NHS
Northumberland,
Tyne and Wear
NHS Foundation Trust

Northumberland, Tyne and Wear NHS Foundation Trust

Annual Report and Accounts 2017 to 2018

Northumberland, Tyne and Wear NHS Foundation Trust

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1. Chair and Chief Executive's Introduction

Introduction from the Chair and Chief Executive

Northumberland, Tyne and Wear NHS Foundation Trust ('NTW' or the 'Trust') is committed to developing services of the highest quality, which enable and empower our service users to reach their potential and live fulfilling lives.

We aim to provide services that are patient centred, accessible and focused on recovery. We also aim to support our service users as close to their home as possible. We work closely with our service users, their carers and our partners in other agencies to deliver integrated care.

We were rated as 'Outstanding' by the CQC in 2016 and in 2017 we were delighted to be awarded the HSJ Provider Organisation of the Year.

By continually developing and improving our services around the needs of service users and their carers, we want to ensure that we can provide high quality, safe, recovery focused care, which is sustainable in the long term.

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

This Annual Report was approved by the Trust's Board of Directors on 23 May 2018.

Ken Jarrold
Chair
23 May 2018

John Lawlor
Chief Executive
23 May 2018

2 The Performance Report

2.1 Overview of Performance

This overview will provide an understanding of the Trust, including the services we provide, our organisational vision and values, strategic direction and potential risks as well as a summary of our performance during 2017/18.

Our Services

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

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

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

Our History

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

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

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

Chief Executive's Statement on the Performance of the Trust

Throughout 2017/18 we have worked to develop a suite of underpinning strategies which distil the Trust's strategic ambitions into clear objectives and actions. These underpinning strategies include areas such as workforce, pharmacy, information technology, physical health, nursing and medical development. Our full strategy and all of the underpinning strategies can be found on our website https://www.ntw.nhs.uk/about/publications/trust-strategy-2017-2022/

We have also developed high level strategic deliverables for the Trust which will help us to progress in a measured and measurable way to deliver the strategy.

Alongside these areas of focus, each clinical business unit has set out its own objectives and priorities to enable the delivery of the Trust's strategy at local service level.

Our ambition is for every service, team and individual member of staff to be able to see and understand their own contribution towards NTW moving forward in a strategic way. To achieve this we have redeveloped our appraisal processes to ensure that appraisals across the Trust are aligned with the Trust's strategy and that personal objectives are clearly linked to the strategic ambitions.

A further element of our strategy is the major change programmes of work which will contribute across the strategic ambitions. These include:

❖ **Care Environment Development and Re-provision (CEDAR)**
   This programme brings together and coordinates the major estates development from across the Trust. This includes developing the estate solutions following the 'Deciding Together' consultation regarding inpatient services for people from Newcastle and Gateshead.

❖ **Transforming Services for people with a learning disability**
   This programme aims to work across the Trust and with partners to improve and develop services for people with a learning disability and/or autism. It is also responsible for the closure of an agreed number of adult learning disability inpatient services in line with the national programme.

❖ **Mental Health Work stream of the Sustainability and Transformation Partnership (STP)**
   NTW is playing a leading role in the developing North East and Cumbria STP, with our Chief Executive, John Lawlor, chairing the mental health work stream. This brings together representatives from health and social care organisations across the area to focus on supporting local communities with a wide range of mental health needs. In particular, there is a strong focus on bringing together support for both the mental health and the physical health needs of individuals. The mental health workstream areas of focus are:
   - Child health
   - Zero suicide ambition
   - Employment
   - Optimising acute health services
   - Long term conditions and medically unexplained symptoms

- Older people
- Physical health of people with serious mental illness.

❖ **New Care Models in Tertiary Mental Health Services**
During 2017, the Trust worked in partnership with Tees, Esk and Wear Valley NHS Foundation Trust to submit an application to take part in the New Care Models pilot programmes.

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

NTW is involved in two pathways; adult secure mental health services and tier 4 child and adolescent mental health services (CAMHS).

Trust Business Model and Structure

During 2017/18 we introduced a new structure for operational services to develop a collective leadership approach, and to ensure a devolved decision making model where decisions are made as close to the patient as possible.

