with the aim of improving upon our overall performance. Our aim is to operate and to be seen as one of the best performing mental health and disability Trusts in the country, with the focus on delivering real excellence in service to the users of our service and their carers.

During 2006/07 the Healthcare Commission reported on two improvement reviews involving our services:

	<b>Rating</b>
Substance Misuse Services	<i>Fair</i>
Specialist Community Teams	<i>Fair</i>

We welcome these reviews as it gives us an opportunity to participate in a national assessment / benchmarking process and the development of local action plans to achieve service improvements.

**A number of organisations visit and review our services. These include:**

### **The Mental Health Act Commission**

The Mental Health Act Commission is committed to safeguarding the interests of all people detained under the Mental Health Act 1983. Representatives from the Commission visit our services, meet with detained patients in private and also look at our record keeping.

The Commission confirmed that throughout their visits, the patients made positive comments about the staff and the care they provide.

The development of the new hospital at St Georges Park and the greatly improved ward environment for both patients and staff was commended by the Commission.

Areas identified for improvement included:

- patients having access to additional activities
- providing more suitable accommodation in the community
- providing better access to advocacy services

We welcome the Commission's visits and their support in helping us improve our services.

### **The Commission for Social Care Inspection**

We provide a number of community homes across Northumberland, Tyne and Wear for people with a learning disability. These are registered with the Commission for Social Care Inspection.

Representatives from the Commission visit these homes and check on the quality of the service provided. We consistently receive good reports from the Commission on the quality of care provided and this is a credit to all of the staff who work in the homes.

### **Clinical Negligence Scheme for Trusts (CNST)**

In March 2007 the Trust gained accreditation with the CNST Mental Health and Learning Disability Clinical Risk Management Standards at Level 1. The assessors particularly highlighted the significant progress made in many areas to ensure a consistent approach to risk management and care across the new organisation.

They also commented on the notable commitment and enthusiasm to clinical risk management and patient safety from all staff involved in the assessment. The Level 1 assessment consists of eight standards with 29 criteria within those standards. In seven standards the Trust achieved 100% compliance and in the remaining standard 85% compliance.

A number of developments achieved were of direct benefit to the Trust:

- Over 20 safety policies were developed and implemented
- The Trust now has an up to date web based medical devices inventory and soon individual items of equipment will be identified with an immediate check ensuring safer practice.
- Integrated Health Record for all in-patient services
- Electronic Patient Index – an electronic system, known as the Northumberland, Tyne and Wear Patient Index enables all searches to identify records that may be held in other parts of the Trust. It is accessible 24 hours a day, seven days a week,

## Complaints

Sometimes people are unhappy about the quality of services we provide and they complain to us. We investigate all complaints and find out why the people complaining are not happy about what we are doing.

In the last year, 172 people complained formally to the Trust. People who complained were unhappy with things like:

- care and treatment
- the attitude of staff
- communication / information to patients
- admission, discharge and transfer arrangements
- delay / cancellation of appointments

We have listened to what people have said and learnt from their feedback so that we can improve our services.

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We are required to respond to complaints within a specific timescale and resolve as many complaints locally as possible.

During 2006, the Healthcare Commission asked us to review the complaints processes across our new organisation and improve them.



We now have better processes in place which help us to reply more quickly and respond to complaints across the Trust in a consistent and thorough way.

## Patient Advice and Liaison Services

Patient Advice and Liaison Services (PALS) aims to:

- Advise and support patients, their families and carers; listening to their concerns or suggestions and helping them to sort out problems quickly.
- Provide information on NHS Services.

South of Tyne Patient Advice and Liaison Services gained national recognition this year for their service user led model with their input into a national evaluation of the service. They also had continued success over the last year with a large increase in people using the service.

The North of Tyne Patient's Voice, a partnership of local Trusts North of Tyne provides Patient Advice and Liaison Services North of Tyne. Reports from the Patient Advice and Liaison Services are reviewed regularly with the aim of identifying any recurrent themes / trends which require action.

## Good practice

Our achievements throughout the year included:

- NHS Security Management – in 2006 two members of staff, Tony Gray, Head of Safety, and Craig Newby, Patient Safety Officer, successfully acquired national accreditation as Local Security Management Specialists. The Trust is involved in a pilot with the National Patient Safety Agency to review the reporting into the National Reporting and Learning System.

- A Clinical Environmental Risk Assessment process is in place and all in-patient areas will be assessed over the next 12 months with a view to identifying areas for improvement.
- The Mental Capacity Act 2005, enacted on April 2, 2007, will see major changes in practice. To support this, all health care and allied professionals have had the opportunity to attend awareness road shows. These road shows and training events will continue and evolve with this new legislation.
- Associate Mental Health Act Hospital Managers – areas of best practice have been identified and brought together to enable the Trust to deliver a mental health legislation training programme for Non-Executive Directors and Associate Hospital Managers and develop a comprehensive guide for all Associates.
- A one-year clinical audit project is underway South of Tyne to identify how many people with learning disabilities currently access mainstream mental health services and to complete a self-assessment audit with key stakeholders about the service that people with learning disability and mental health problems currently receive.
- The Insight Team are a group of service users and ex-service users who independently evaluate the quality of care provided by mental health services in Sunderland and North Easington. Benefits include positive interaction with clinicians and service users on the Beeches Ward and Poplars 4 at Cherry Knowle Hospital and the team is currently reviewing the care provided by a community mental health team in Houghton.
- Care plans for people with learning disabilities at Woodland View in Sunderland have been developed using a person-centred approach so that residents and staff can work together to achieve the best possible care. The plans are written in a format that is easy to understand and evaluated on a regular basis.

- A partial booking in system introduced by the South Primary Care Team has reduced *Did Not Attend* (DNA) rates by asking patients referred to the Community Psychiatric Nurse service to contact the department within 14 days to negotiate a convenient appointment. Waiting lists have been significantly reduced and service users say they like the new system.
- Collingwood Court at St Nicholas Hospital has become the first ward nationally to gain accreditation in the pilot phase of the Royal College of Psychiatrists' Accreditation for Acute Inpatient Mental Health Services (AIMS) project to improve the care provided within acute in-patient wards and standards for service users, carers and staff.
- Ward 21 at North Tyneside General Hospital and Warkworth Ward at St George's Park have been recommended for accreditation and a further three wards – Lamesley Ward, Tranwell Unit, Gateshead, Bede 1, South Tyneside District General and East Willows, Cherry Knowle Hospital – are among nearly 50 wards from all over the UK now signed up to the project.
- A Specialist Clinical Lead for Personality Disorders provides specialist advice and support for all the multidisciplinary teams working with these service users, including the voluntary sector. This improves quality and consistency of care and enables staff to recognise and manage particular risks, for example, with Multi Agency Public Protection Arrangements (MAPPAs). It also enables service users to get together to voice concerns and share experiences which can then be used to develop training and support for staff.

***Comments about the wards receiving AIMS accreditation:***

- “ *All patients spoke positively about the staff, it is very evident that patients are treated with dignity and respect.* ”
- “ *Welcoming, relaxed atmosphere.* ”
- “ *Staff receive training, support, supervision and appraisal on a regular basis.* ”

## Public health

- In 2006 the Trust demonstrated its commitment to improving the health and well-being of its service users and staff with the appointment of an Associate Director within the nursing directorate to manage the public health agenda for the Trust.
- In 2006/07 considerable work has been undertaken to ensure that the Trust complies with the requirements of the Health Act 2006 Code of Practice for the prevention and control of healthcare associated infections, and this will continue into the forthcoming year.
- In January 2007 the Trust introduced its first smoke-free policy to reduce the rates of smoking amongst service users and staff and pilot smoking cessation services will be further developed across the Trust.
- The Trust continued to operate with the Emergency Plans approved by the three former organisations and these were brought together under an overarching policy. A table top pandemic flu exercise was carried out in February 2007 in line with best practice.
- To bring all of the aspects of health and well-being together the Trust will, in 2007/8, develop a health and well being strategy covering not just service users but also staff employed by the Trust.
- The Trust takes an active approach to environmental issues. During 2006/07 more than £600k was invested on energy saving measures to reduce costs and our carbon footprint and a green transport policy is currently being developed along with further energy reduction measures.