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

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

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

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

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

Wholly Owned Subsidiary Company

The Trust set up NTW Solutions Limited as a wholly owned subsidiary company, which began operating on 1 April 2017. Wholly owned subsidiaries are an organisational and governance form that NHS Foundation Trusts can legally use to manage part of their organisation. Wholly owned subsidiary companies are separate legal entities but as Trusts hold 100% of their company's shares, they retain a high level of control of the company.

Wholly owned subsidiaries can deliver a range of benefits including:
- improving the quality and value for money of the support services being provided;
- supporting better patient care by reducing the time clinicians spend on non-clinical tasks;
- making financial savings through access to the commercial benefits of a private company and returning the financial benefits to the Trust to reinvest in healthcare;
- developing a more commercial focus and being better able to generate additional income for the Trust.

NTW Solutions provides our Trust with estates and facilities management services and a range of transactional services covering workforce recruitment, staff records, procurement and some financial services. It employs approximately 600 staff, the great majority having been transferred from the Trust to the company under TUPE regulations, which protect many of their terms and conditions.

A successful first year for the company saw the continued provision of high quality support services to the Trust; delivery of the financial savings target to the Trust; and the commencement of developing new business opportunities by taking on the contract for the Trust's fleet management service.

NTW Solutions shares the vision and values of the Trust in carrying out its activities

AuditOne

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

NTW Charity

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

Our Vision, Values, Quality Goals and Strategic Objectives

The Trust began a review of its vision, values and strategy in late 2015. Following substantial engagement with service users, carers, staff and other partners, a new Trust Strategy entitled 'Caring, Discovering, Growing: Together' was approved by the Board of Directors in January 2017 and implemented from April 2017. It was agreed that the Trusts core values, which were established in 2013, would continue.

Our strategy sets out 6 strategic ambitions which underpin our work across the whole trust.

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

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

Our vision

"To be a leader in the delivery of high quality care and a champion for those we serve"

NHS Northumberland, Tyne and Wear NHS Foundation Trust

Our values

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

Our quality goals

Safe	Experience	Effective
Quality goal 1 Keeping you safe	**Quality goal 2** Working with you, your carers and your family to support your journey	**Quality goal 3** Ensuring the right services are in the right place at the right time to meet all your health and wellbeing needs

Our strategic ambitions

Caring	Discovering	Growing
Working together with service users and carers we will provide **excellent care**, supporting people on their personal journey to wellbeing	With people, communities and partners, together we will **promote prevention, early intervention and resilience**	The Trust will be a **centre of excellence** for mental health and disability
The Trust will be regarded as a **great place to work**	Working with partners there will be **"no health without mental health"** and services will be "joined up"	The Trust's mental health and disability **services will be sustainable and deliver real value** to the people who use them

Together

Caring | Discovering | Growing | **Together**

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

The Trust faces a number of risks to the delivery of its Strategy. A full analysis of the Trust's principal strategic risks, together with the controls and mitigation, are included in our Board Assurance Framework. The Trust's principal risks are set out within the Annual Governance Statement (Section 3.7).

Going Concern Disclosure

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

Summary of Performance 2018/19

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

In April 2017, the Trust launched the NTW Nursing Academy, supporting staff to become registered nurses through degree apprenticeships with universities. The Trust is also part of a national pilot trainee nursing associate programme with 12 members of our staff having the opportunity to take part in this two year course.

April was a busy month and we were delighted to be chosen by NHS England as a 'Global Digital Exemplar'. This means the Trust will receive an additional £5 million in funding over the next three years which will enable us to develop and innovate digital experiences which will help improve patient experiences.

Our region is known for its passion for football and in May footballers from Sunderland AFC under 23's came to Prudhoe's Kimberley Park to face off against Prudhoe Town FC for the Bob Stokoe Shield. A huge success, the match raised over £3k for the children and young people at Ferndene.

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

In August the hard work and dedication of our NTW Academy was recognised when they won an Investor in Apprenticeship award for the services and opportunities they provide to young people in our region.

At the end of August we welcomed the Mayor of Sunderland to officially open Cleadon Ward which provides first class accommodation for older people living in Sunderland and South Tyneside. The rooms provide a safe environment for patients which encourages the healing process for people who are physically frail.

In September the Trust's self-help guides were recognised by the British Medical Association as areas of good practice with the anxiety, postnatal depression and depression and low mood guides commended at the highly acclaimed patient information awards.

Respond, our multi-agency simulation training received the royal seal of approval when HRH the Duke of Cambridge highlighted this work at the National Mental Health and Policing Conference in September.

In October Cheryl Young, a deaf clinical support assistant was named as a 'health hero' in the Skills for Health Awards which celebrates people across the country for providing excellent care. Cheryl was a regional winner in the clinical support worker of the year category.

As part of the World Mental Health Day celebrations in October, Nurse Consultant Kate Chartres was invited to Buckingham Palace in recognition of her contribution to working in the mental health sector with her innovative ways to influence on social media.

A first for Trust staff and the Police service, six staff from Embleton ward received commendations from Sharon Scott, Chief Superintendent at Northumbria Police in recognition of their collaborative working after a difficult incident.

In November the Sunderland Crisis and Inpatient Team won the highly coveted Psychiatric Team of the Year award from the Royal College of Psychiatrists in recognition of their pioneering approach taken in providing services to patients. Bamburgh Clinic and Bede Ward also had cause to celebrate as they were awarded the 'Full Monty' from Star Wards in for the initiatives in place that help patients enhance their own management of symptoms and treatment.

Mitford once again celebrated success by winning a Building Better Healthcare award in the best mental health development category. This achievement adds to their list of building excellence accolades including being highly commended in the European Healthcare Design Awards and the Design in Mental Health Award for best collaborative estates team.

Our Clinical Police Liaison Lead, Claire Andre was a finalist in the National Police Twitter Awards for her great work raising awareness of policing and mental health.

The highlight of November, and undoubtedly the highlight of the year was the Trust winning the prestigious HSJ Provider Trust of the Year Award. The judges said that it was a unanimous decision and the award was dedicated to all our staff who do such an amazing job supporting the people we serve every day helping them to live the best lives they possibly can. Every member of our staff, regardless of their role or grade played their part, and winning this award is testament to their hard work and compassion.

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

We ended 2017 with the appointment of our new Chair, Ken Jarrold CBE who brings with him a wealth of experience and expertise having led a number of NHS organisations across the country.

In January our apprenticeship programme had another reason to celebrate after being recognized in the Centrica Top 100 employer list for being one of the best workplaces in the country to start and build a successful and fulfilling career.

In February the Trust was chosen to take part in a ground breaking virtual reality study for people with psychosis. This pioneering study is part of a £4m National Institute of Health Research (NIHR) project to make virtual reality treatment available across the NHS and brings together NHS Trusts, universities, a mental health charity and the Royal College of Art.

Staff at the Complex Neurodevelopmental Disorder Service (CNDS) have been awarded a £1.5m research grant to help parents of children with autism. The grant will be used to investigate the clinical and cost effectiveness of a parent group to help parents who have young children with autism.

Very recently, Dr Alan Currie, Consultant Psychiatrist has become a visiting honorary professor at the University of Sunderland. Through his published work looking at how exercise and physical activity can be used to help with mental health problems, Dr Currie will be using his knowledge and experience to support the work taking place in the university's sports and exercise sciences department.

2.2 Performance Analysis

Performance relating to the quality of NHS services provided

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

Registration with the Care Quality Commission (CQC)

The Trust is required to register with the CQC and its current registration status is registered without conditions and therefore licensed to provide services. The CQC has not taken enforcement action against the Trust during 2017/2018.

In April 2017 Northumberland, Tyne and Wear NHS Foundation Trust participated in a focused CQC Mental Health Act visit considering assessment, transport and admission to hospital trustwide.

In May 2017 Northumberland, Tyne and Wear NHS Foundation Trust participated in a CQC focused inspection visit to two core services (acute wards for adults of working age/psychiatric intensive care units, and long stay rehabilitation mental health wards for work working age adults. The publication of these reports are awaited.