## Research and Clinical Effectiveness

- The Trust is leading six major collaborative research programmes, all rated strongly in the 2006 national assessment of Research and Development Annual Reports. These focus on Brain Ageing and Dementia, Child and Adolescent Developmental Research, Evaluating new Mental Health Services, Forensic and Prison Mental Health, Learning Disability, Neurological Rehabilitation, and Treatment Safety and Effectiveness in Severe Mental Illness.
- The Trust hosts the North East hub of the UK Mental Health Research Network and the North East Local Research Network of the Dementia and Neurodegenerative Diseases Network (DeNDRoN).
- We jointly host the National Collaborating Centre for DeNDRoN with Newcastle Hospitals Foundation Trust and Newcastle University and are working closely with them on the development of a new Biomedical Research Centre on Ageing. We are also collaborating with these organisations to bid to develop the North East Local Network of the new Comprehensive Research Network.
- Our approach to clinical effectiveness is to base it on National Institute for Health and Clinical Excellence (NICE ) guidance and our staff have had a leading role in the development of several NICE guidelines.
- The proposed new organisational structure for Research and Clinical Effectiveness, includes closer links with Clinical Governance and Workforce Development staff and a new post of NICE Implementation Manager, as recommended by NICE.

## Improving Access

- Clinical psychologists and other psychological services staff are involved in a number of initiatives to make best use of the resources available to the Trust to improve access to psychological services.
- The Trust is collaborating with the Care Services Improvement Partnership (CSIP) on pilot work to improve access through improving the efficiency of our systems and introducing new "low intensity interventions", including computerised cognitive behaviour therapy and large stress control groups.
- Several staff in the Trust are involved in work at national level, jointly led by CSIP and the British Psychological Society to develop new ways of working for applied psychologists. This includes more systematic use of the most skilled staff to provide training and continuing clinical supervision so that many more clinical staff are able to provide psychological therapies at appropriate levels of complexity.
- Two National Institute for Health and Clinical Excellence (NICE) guidelines on personality disorders are expected to be issued later this year, and staff in the Trust are collaborating to improve the co-ordination of staff training and service delivery in preparation for the publication of this guidance .

# Working together

The Trust's priorities for 2006/07 included:

**Ensuring effective transition to a single merged organisation with:**

- Effective staffing structures
- Common information systems, including an electronic staff record
- Excellent working relationships with staff

**Developing effective partnerships with:**

- Staff and staff side representatives
- Users and carers – being patient centred in all we do
- Commissioning partners
- Local authorities
- Independent sector providers

## Our Staff

Working with and supporting staff is a high priority for the Trust. All staff transferred from the three former Trusts to the new organisation under their current Terms and Conditions.

The merger of the three former Trusts primarily affected support services and senior management staff. A Human Resources Framework was developed and agreed with Staff Side representatives with the aim of ensuring:

- Staff affected by the merger knew how the changes would be managed, how the merger was likely to affect them personally and the support available to them through the change process

- The recruitment processes were transparent, competency based and fair
- The best people were appointed to leadership positions as quickly as possible to give personal certainty, avoid the loss of momentum and support transition to new organisational structures

The Trust has adopted a functional model of management which we believe will provide greater consistency in the delivery of services.

Whilst putting in place the new management arrangements took longer than originally anticipated, the continued commitment of our staff throughout this difficult time has been commendable.

All three former organisations achieved the National Improving Working Lives Practice Plus status in early 2006. This demonstrated the achievement of a consistently high standard of people management. The challenge is to ensure that we build on this success and that the benefits of excellence in employment practice are felt by all staff, wherever they work.

The Human Resources Team and Improving Working Lives champions across the Trust worked hard last year to bring together the previous work and good practice and a new Trust-wide Steering Group, including Staff Side representatives, has now been established. The Group meet on a monthly basis and are working on health promotion, flexible working, stress at work initiatives and support for staff with childcare and carer responsibilities.

A new Staff Handbook has also been developed together with a quarterly newsletter, "Have you Heard". An electronic newsletter is circulated regularly with printed copies available to ensure all staff have easy access to the information.



## Staff Survey

In October, 2006 a random selection of 850 staff were asked to take part in the 2006 NHS Staff Survey carried out by the Healthcare Commission. More than 460 of them filled out questionnaires focussing on key areas affecting how they felt about the Trust as an employer.

Areas covered included training, communications, safety at work and learning and development. Staff rated the Trust as above average for areas including work/life balance and quality of feedback and staff involvement and also for health and safety training and procedures for reporting errors.

There were some areas where staff felt the Trust could do better, for example, the number of appraisals carried out and availability of training. Work is already underway on these issues to ensure improvements are made.

## Equality and Diversity

The Trust is committed to implementing equal opportunities and managing diversity in employment and the delivery of high quality services. One way is by making its services accessible to all individuals in local communities who need mental health, learning disabilities , neuro-rehabilitation and substance misuse services.

In order to develop an Equality & Diversity (E&D) strategy, it was recognised that work was needed to create the right type of culture. So the Training & Development Centre looked at the various ways of introducing and improving the way diversity is managed within the Trust.

Partnership working between the Training & Development Centre and Estates and Facilities led to the creation of an E&D Workbook. Other projects include three one day 'Train the facilitators' workshops aimed at Managers and Supervisors. Delegates who attended the

workshops will be acting as E & D champions throughout the Trust and it is hoped to find more champions from other service areas.

The Trust has always aimed to attract, secure and develop a workforce at all levels that reflects the diversity of the communities it services, as well as ensuring that everyone feels valued and is treated with dignity and respect.

It has engaged fully with its responsibilities under the Disability Discrimination Act (1995) and the amendment to that Act in 2005, which places a general duty on public bodies to promote disability equality through the publication of disability equality schemes.

*Domestic Supervisor, Sheila Johnston attended the first workshop. She said: "Interesting and rewarding – it made me think and reflect on many things."*

*Fiona Appleton, senior administration officer, said: "I have volunteered for the next 'Train the Facilitators' workshop and I am looking forward to being involved, learning more about E & D and how it will affect the department."*

## Training news

- In 2006 The Trust was awarded a 'train to gain' contract through the Learning and Skills Council . The contract, for NVQ2 delivery is worth £500,000 over two years. It means the Trust can continue to offer NVQ awards not only at level 2 but also extend level 3 and 4 across the organisation and service areas.
- The training department based at Northgate is currently offering an Information Advice and Guidance (IAG) service to enable as wide a range of people as possible to access support and advice. The vocational training co-ordinator has been appointed in a Sector Advocate role with the Learning and Skills Council to engage staff with IAG – the only role of its kind in the country.
- In line with the national Skills for Life strategy, the training department at Northgate has worked with outside agencies to arrange for support sessions to provide anyone in the Trust, at any level (up to GCSE) support with maths, english or english spoken language. They can also arrange for staff to sit a national test for literacy or numeracy and can offer free and confidential support with dyslexia.
- A Learner's Day was organised on the Northgate site and attracted over 150 people. Liz Latham, the Director of Human resources, and Peter Cafferty, Chairman of staff side, signed the joint learning agreement which formalises the successful partnership between the union learning representatives and the Trust to deliver the Skills for Life and IAG agenda. We also plan on building on our shared success by organising future learning day events throughout the Trust.