In October 2017, Northumberland, Tyne and Wear NHS Foundation Trust participated in a system-wide thematic inspection focusing on mental health services for children and young people across South Tyneside.
The Care Quality Commission conducted a comprehensive inspection of Northumberland, Tyne and Wear NHS Foundation Trust in 2016 and rated the Trust as "Outstanding".

Financial Performance

2017/18 was a challenging year from a financial perspective but the Trust continued to perform well meeting its financial targets. The Trust was behind plan in the first 2 months of the year but managed to improve its financial position and be ahead of plan for the rest of the year and to slightly exceed its control total at the year-end. This means the Trust received all its core Sustainability and Transformation Fund (STF) funding and became eligible to receive Incentive and Bonus STF funding.

During the year the Trust managed a significant reduction in bed numbers within its Learning Disabilities services a result of the national Learning Disability Transforming Care programme. This has been challenging as the programme involves co-operation across a wide range of CCGs, NHS England and Local Authorities. The Learning Disability Transforming Care programme resulted in 19 beds and 1 ward closing during the year. The programme to date has resulted in a reduction of income to the Trust of £8m, and a reduction in associated costs of £5m, leaving a financial gap of £3m, which the Trust is looking to mitigate in the medium term. In addition the Trust was required to deliver further reductions in service to contribute to the Northumberland CCG Recovery Programme, which resulted in a net financial risk to the Trust of around £1m.

Elsewhere during the year, the Trust largely looked to consolidate its existing transformational work.   Demand pressures have been experienced across community and in-patient services, and the Trust put in place a range of initiatives to manage risk to service delivery through the year. While this was managed without impact on the Trust's delivery of its control total, it means that a range of financial pressures have emerged in year that have been recognised in planning for 2018/19.

The Trust undertakes a revaluation of its estate each year and this year this resulted in the reversal of impairments of £9.3m due to an increase in the value of land and buildings. There were also impairments of £3.1m as a result of 2 ward closures and on property enhancements during the year. The net negative impairment of £6.2m was recognised as a gain in-year in the Statement of Comprehensive Income resulting in a surplus of £15.2m being recorded for the year.

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

Excluding revaluations and impairments, the Trust generated a surplus of £9.0m. This consisted of £5.2m Trust generated surplus and as a result of the Trust meeting its performance targets and exceeding its control total, £1.9m core STF funding and £1.9m Incentive and Bonus STF funding. This resulted in the Trust having a Use of Resources risk rating of 1. Our performance against the monitoring metrics from the Single Oversight Framework used by NHS Improvement is shown in the table below.

Figure 2: Performance against NHSI Use of Resources Metric 2017/18

Financial Sustainability Risk Ratings	Plan	Achieved	Risk Rating	Weight	YTD Risk
Capital Service Capacity	3	1.51x	3	20%	Amber
Liquidity Ratio	1	14.4 days	1	20%	Green
I&E Margin	1	2.85%	1	20%	Green
I&E Distance from Plan	1	0.54%	1	20%	Green
Agency Ceiling	1	(11.50%)	1	20%	Green
Overall Rating	**1**		**1**		Green

In 2016/17 NHS Improvement introduced agency spend ceilings. The Trust's agency ceiling for 2017/18 was £8.6m. The Trust continued to make good progress on reducing its agency costs and spend on agency staff was £7.7m in 2017/18, a reduction of £3.6m from 2016/17 and £0.9m below the agency ceiling. The Trust's agency spend in 2015/16 was £13.6m giving a reduction of £5.9m over the last 2 years. Work continues on reducing the levels of agency spend and the Trust is confident that it will not exceed its agency ceiling of £8.0m in 2018/19.

Capital spend in the year was £6.1m, which was £6.3m less than plan. This was mainly due to the Trust slowing down its work programme due to the national constraints on capital spending. £3.1m of loans had been approved in principle by the Foundation Trust Financing Facility, but as part of the national reallocation of capital funding to manage revenue pressures across the NHS, the Department of Health were unable to release the funding. The lack of national capital funding remains a significant risk to the Trust in managing its future improvement and quality agenda. With regard to asset sales, the Trust sold one community property during the year for £0.36m.