## Success Stories

*The Trust has been recognised as a model of good practice for its work and appears as a case study on the national Skills for Health website.*

*On an individual level we have worked with staff to provide them with opportunities, both personal and professional.*

### **Lee Campbell**

*Worked for the Trust for a number of years and wanted to do his nurse training. He achieved his NVQ2 in Care in just over twelve weeks, gained level 2 in both his literacy and numeracy and was then successful in obtaining a place on nurse secondment.*

### **Paul Bates**

*Works as a domestic assistant and approached the training department for support with literacy and numeracy. He is attending an Open Door Project in his local area and working towards his national test in both literacy and numeracy.*

### **Kerry Cafferty**

*Having received support from her Union, Kerry sat her level 2 literacy and numeracy. This and the NVQ level 3 in care she achieved has enabled her to gain a place on the nurse secondments available through the Trust.*

## Nurse training

- The first Trust-wide newly qualified nursing orientation programme started in March 2007, organised and run by two Practice Development Nurses, Rod Bowles and Harry Cape. Fifty two Mental Health and Learning Disability nurses from across the Trust took part in the two week programme at two locations, one North and one South of the Tyne.

All statutory and mandatory training requirements and core developmental nursing issues and subjects were covered. The wide range of topics included the Mental Health Act, medicines management, service user and carer involvement, child and vulnerable adult protection, care coordination and the Nursing and Midwifery Council (NMC) code of professional conduct.

### Comments received from the newly qualified nurses:

- “ *This induction has been beneficial to me personally, and I have learnt so much these two weeks ...and I now feel things are much clearer for me to be able to take with me when I begin my career as a qualified nurse. "*
- “ *I hoped that I would come out of this course with more confidence in my ability to practice as a nurse. Has this been met? Above and beyond!!"*
- “ *Very informative – gives reassurance and confidence in beginning my career as a nurse "*

- The Trust has started to develop an integrated nursing workforce to provide opportunities for mental health and learning disability nurses to learn the knowledge and skills to work across branch specialisms as competent practitioners. This potential movement of staff across traditional boundaries will ensure a truly person centred approach to service delivery.

We will create accredited development opportunities for practitioners, strengthen our multi professional teams and provide a truly flexible and integrated workforce. We will evaluate the programme and will seek to share this work with other organisations.

- The Trust provides more than 200 placement opportunities to student nurses to undertake training to develop the competencies required of a Registered Nurse. A two-week orientation programme is now available to enable newly qualified nurses make a smooth transition into the organisation.
- The Trust supports equal access to development opportunities and will continue to investigate and develop new and innovative career and development pathways for health care assistants.
- The Trust will also focus attention on the development of pathways which will continue this strong and structured approach to development and provide greater opportunity to the non professionally qualified workforce.

## Listening to others

One of the key values underpinning everything the Trust does is to listen to the views of others. So the Trust works closely with partner organisations, stakeholders, service user and carer groups and individuals to ensure that their views are heard and help shape our activities.

A number of key events took place during the Trust's first year to make sure that happened. In May 2006, 65 people took part in a

Listening Event for service users and carers to tell the Trust what they wanted to see happening within services over the next few months and years.

Working in groups, they discussed their ideas and how they could work together in the future to influence developments. The information from that event was reported back to the Trust Board.

Within the Trust, a series of eight half day events took place in June 2006 to enable staff groups to explore their vision for their particular service and again, the information was used by the Trust Board to shape immediate priorities.

A consultation process to clarify and shape the Trust's strategic direction for the next five years took place in Spring 2007. This aimed to obtain further views from partners, service users, carers, staff and their representatives, the public and voluntary organisations about how relevant the proposed vision, aims, values and priorities were to them.

If the Trust achieves Foundation Trust status in April 2008, this will provide an even greater opportunity for service users, carers, staff and local people to become involved in the management of the Trust.

### **Patient and Public Involvement Forums (PPI)**

PPI Forums were established nationally with the aim of improving the quality of NHS services by bringing to Trusts the views and experiences of patients, their carers and families. Over the year, the PPI Forum Tweed, Tyne and Wear have been involved in a variety of initiatives including ward visits, the development of Walkergate Park, a steering group for bi-polar services and the Domain Groups.

# Planning for the future

## The Trust's priorities for 2006/07 included:

- Development of the Trust's Business Model to include:
  - A service development strategy
  - Exploring Foundation Trust status

## Our service development strategy

The Trust's service development strategy sets out our overall vision, the context and environment in which we deliver services, our strengths and weaknesses and the specific direction of the organisation. It has been developed in consultation with service users, carers, staff, commissioners and other stakeholders.

The main areas for development are:

- Modernising services for all adults:
  - Reducing reliance on in-patient beds
  - Providing more services close to home
  - Ensuring that in-patient environments promote better mental health and wellbeing, are appropriately staffed by people who are well trained and provide high quality care
- Continued development of our specialist services and existing centres of excellence
- Developing appropriate assessment and treatment services for people with learning disabilities and services for people with complex needs

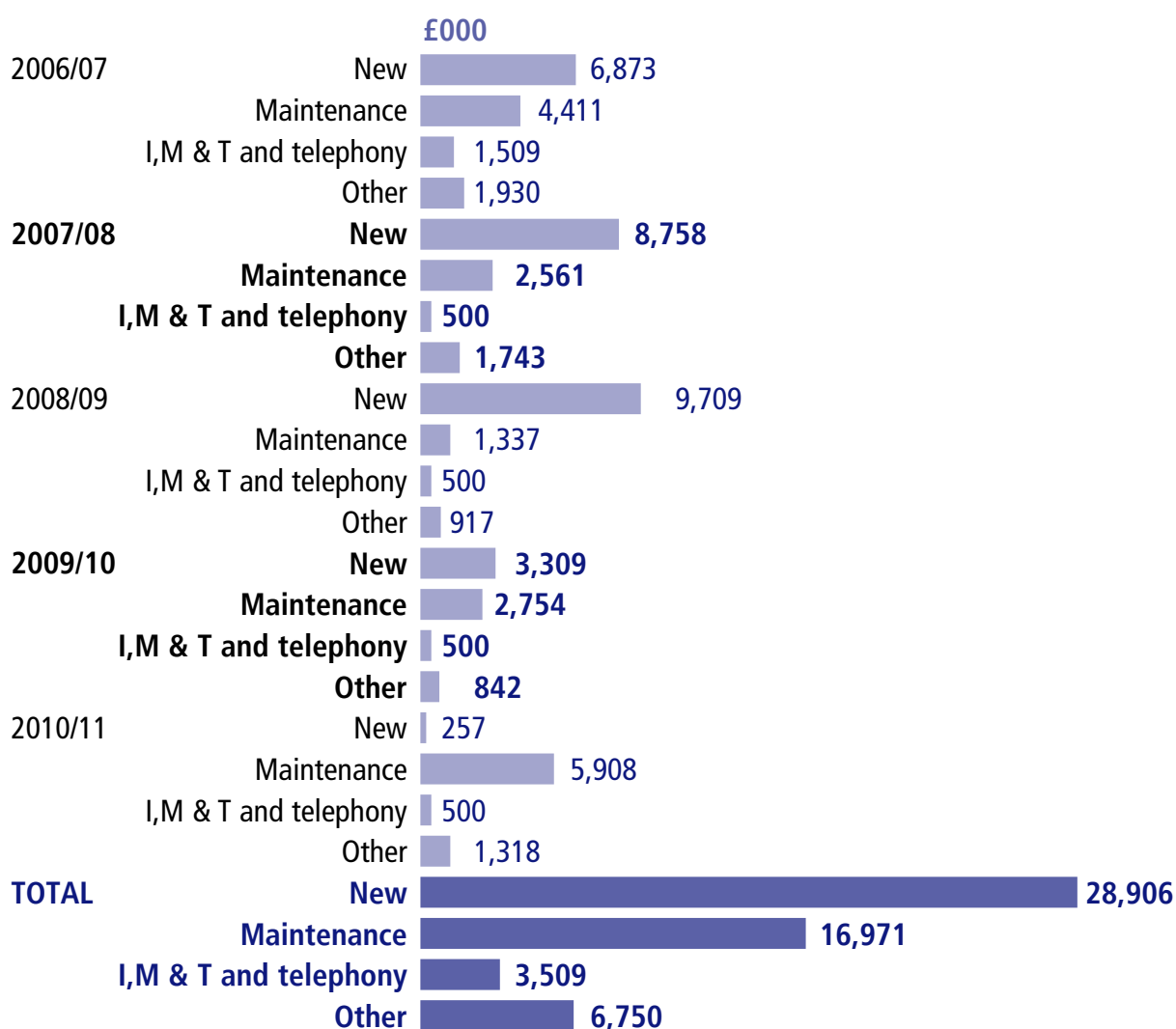


We are committed to addressing the key challenges which may impact on our ability to achieve our strategic objectives. These include the current financial environment involving North of Tyne, the potential for increased competition from the private sector and other NHS providers who are seeking to develop specialist services and the need to develop more effective workforce management.

We also need to bring together the information systems inherited from the three merged organisations, address estate issues and ensure we have the management capacity to deliver change.

The Trust plans to invest over £55 million to improve its premises and also invest in new information systems to ensure everything is in place to enable services to be developed as described above.

### Capital Programme 2006/2011



## Becoming an NHS Foundation Trust

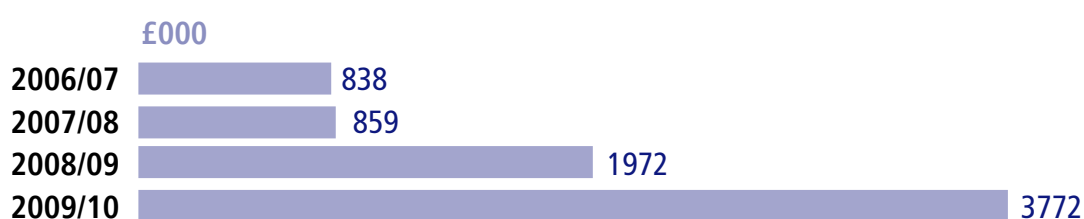
In autumn 2006 the Trust Board spent a lot of time exploring the potential benefits of applying to become an NHS Foundation Trust. Several seminars and discussions took place which allowed members of the Board to understand the implications of being an NHS Foundation Trust and the recommendation to proceed was backed by the Strategic Health Authority at a Board to Board meeting at the end of November.

As a part of the process, the Trust carried out an extensive Diagnostic Programme over the summer and early autumn. The programme helped us identify areas where the Trust is doing well and aspects which need some improvement. Formal Project Management arrangements were put in place and a project plan developed with the aim of becoming an NHS Foundation Trust during 2008.

Some of the benefits enjoyed by NHS Foundation Trusts include greater involvement of the public, service users and carers and our staff in plans for service development, as well as important financial freedoms which come with the implementation of even more rigorous management of our finances. This will include our being able to generate financial surpluses which we can decide locally, with our Council of Governors, how to invest in services.

We will be consulting on our proposed governance arrangements over the summer and plan to submit our application for Foundation Trust status to the Department of Health in November 2007.

Over the next five years the Trust is also planning to develop its underlying cash balances to just under £4 million to further underpin its financial stability. See below for forecast growth in cash.



# Financial Review

The Trust's priorities for 2006/07 included:

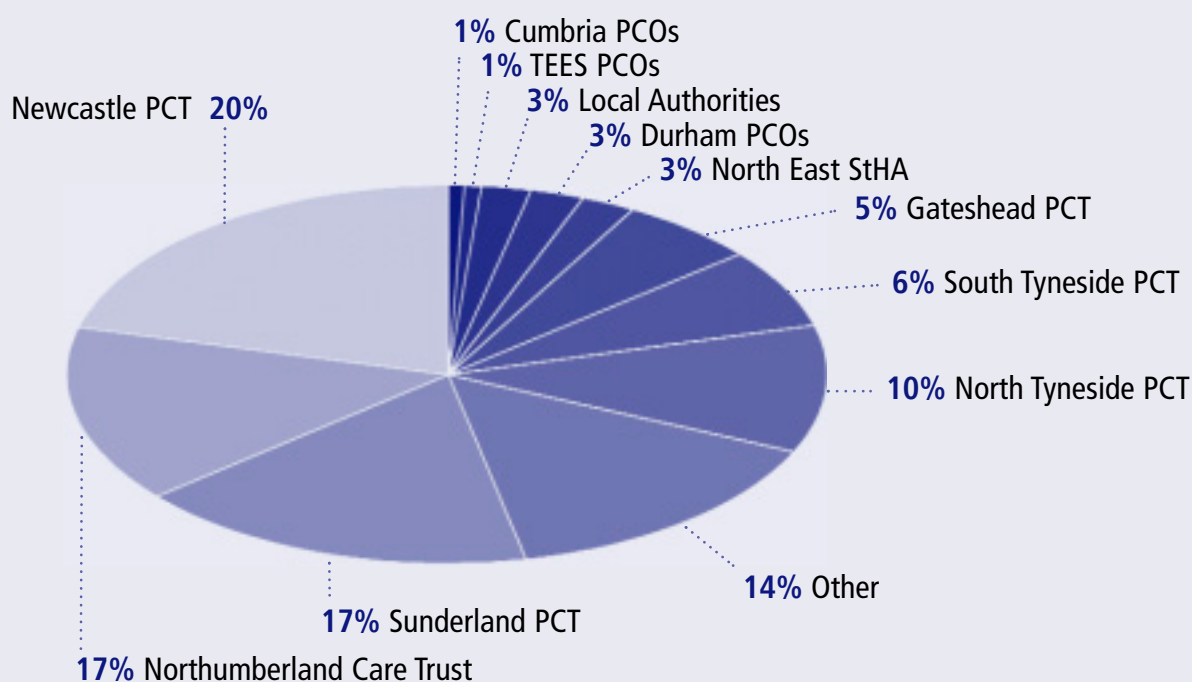
- Achieving robust financial health.
- Developing a Trust business model to include:
  - Long term financial model
  - Business segmentation

## Trust Performance 2006/07

### Financial Performance

The Trusts overall income in 2006/07 was £280m. A breakdown of overall income, by commissioner, is shown below:

#### Income by Commissioner



A breakdown of key areas of expenditure is shown below:

## Expenditure

	£000
Services from other NHS bodies	13,527
Staff and Directors costs	209,591
Supplies and services – clinical	9,374
Supplies and services – general	4,728
Establishment	7,112
Transport	2,117
Premises	12,283
Depreciation and amortisation	5,831
Fixed asset impairments and reversals	3,554
Other	3,788

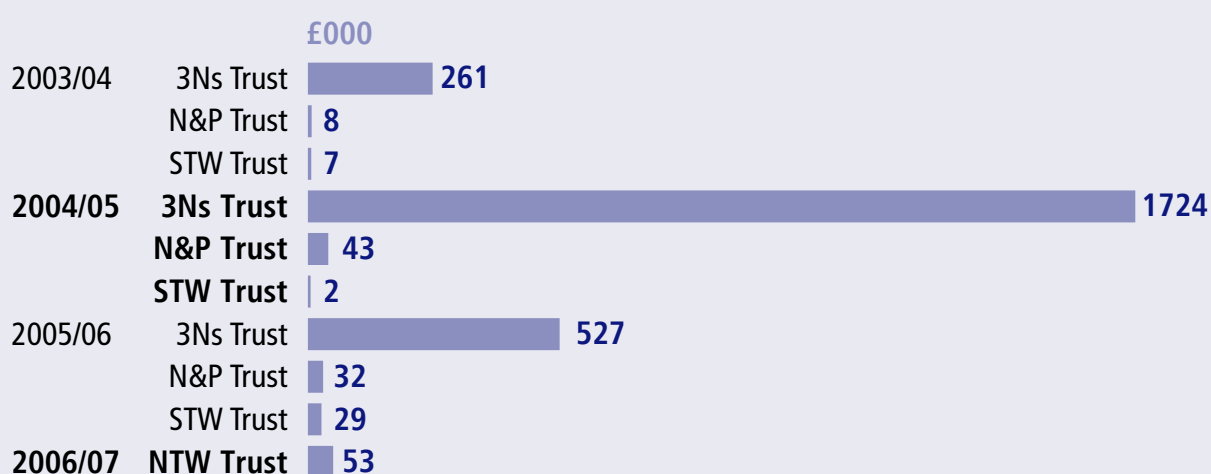
In May, 2006 the new Trust agreed its first Financial Strategy. The Strategy was developed building on the work undertaken by the merger project team, which had been in existence across the three former Trusts since October 2005. The financial context for the strategy was that each Trust reported financial balance but with differing historical background and current issues.