The Trust delivered its planned in-year savings of £10.6m and £7.7m (88%) of its planned £8.8m recurring Financial Delivery Programme. The Trust was planning to carry forward £1.8m of the savings target to 2018/19 but as a result of the lower than planned recurring savings in 2017/18, the carry forward has increased to £2.9m.

The main financial pressures in-year were experienced on children and young people's in-patient services and within Secure In-patient services as a result of Learning Disability Transformation bed closures. Plans are in place to continue to redeploy staff affected by Learning Disabilities transformation bed & ward closures. This will reduce the pressures in these areas in the coming year.

The Trust's subsidiary company, NTW Solutions, was established in November 2016 and began trading 1 April 2017 to provide estates, facilities and transactional services. NTW Solutions had a successful first year of trading, delivering all of its targets and delivering a surplus of over £1.2m, which is incorporated into the Group Accounts presented in this report.

Looking forward to 2018/19, the Trust needs to make savings of £14.9m to achieve its control total £12.6m of these savings need to come from Trust plans and the Trust has agreed a Financial Delivery Plan of £11.9m, with £0.7m still to be identified. The remaining £2.3m of savings need to come from reducing services in Northumberland to support the CCG's Recovery Programme. In addition, to the level of savings required the other significant risk to the Trust is the Learning Disabilities Transforming Care Programme. The Trust faces a further potential loss of up to £7m recurrently in 2018/19. It is expected that this will be offset by reductions in operational costs of £5m, leaving a net £2m loss, if left unmitigated. However, business cases are being prepared for developments that mitigate this risk. As well as the on-going delivery of our transformation approach, there are financial risks around, managing any national re-structuring of specialist services, and managing the wider financial risks across health and social care. This will require continuing effective working across multiple stakeholders. The Trust continues to invest in change, in order to ensure that we have the capacity to manage while maintaining our focus on on-going quality.

Over the longer term, there is more uncertainty. The Trust is in discussions with partners across each of our localities around the development of more integrated pathways, in an environment which is increasingly financially challenged across health and social care. The Trust is a partner in the development of integrated care systems across the local health economy. While recognising the significant opportunities to improve care, particularly for those people who cross the boundaries of mental and physical health care and social care, there remains significant risk to the system, as plans for future service delivery models are worked through. The Trust is in a good position to influence these discussions and is working to be an effective partner in continuing to design more effective, safe and good quality care around the needs of the people we look after. The Trust is also integrally involved in the development of the Sustainability and Transformation Plan for the North East and Cumbria.

Environmental Matters

The Trust is committed to understanding, managing and reducing its impact on the environment and there are significant financial and non-financial benefits to be realised through effective management of resources. The Trust's current Sustainable Development Management Plan (SDMP) runs from 2015-2020 and was reviewed in November 2017. We are committed to ensuring that our organisation reaches its full potential on sustainability and believe that the SDMP will help us to deliver significant improvements in partnership with all our staff, key partners and stakeholders. This will require us to consider climate change adaptation as well as mitigation, broaden the focus from carbon to include social impacts, look more closely at models of care and their impact and improve access to data to inform future areas of focus.

The Sustainability, Waste and Transport Group combined the previous Trust wide Waste, Transport and Sustainable Development Committees into a single group with the aim of streamlining processes and reducing duplication. The Trust has an Environmental Sustainability Policy and progress on carbon reduction and

sustainable development is reported on a six monthly basis while building energy use is reviewed on a quarterly basis.

We engage with staff on energy awareness and encourage people to consider energy saving measures both at work and at home. The Trust supported Big Energy Saving Week in January 2018 by signposting staff to a national campaign which aims to help individuals check their energy bills, switch suppliers and save energy at home.