Newcastle, North Tyneside and Northumberland Mental Health NHS Trust had reported a deficit of £1.9m in 2002/03, but had recovered this in full before merger by reporting surpluses in each of the following three years to merger

Northgate and Prudhoe NHS Trust had reported consistent financial balance over that period but were midway through a process of service retraction as the Trust implemented the goals of Valuing People by working with commissioners of services to close residential wards for people with learning disabilities and help people to move back into their local communities. It was planned that the Trust would release over £7m from closure of these wards to support the development of community based services. In addition the social and residential services commissioned by social services were running at a deficit due to long term differentials between local authority

inflation uplifts and health service costs. This was balanced by strong financial performance on specialised services provided by the Trust. South of Tyne and Wearside Mental Health NHS Trust, again reported financial balance over this period but had increasingly been forced to manage financial pressures through non-recurring means. The historical and in year performance of the Trusts is shown graphically below:

### Breakeven Performance



The financial strategy of the new Trust was primarily to deliver financial stability through the management of the merger, and to create a financial platform on which the developing strategy of the new Trust could be built. The financial position of the local health economy presented further pressures, with all commissioners within Northumberland, Tyne and Wear requesting additional cost reductions of 1% from mental health and disability services, and the North of Tyne Commissioning Consortium requiring savings of 2.85%.

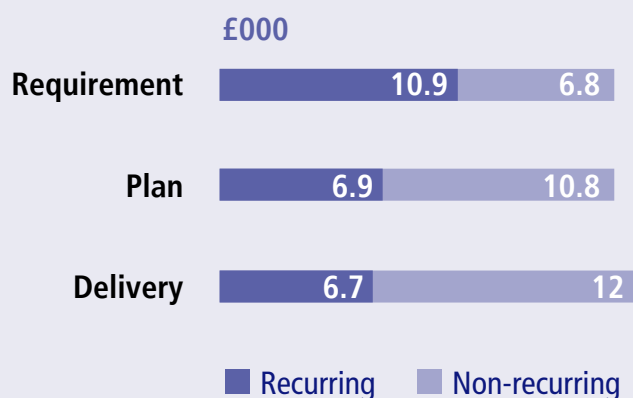
The combined outcome of the above was to leave the Trust with an efficiency programme requirement of just over £24m to be delivered over 3 years. This represents a challenging target and we developed

plans to phase in the delivery of recurring savings over the period, recognising that as a new Trust, there would be particular difficulties in managing this programme while going through a process of managerial change.

Of the £10.9m target in 2006/07 the Trust delivered £6.7m in recurring savings with the remaining £4.2m carried forward to be delivered in 2007/08. This was roughly in line with planned delivery in the current year. The balance of the savings were delivered through one off measures. A further £7.8m of such measures were delivered to support one off costs such as costs of re-structuring, project costs, spend to save schemes, reductions in asset values, and also to enable the Trust to deliver £1.4m in non-recurring support to the North of Tyne Health economy as part of our agreement to deliver part of the 2.85% saving required.

The Trust received additional income of £3.6m in year as a result of the financial performance of Newcastle, North Tyneside and Northumberland NHS Trust in 2005/06, which supported delivery of the non-recurring requirement. Analysis of the efficiency programme for 06/07 is shown graphically below.

### Analysis of Efficiency Programme 2006/07



The Trust therefore exceeded its overall efficiency programme in year, and delivered a small surplus. In addition the Trust agreed and managed a further non-recurring reduction in income of £5m from Northumberland Care Trust to support the financial position across the health economy, through ongoing management of contingency reserves through the year.

In addition to breaking even, the Trust delivered all of its other financial targets:

- We kept our net borrowing within the target set by Government (External Finance Limit)
- We paid the right amount back to the Government for the use of our buildings, land and equipment (External Finance Limit). This equated to 3.5% of the average value through the year, which exactly matches the target
- We underspent against the amount we were allowed to spend on new land buildings and equipment (Capital Resource Limit).
- We paid the people who provide us with goods and services on a timely basis (Better Payment Practice Code). Performance against the government target is that all creditors should be paid within 30 days, and this is disclosed on *page 79*.

As previously described within this report the Trust has seen significant investment in capital assets over the last year with the opening of St. George's Park, Morpeth and the Bamburgh Clinic at St. Nicholas Hospital.

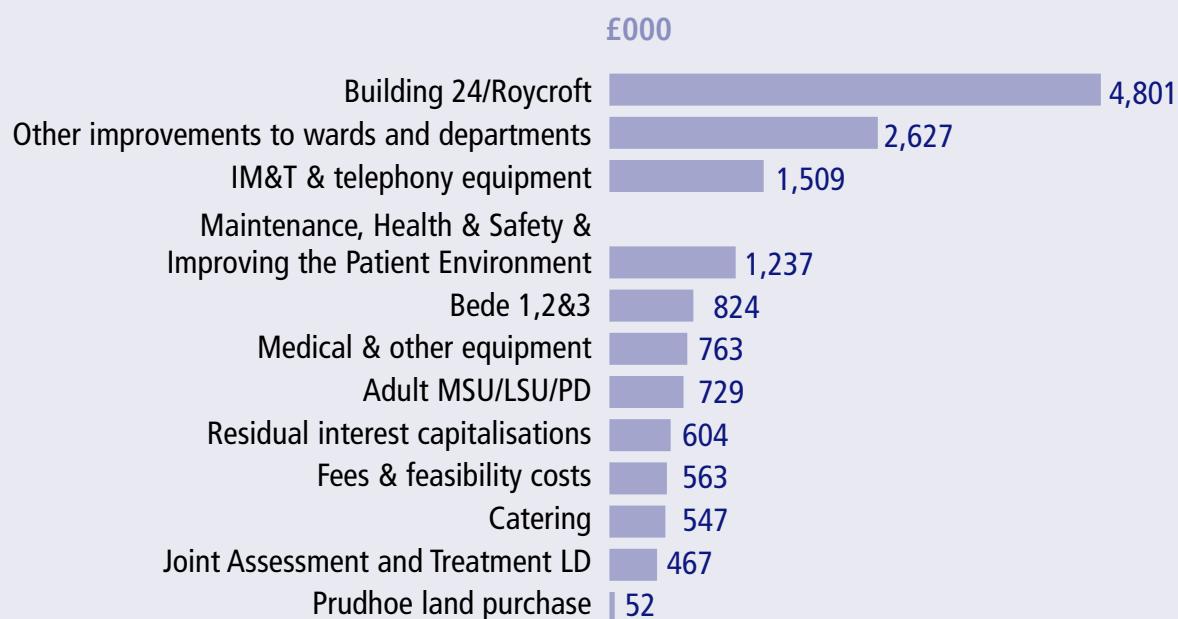
Work also commenced on the development of Psychiatric Intensive Care Units in Newcastle and South Tyneside, the upgrading of the Roycroft Clinic and the construction of a new Adolescent Medium Secure Unit for people with learning disabilities.

We invested £500k in improving the patient environment Trust wide and a similar figure in improving the environment particularly at

Cherry Knowle Hospital. Finally we invested around £1.5m on spend to save schemes Trust-wide

Overall we underspent against our Capital Resource Limit by over £2.5m at the year-end, but managed to progress and deliver over £14m worth of capital investment in our first year of operation. The underspend was largely due to our inability to progress a scheme for a new treatment and assessment unit for people with learning disabilities living in Gateshead and South Tyneside. This will now be taken forward in 2007/08. An analysis of capital investment is shown below:

### Analysis of Capital Investment





## The Control Framework

The Assurance Framework provides the Board with assurances that it is managing its business in an effective way.

The Trust is required to have an effective Assurance Framework for the statutory accounts and Annual Report.

An Assurance Framework was developed for the new Trust based upon the Trust's Strategic and Operational Objectives and it is the main tool in the management of the principal risks to the Trust achieving its objectives and is underpinned by a Risk Register.

The Trust has developed an integrated governance structure, established to assure the Trust Board that processes are in place to deliver Core and Developmental Standards, and associated national and local targets. This structure is designed around the domains identified within Standards for Better Health, with 5 Domain Committees, and 3 committees providing assurance on corporate governance issues.

The Trust has an established Audit Committee, made up of 3 Non-Executive Directors, which reports directly to the Board. Its main objective is to ensure that there is an effective system of integrated governance, risk management and internal control across the organisation. The role of the Committee has developed to meet this challenge by being more pro-active and extending its influence to provide advice to the Board on risk, controls and governance. The Committee achieves its duties through the agreement of internal and external audit plans and the review of progress reports including reports from the Domain Committees. Discussions take place with both sets of Auditors and management as the basis for obtaining explanations and clarification. Annual Reports from the Auditors (Annual Internal Audit Report and the External Audit Annual Letter), delivered within the context of risk-based plans, are the key documents from which the Committee derives assurance. The Audit Committee also reviews its own effectiveness against National Best

Practice on an annual basis and has revised its Terms of Reference in the current year to meet the requirements of the Audit Committee Handbook.

James Duncan  
Director of Finance  
August 2007

*James.Duncan@ntw.nhs.uk*

## Charitable Funds

When Northumberland, Tyne and Wear NHS Trust was formed in April 2006, the existing registered charitable funds of the South of Tyne and Wearside Mental Health NHS Trust (registration number 10598731) and Northgate and Prudhoe NHS Trust (registration number 1060164) funds were both transferred by the Secretary of State to the corporate trusteeship of Northumberland, Tyne and Wear NHS Trust. Both remain separate charities registered with the Charities Commission.

The former Newcastle, North Tyneside and Northumberland Mental Health NHS Trust had no separately registered charitable funds as their funds were held and administered within the Newcastle Healthcare Charity (registration number 502473), and this continues to be the case.

In addition, Newcastle Healthcare Charity held and administered funds relating to Hunters Moor Hospital, which was part of the Northgate and Prudhoe NHS Trust, and this also continues to be the case.

Total net assets are as follows:

**Northumberland, Tyne and Wear NHS Trust**

- Ex South of Tyne and Wearside Mental Health NHS Trust £378,000 (31/3/06, £300,000)
- Ex Northgate and Prudhoe NHS Trust £322,000 (31/3/06, £366,000)

**Newcastle Healthcare Charity**

- £591,000 (31/3/06 £566,000)

Details of the funds relating to the Trust are included in separate annual reports, available as follows:

- Director of Finance, Northumberland, Tyne and Wear NHS Trust, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle Upon Tyne, NE3 3XT.
- Newcastle Healthcare Charity, Charity Funds Office, Room 203, Cheviot Court, Freeman Hospital, High Heaton, Newcastle upon Tyne, NE7 7DN.

## Statement of Directors' responsibilities in respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of the Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period. In preparing those accounts, the Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury
- make judgements and estimates which are reasonable and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

Alan Hall  
Chief Executive  
13 June 2007

James Duncan  
Finance Director  
13 June 2007

## Statement of the Chief Executive's responsibilities as the accountable officer of the Trust

The Secretary of State has directed that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Department of Health.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an accountable officer.

Alan Hall  
Chief Executive  
13 June 2007

# Independent Auditor's report to the Directors of the Board of Northumberland, Tyne and Wear NHS Trust

## Opinion on the financial statements

I have audited the financial statements of Northumberland Tyne and Wear NHS Trust for the year ended 31 March 2007 under the Audit Commission Act 1998. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies relevant to the National Health Service set out within them.

This report is made solely to the Board of Northumberland Tyne and Wear NHS Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

## Respective responsibilities of Directors and Auditor

The Directors' responsibilities for preparing the financial statements in accordance with directions made by the Secretary of State are set out in the Statement of Directors' Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

I review whether the Directors' statement on internal control reflects compliance with the Department of Health's requirements contained

in "Statements on Internal Control 2006/07" issued on 2 April 2007. I report if it does not meet the requirements specified by the Department of Health or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Directors' statement on internal control covers all risks and controls. I am also not required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only of the Foreword, the unaudited part of the Remuneration Report, the Chief Executive and Directors' Statements and financial information contained within the Financial Review and elsewhere in the report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of Audit opinion**

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me

with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England, of the state of the Trust's affairs as at 31 March 2007 and of its income and expenditure for the year then ended; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State as being relevant to the National Health Service in England.

David Jennings

Audit Commission

Gateshead

13 June 2007



# Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

## Directors' Responsibilities

The Directors are 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 regularly to review the adequacy and effectiveness of these arrangements.

## Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for NHS bodies specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Trust has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

## Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for NHS bodies specified by the Audit Commission and published in December 2006, I am satisfied that, in all significant respects, Northumberland, Tyne and Wear NHS Trust made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2007.

## Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

**David Jennings**

District Auditor

Nickalls House

Metrocentre

Gateshead

Tyne and Wear

NE11 9NH

June 2007

## Summary financial statements

The financial statements which follow are only a summary of the information contained in the Trust's Annual Accounts. The Trust's Auditors, the Audit Commission, have issued an unqualified report on the annual accounts.

A full set of accounts and the full Statement on Internal Control are available on request from: Mr James Duncan, Director of Finance, Finance Directorate, Modular Building, St Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT.  
(James.Duncan@ntw.nhs.uk)

The audit fee of £252,625 (£215,000 + VAT) for 2006/07 related entirely to the statutory audit and services carried out in relation to the statutory audit.

## Foreword to the accounts

These accounts for the year ended 31 March 2007 have been prepared by the Northumberland, Tyne and Wear NHS Trust under section 98(2) of the National Health Service Act 1977 (as amended by section 24(2), schedule 2 of the National Health Service and Community Care Act 1990) in the form which the Secretary of State has, with the approval of the Treasury, directed.

## Income and Expenditure Account for the Year ended 31 March 2007

	2007 £000	2006 £000	
Income from activities	242,842	231,814	Money we received for delivering health care, mainly from other health bodies
Other operating income	36,879	37,186	Money we received from other operations – such as providing social services and non-healthcare services to other Trusts
Operating expenses	<u>(271,905)</u>	<u>(261,331)</u>	
<b>Operating surplus</b>	<b>7,816</b>	<b>7,669</b>	Money spent in delivering our services.
Loss on disposal of fixed assets	<u>0</u>	<u>0</u>	Bank interest received
<b>Surplus before interest</b>	<b>7,816</b>	<b>7,669</b>	Interest paid on the late payment of invoices
Interest receivable	614	478	
Interest payable	(1)	0	Adjustments made to account for changes in money value over time
Other finance costs – unwinding of discount	(81)	(45)	
Other finance costs – change in discount rate on provisions	<u>0</u>	<u>(489)</u>	
<b>Surplus for the financial year</b>	<b>8,348</b>	<b>7,613</b>	One off adjustment against 2005/06 figure to account for the change in discount rate (used to calculate changes in money value over time) applied to provisions for liabilities and charges from 1 April 2005.
Public Dividend Capital dividends payable	<u>(8,295)</u>	<u>(7,025)</u>	
<b>Retained surplus for the year</b>	<b>53</b>	<b>588</b>	Money paid to the government for the use of our land and buildings
All income and expenditure is derived from continuing operations.			We are required to make sure we do not spend more than we receive. This year we spent £53,000 less than we received.