We are continuing to reduce energy consumption in our buildings and associated carbon emissions have reduced by 30% from the baseline year of 2007.The Trust is on track to achieve a carbon reduction target of 34% by 2020 from a 2007 baseline in line with NHS national targets. The Trust has 24 solar photovoltaic installations which generated 290,000 kWh of renewable electricity to power our buildings and our most recent buildings benefit from low carbon heating in the form of energy efficient air source heat pumps. As well as reducing our carbon emissions, these systems also provide a long term income stream for the Trust. Energy efficiency improvements include optimisation of heating controls and working with our PFI partners at St George's Park to upgrade the lighting to energy efficient LED.

Waste minimisation activities include a mixed recycling scheme which is in operation on all main hospital sites and a furniture re-use scheme which has saved over £33,000 this year in avoided purchases and waste disposal costs.
The Trust operates an annual travel pass scheme which allows staff to buy discounted annual travel passes for public transport under a salary sacrifice arrangement and a cycle to work scheme which allows staff to spread the cost of a bicycle and accessories used for travelling to work. The move towards low carbon travel will be supported by a new protocol which prioritises the use of electric or hybrid vehicles in the Trust's business use only vehicle fleet. Electric vehicle charging points are provided on 5 main hospital sites and infrastructure to support low carbon travel will be developed as resources allow.

In the coming year we will continue to work towards national carbon reduction targets in the areas of building energy use, staff travel and procurement and will explore opportunities for raising awareness of sustainability issues in healthcare and increasing social value in our procurement processes.

Social, Community, anti-bribery and Human Rights issues

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

The Trust has continued to develop local Recovery Colleges. Each of the colleges has different governance arrangements which have been agreed in relation to the local circumstances with the Trust offering support in kind.

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

The Trust has a longstanding commitment as a Two Ticks and Mindful Employer, with the aim of taking positive action to encourage applications from people with disabilities as well as developing an action plan to make this happen.

In September 2017, the Trust introduced a Declarations of Interest policy aligned to NHS England requirements and developed an online reporting system to enable all staff to easily declare any interests or potential interests they may have. The policy has been successful in providing clarity that it is the responsibility of all staff to declaring interests to ensure they are impartial and honest in the conduct of their official duties. To ensure the Trust is transparent in all business conduct the declarations can be viewed on the Trust website.
www.ntw.nhs.uk/about/team/registers/gifts-hospitality-sponsorship/

Important Post Year End Events

The directors have confirmed that there are no expected post balance sheet events which will materially affect the disclosures made within the Accounts 2017/18.

Overseas Operations

The Trust does not engage in any commercial overseas operations.

John Lawlor
Chief Executive
23 May 2018

3. Accountability Report

3.1 Directors report 2018

The Board of Directors

The Board of Directors keeps its performance and effectiveness under constant review and undertakes an annual self-assessment of effectiveness. The Board also have 'time out' meetings, a development programme and regularly review governance arrangements. A review of the terms of reference and an annual self-assessment exercise is also conducted on all committees'.

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

Chair and Non-Executive Director appointments

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

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

In August 2017 the Nominations Committee commenced a process to recruit to the vacant Chair position and in accordance with NHS Improvement guidance, the Committee decided to appoint professional advisors to support the process. Gatenby Sanderson were subsequently selected following a competitive tendering process. The Council of Governors and the Trust Board each held discussions about the qualities, key attributes and values that are required of a Chair in NTW. This work formed the basis for the Job Description and Person Specification that was adopted by Nominations Committee.

Gatenby Sanderson advertised the position openly in the Sunday Times and promoted it to a large number of potential candidates. They then held detailed pre-interviews and reported to Nominations Committee on the suitability of each of the candidates with a recommended shortlist of candidates to be invited for interview. Candidates for the position participated in three focus groups with the Board members, Stakeholders (Local Authority, CCG and Community Sector) and Staff. They then presented and took questions from a group of service users, carers and

Governors. The process concluded with a formal interview conducted by a Panel comprising three Governor Members of Nominations Committee and the acting Chair, supported by the Chief Executive, an external assessor and Gatenby Sanderson in attendance.

The nominations committee presented their recommendation to the full Council of Governors at a general meeting on 21 December 2017 in which Council of Governors approved the recommendation to appoint Ken Jarrold CBE to the position of Chair of the Trust for a period of three years from 1st February 2018.