## Note to the Income and Expenditure Account for the Year Ended 31 March 2007

	2006/07 £000	2005/06 £000
Retained surplus for the year	53	588
Financial support included in retained surplus for the year		
– NHS Bank	0	0
Financial support included in retained surplus for the year		
– Internally Generated	0	0
<b>Retained surplus for the year excluding financial support</b>	<b>53</b>	<b>588</b>

The Trust has agreed a £5.0 million reduction in income for 2006/07 with Northumberland Care Trust.

## Balance Sheet at 31 March 2007

	31 March 2007 £000	31 March 2006 £000	
<b>Fixed assets</b>			
Intangible assets	9	11	Value of software licences used as assets but not owned.
Tangible assets	236,132	223,720	Value of land, buildings and equipment that we own
	<u>236,141</u>	<u>223,731</u>	
<b>Current assets</b>			
Stocks and work in progress	322	401	
Debtors	16,625	13,859	Amount owed to us that we will receive within a year – mainly from other NHS organisations
Cash at bank and in hand	838	781	
	<u>17,785</u>	<u>15,041</u>	
<b>Creditors: Amounts falling due within one year</b>	<u>(14,536)</u>	<u>(15,727)</u>	Amount we owe that is due to be paid within a year, mainly to other NHS organisations
Net current assets / (liabilities)	3,249	(686)	
<b>Total assets less current liabilities</b>	<u>239,390</u>	<u>223,045</u>	
Provisions for liabilities and charges	(5,951)	(9,545)	Amount set aside to cover events that have happened in the year for which we expect to have to make a payment
<b>Total assets employed</b>	<u>233,439</u>	<u>213,500</u>	
Financed by:			
<b>Taxpayer's equity</b>			Amount that the government has notionally invested in the Trust
Public dividend capital	224,531	211,668	
Revaluation reserve	6,928	0	Increase in the value of land and buildings since the Trust was set up
Donated asset reserve	1,905	1,805	
Government grant reserve	22	27	
Income and expenditure reserve	53	0	Net amount by which income has exceeded expenditure since the Trust was set up
<b>Total taxpayer's equity</b>	<u>233,439</u>	<u>213,500</u>	

Tangible fixed assets of £111,000 related to land valued at open market value.

The financial statements on pages x to x were approved by the Board on 13 June 2007 and signed on its behalf by:

Alan Hall  
Chief Executive  
13 June 2007

## Statement of Total Recognised Gains and Losses for the Year Ended 31 March 2007

	2006/07 £000	2005/06 £000
Surplus for the financial year before dividend payments	8,348	7,613
Fixed asset impairment losses	(486)	(3,221)
Unrealised surplus/(deficit) on fixed asset revaluations/indexation	7,558	6,213
Increases in the donated asset and government grant reserve due to receipt of donated and government grant financed assets	0	1,394
<b>Total gains and losses recognised in the financial year</b>	<b>15,420</b>	<b>11,999</b>

This statement shows any gains or losses from the income and expenditure account plus any movements in reserves. In the accounts of a company, the total would be the amount owed to shareholders.

## Cash Flow Statement for the Year Ended 31 March 2007

	2006/07 £000	2005/06 £000
<b>Operating activities</b>		
Net cash inflow from operating activities	9,883	12,520
<b>Returns on investments and servicing of finance:</b>		
Interest received	593	470
Interest paid	<u>(1)</u>	<u>0</u>
Net cash inflow from returns on investments and servicing of finance	592	470
<b>Capital Expenditure</b>		
(Payments) to acquire tangible fixed assets	(15,029)	(25,216)
Receipts from sale of tangible fixed assets	<u>63</u>	<u>311</u>
Net cash outflow from capital expenditure	(14,966)	(24,905)
<b>Dividends Paid</b>	(8,295)	(7,025)
Net cash outflow before management of liquid resources and financing	<u>(12,786)</u>	<u>(18,940)</u>
<b>Financing</b>		
Public dividend capital received	12,863	18,554
Public dividend capital repaid (not previously accrued)	0	(904)
Other capital receipts	0	1,348
Net cash inflow from financing	<u>12,863</u>	<u>18,998</u>
<b>Increase in cash</b>	<u>77</u>	<u>58</u>

This is the total operating surplus as per the income & expenditure account, +/- any movements in debtors, creditors, stock, etc.



## Management Costs

	2006/07 £000	2005/06 £000
Management costs	13,793	13,530
Income	279,721	269,000

Management costs are defined as those on the management costs website at [www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en](http://www.dh.gov.uk/PolicyAndGuidance/OrganisationPolicy/FinanceAndPlanning/NHSManagementCosts/fs/en).

## Better Payment Practice Code – Measure of Compliance

	2006/07	
	Number	£000
Total Non-NHS trade invoices paid in the year	61,024	51,397
Total Non-NHS trade invoices paid within target	56,878	49,506
Percentage of Non-NHS trade invoices paid within target	93%	96%
Total NHS trade invoices paid in the year	2,450	93,890
Total NHS trade invoices paid within target	2,114	91,848
Percentage of NHS trade invoices paid within target	86%	98%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

## The Late Payment of Commercial Debts (Interest) Act 1998

	2006/07 £000	2005/06 £000
Amounts included within Interest Payable (Note 9) arising from claims made under this legislation	1	0
Compensation paid to cover debt recovery costs under this legislation	0	0

## Related Party Transactions

Northumberland, Tyne & Wear NHS Trust is a body corporate established by order of the Secretary of State for Health.

During the year the Trust has undertaken the following transactions with companies/organisations with which the indicated Board Members or members of the key management staff or parties related to them has an interest.

	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£
<b>James Duncan – Director Of Finance</b>				
Brother in law a partner in Dickinson Dees.				
Trust paid invoices for Legal Fees totalling £44,300 in 2006/07				
	44,300	0	0	0
<b>Roy McLachlan – Chief Operating Officer</b>				
Trustee for St Oswald's Hospice.				
Trust paid invoices for Consultants Fees totalling £12,600 in 2006/07				
	12,600	0	0	0

The Department of Health is regarded as a related party. During the year Northumberland, Tyne & Wear NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

- City Hospitals Sunderland NHS Foundation Trust
- County Durham and Darlington NHS Foundation Trust
- County Durham Primary Care Trust
- Cumbria Primary Care Trust
- Easington Primary Care Trust

- Gateshead Health NHS Foundation Trust
- Gateshead Primary Care Trust
- Hartlepool Primary Care Trust
- National Assembly for Wales
- National Services Division
- Newcastle Primary Care Trust
- Newcastle upon Tyne Hospitals NHS Trust
- North East Ambulance Service
- North East Strategic Health Authority
- North Tees Primary Care Trust
- Northern England Workforce Confederation
- North Tyneside Primary Care Trust
- Northumberland Care Trust
- Northumbria Healthcare NHS Foundation Trust
- NHS Litigation Authority
- NHS Pensions Agency
- NHS Purchasing and Supply Agency
- Prescription Pricing Bureau
- Sedgefield Primary Care Trust
- Specialised Health Services
- South Tyneside Primary Care Trust
- South Tyneside NHS Foundation Trust
- Sunderland Teaching Primary Care Trust

Other Primary Care Trusts and NHS Trusts are also transacted with in the normal course of the Trust's activities.

In addition, the Trust has had a number of material transactions with other Government Departments and other central and local Government bodies. Most of these transactions have been with the Inland Revenue, HM Customs & Excise, the Department for Education and Skills, Northumberland County Council, Sunderland City Council, Gateshead Council, Newcastle City Council & South Tyneside Council.

# Remuneration Report

## Salary and Pension entitlements of Senior Managers

The Trust has a Remuneration and Terms of Service Committee. Its membership for 2006/07 was made up of the Chair and Non Executive Directors. The policy on the remuneration of Senior Managers is that the Committee's remit covers the remuneration of the Chief Executive and all Directors.

All Senior Managers' contracts are permanent with three months notice (except Chief Executive six months and the Director of Finance four months) and termination payments (including redundancy and early retirement) as per general NHS terms and conditions for all other staff.

Past and present employees are covered by the provisions of the NHS Pensions Schemes. The Scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. As a consequence it is not possible for the NHS Trust to identify its share of the underlying scheme assets and liabilities. Therefore the scheme is accounted for by the Trust as a defined contribution scheme and the cost of the scheme is equal to the contributions payable to the scheme for the accounting period. An NHS Pension Scheme (England and Wales) Resource Account is published annually and these accounts can be viewed on the NHS Pensions Agency website at [www.nhspa.gov.uk](http://www.nhspa.gov.uk). or copies can also be obtained from The Stationery Office.

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

## Period in Office

### Non-Executive Directors

Chair	1/4/06 – 31/3/07	Jules Preston, <i>R</i>
Non-Executive Director	1/4/06 – 31/3/07	Anne Ward Platt, <i>AR</i>
Non-Executive Director	1/4/06 – 31/3/07	Don Chroston, <i>AR</i>
Non-Executive Director	1/4/06 – 31/3/07	Ken Grey, <i>AR</i>
Non-Executive Director	1/1/07 – 31/3/07	Fiona Standfield, <i>R</i>
Non-Executive Director	1/1/07 – 31/3/07	Chris Watson, <i>AR</i>

### Executive Directors

Chief Executive	1/4/06 – 31/3/07	Alan Hall
Director of Finance	1/4/06 – 31/3/07	James Duncan
Director of Human Resources	1/4/06 – 31/3/07	Elizabeth Latham
Medical Director	1/4/06 – 31/3/07	Andrew Fairbairn
Chief Operating Officer	1/10/06 – 15/1/07	Andrew Fairbairn
	16/1/07- 31/3/07	Roy McLachlan
Director of Nursing	1/4/06 – 31/3/07	Gary O'Hare
	1/4/06 – 5/5/06	Colin McCoy

### Operational Directors

Acting Lead Director, South of Tyne	1/4/06 – 30/6/06	Pat Keane
Acting Lead Director, Disability Services	1/4/06 – 30/6/06	Kate Simpson
Director of Adult Services	1/4/06 – 30/6/06	Russell Patton
Director of Learning Disability Services	1/7/06 – 31/3/07	Kate Simpson
Director of Working Age Adult Services	1/7/06 – 31/3/07	Russell Patton
Director of Older People's Services	1/7/06 – 31/3/07	Adele Coulthard
Director of Forensic Services	1/7/06 – 31/3/07	Colin McCoy
Director of Children, Young People and Specialist Services	1/7/06 – 31/3/07	Bruce Dickie

#### *A – Audit Committee*

*Audit Committee Chair – Anne Ward Platt*

*Ken Grey was a member of the Audit Committee from the 1/4/06 – 31/12/06*

#### *R – Remuneration Committee*

*Remuneration Committee Chair – Jules Preston*

## Remuneration

\*2006/07 Benefits in kind rounded to the nearest £100

Name and Title	Other remuneration £000		
	Salary £000		
Jules Preston – Chair	22	0	0
Anne Ward Platt – Non-Executive	6	0	0
Don Chroston – Non-Executive	6	0	0
Ken Grey – Non-Executive	6	0	0
Fiona Standfield – Non-Executive	1	0	0
Chris Watson – Non-Executive	1	0	0
Alan Hall – Chief Executive	147	0	0
James Duncan – Director of Finance	115	0	9
Elizabeth Latham – Director of Human Resources	87	0	0
Andrew Fairbairn – Medical Director	189	0	0
Roy McLachlan – Chief Operating Officer	22	0	0
Gary O'Hare – Director of Nursing	53	0	0
Colin McCoy – Director of Forensic Services	69	0	72
Pat Keane – Acting Lead Director, South of Tyne	28	0	18
Kate Simpson – Director of Learning Disability Services	79	0	0
Russell Patton – Director of Adult Services	78	0	18
Adele Couthard – Director of Older People's Services	61	0	0
Bruce Dickie – Director of Children, Young People and Specialist Services	61	0	5

\* All benefits in kind are leased cars

## Pension Benefits

	to nearest £100	£000	£000	£000	£000	£000	£000	£000
Employer's contribution to stakeholder pension	0	2	7	37	112	574	510	36
Real increase in pension at age 60	0	5	15	19	58	212	148	42
Real increase in lump sum at age 60	0	5	5	20	60	331	287	26
Total accrued pension at age 60 at 31 March 2007	0	13	38	104	313	1,845	1,561	171
Lump sum at age 60 related to accrued pension at 31 March 2007	0	0	1	36	109	560	518	4
Cash equivalent transfer value at 31 March 2007	0	3	9	29	88	366	285	31
Cash equivalent transfer value at 31 March 2006	0	5	16	37	112	532	430	64
Real Increase in cash equivalent transfer value	0	0	1	33	100	511	456	8
Alan Hall – Chief Executive	0	2	7	37	112	574	510	36
James Duncan – Director of Finance	0	5	15	19	58	212	148	42
Elizabeth Latham – Director of Human Resources	0	5	5	20	60	331	287	26
Andrew Fairbairn – Medical Director	0	13	38	104	313	1,845	1,561	171
Roy McLachlan – Chief Operating Officer	0	0	1	36	109	560	518	4
Gary O'Hare – Director of Nursing	0	3	9	29	88	366	285	31
Colin McCoy – Director of Forensic Services	0	5	16	37	112	532	430	64
Pat Keane – Acting Lead Director, South of Tyne	0	0	1	33	100	511	456	8
Kate Simpson – Director of Learning Disability Services	0	2	7	19	56	244	199	29
Russell Patton – Director of Adult Services	0	4	11	17	52	225	168	37
Adele Couthard – Director of Older People's Services	0	3	8	18	53	211	156	26
Bruce Dickie – Director of Children, Young People and Specialist Services	0	16	47	22	66	245	9	124

### Details of compensation payable to former senior employees:

All Director posts within previous organisations were technically redundant on merger. The merger inevitably meant that the number of new Director posts would be less than the total of those in predecessor organisations, and this was acknowledged in the Merger Consultation Document. The result has been that 3 former Directors have taken early retirement on the grounds of redundancy.

**Early retirement and redundancy benefits were paid in accordance with the NHS Pension Scheme and details of the costs were as follows:**

1. Director of Older People's and Specialist Services (ex Newcastle, North Tyneside and Northumberland NHS Trust) ceased on 30 July 2006 with costs of £94,875.
2. Director of Nursing (ex Northgate and Prudhoe NHS Trust) ceased on 31 July 2006 with costs of £400,383.
3. Director of Finance (South of Tyne and Wearside Mental Health Trust) ceased on 8 January 2007 with costs of £499,352.

- As at 31 March 2006, the pension fund for Bruce Dickie had not transferred from the Scottish NHS Pensions Agency.
- Cash equivalent transfer values 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.
- A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme



at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

**Alan Hall**

Chief Executive

13 June 2007

**If you would like to make any comments or have any queries about this annual report please contact:**

Alan Hall  
Chief Executive  
Northumberland, Tyne and Wear NHS Trust  
St Nicholas Hospital  
Gosforth  
NE3 3XT

**You can post your comments on our web site,  
*[www.ntw.nhs.uk](http://www.ntw.nhs.uk)***

**If you wish to receive a copy of this document in an alternative language or format please contact:**

Will Kolosz  
Communications Manager  
Northgate Hospital  
Morpeth  
Northumberland  
NE61 3BP

Tel 01670 394194

**This document can also be viewed on the internet at  
*[www.ntw.nhs.uk](http://www.ntw.nhs.uk)***