The Trust Chair

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

The role of Chair was previously held by Hugh Morgan-Williams who was appointed Trust Chair on 1 November 2013. On the 30 November 2016 Mr Morgan Williams voluntarily stepped aside from his role and formally resigned from the position of Chair on 31 July 2017 to pursue other interests.

Alexis Cleveland held the role of Acting Chair during this time and was appointed by the Council of Governors on 1 December 2016. Alexis held this position until the commencement of the Trust's current Chair Ken Jarrold on the 1 February 2018.

The Vice Chair

Paul McEldon was appointed as Vice Chair from 20 February 2014 and held this role until the end of his appointment on the 31 June 2017. Ruth Thompson was appointed Vice Chair from 1 July 2017.

Senior Independent Non-Executive Director

Martin Cocker was appointed as the Senior Independent Director on 1 March 2016 and continues in this role. The Senior Independent Director leads the performance appraisal of the Chair.

The Chief Executive

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

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

Directors' skills, expertise and experience

The Board of Directors believes the Trust is led by an effective Board. The Chair, on behalf of the Board of Directors keeps the size, composition and succession of directors under review, in line with the Trust's business objectives, and makes recommendations as appropriate to the Council of Governors via the Nominations Committee. As a result of the work of the Nominations Committee in 2016/17 (and subsequently the Council of Governors) relating to the Chair and NED appointment/ reappointment process. The Trust formally acknowledged and accepted the recommendation that future appointments should seek to redress gender and ethnic minority imbalance with the Board of Directors, if possible.

In advance of the appointment of NEDs, the Board of Directors reviews the balance of the Board and the desired qualifications, skills and experience for upcoming NED vacancies. The Board of Directors believes that there is a balance of Executive and NEDs and that no individual group or individuals dominate the Board meetings.

The qualifications, skills, expertise and experience of directors as at 31 March 2018 are shown below.

Ken Jarrold

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

Experience and skills/expertise:
- 36 years as an NHS Manager including 20 years as a Chief Executive and 3 years at national level as Director of Human Resources and Deputy to the Chief Executive of the NHS in England
- Chair of the North Staffordshire Combined Healthcare NHS Trust
- Chair of Brighter Futures Housing Association of Stoke on Trent
- Patron of the NHS Retirement Fellowship and of the Cavell Nurses' Trust
- President of the Institute of Health Services Management
- Chair of the County Durham Economic Partnership

- Board member of the Serious Organised Crime Agency [SOCA]and of the Child Exploitation on line Protection Centre [CEOP]
- Co-Chair of the National Institute of Mental Health Development Board for the North East and Yorkshire
- Chair of the Pharmacy Regulation Oversight Group [PRLOG] and of the Rebalancing Board for Medicines Legislation and Pharmacy Regulation
- Honorary Professor of the Universities of Durham, Salford and York
- President of the Cambridge Union Society

John Lawlor

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

Experience and skills/expertise:
- Executive Coaching programme;
- Yorkshire and Humber Chief Executive Leadership development programme;
- NHS Top Leaders' Programme member;
- Member of NHS England's 'Leadership forum';
- Area Director in NHS England, responsible for the Cumbria, Northumberland, Tyne and Wear part of the north of England;
- Chief Executive of Leeds Primary Care Trust (PCT) and then of the Airedale, Bradford and Leeds PCT;
- Chief Executive of Harrogate and District NHS Foundation Trust;
- Executive Director/Deputy Chief Executive of Calderdale and Huddersfield NHS Trust;
- Civil Servant, in the Department of Health and in the Department of Employment; and
- Secondary School Mathematics Teacher in South Yorkshire.

Dr Les Boobis

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

Expertise and skills/expertise:
- Extensive NHS senior management experience latterly as Medical Director of large NHS Acute Trust;
- 42 years' experience of working in the NHS, 27 of which have been as a Consultant Surgeon;
- Eight years' experience as Medical Director;
- Eight years' experience as the Director of Infection Prevention and Control;
- Ten years' experience as Trust's Caldicott Guardian;
- Four years' experience as the GMC Responsible Officer;
- Ten years' experience as the Trust's lead for Health Informatics, the latter two years as the Chief Clinical Information Officer;

- Four years' experience as the Clinical Safety Officer;
- 15 years' experience as an academic surgeon with the University of Newcastle;
- Ten years' experience as visiting Professor at University of Loughborough during which time acted as an external examiner for two other universities; and
- Three years' experience working as a Physician Consultant for US company Meditech, providers of integrated electronic patient record system.

Alexis Cleveland

Qualifications include BSc in Statistics and Geography

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

Martin Cocker

Qualifications include BSC Joint Honours Mathematics and Economics and Member of the Institute of Chartered Accountants of England and Wales.

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

Lisa Crichton-Jones

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

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

James Duncan

Qualifications include BA Politics and History and member of the Chartered Institute of Public Finance and Accountancy.

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

Miriam Harte

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

Experience and skills/expertise:
- Experienced non – executive director and board member mainly in the public/not for profit sector;
- Business Experience – Finance Manager, Procter and Gamble;
- Director, Beamish Museum, Co. Durham;
- Director, Bede's World, Jarrow;

- Consultant in the Heritage and Arts sector - project management, project development, governance and fundraising;
- Business advisor at Creative United (Arts Council);
- Interim Finance Manager – Museums Galleries Scotland;
- Non - Exec Director and Board Member roles;
  - City Hospitals Sunderland NHS Foundation Trust;
  - Tees Valley Housing and Thirteen Group;
  - Myslexia (Women's Magazine); and
  - Museums Libraries and Archives Council.
- Deputy Lieutenant, Co. Durham.

Dr Rajesh Nadkarni

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

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

Gary O'Hare

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

Experience and skills/expertise:
- Extensive clinical experience in Psychiatric Intensive Care and Forensic Mental Health nursing;
- Extensive nursing and operational delivery experience, both clinical and managerial, at local and national level;

- Director of Nursing at Newcastle, North Tyneside and Northumberland Mental Health NHS Trust;
- Led a number of national initiatives on the management of violence and aggression for the Department of Health and the National Patient Safety Agency;
- Member of the National Mental Health Nurse Directors Forum
- Strong academic links with local universities.
- Executive Reviewer for CQC Well Led Inspections.
- Member of the NHSI Clinical Forum

Lisa Quinn
Qualifications include Member of the Chartered Institute of Management Accountants (CIMA).

Experience and skills/expertise:

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

Peter Studd

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

Experience and skills/expertise:

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

Ruth Thompson, OBE DL

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

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

Hugh Morgan Williams, OBE

Qualifications include BA Hons Modern History (Durham University).

Experience and skills/expertise:
- Senior industry figure in the north of England, with significant national and European exposure;
- Experience chairman of large and small organisations with particular skill in change management, Small and Medium enterprise (SME) start-ups, funding, acquisition and divestment;
- A strong understanding and practical experience of the interface between the private and public sector;
- Highly skilled communicator with extensive experience of national print and broadcast media;
- Significant lobbying experience at ministerial level as well as policy formulation; and
- Awarded OBE for services to business in 2008.

Paul McEldon

Qualifications include Member of the Institute of Chartered Accountants for England and Wales; BA (Hons) Accountancy and Financial Analysis; and Member of Sunderland City Software Project.

Experience and skills/expertise:
- Audit Manager for KPMG;
- Extensive business and finance experience, currently Chief Executive of North East Business and Innovation Centre;
- Financial Director of Sunderland City Training and Enterprise Council;
- Founding Director and Company Secretary of Sunderland Science Park; and
- Chairman of the National Enterprise Network.

Number of meetings and attendance

The Board of Directors meets in public nine times per year. The table below (Figure 3) shows the members of the Board of Directors during 2017/18 along with directors' titles, attendance at Board meetings alongside the date of appointment and the expiry date of the current tenure of the Chair and each NED.

Figure 3: Membership of the Board of Directors and Attendance

Name Title	Date of:		Current expiry of term	Meetings	
	Appointment	Cessation		Total	Attended
Dr Les Boobis Non-Executive Director	01.07.15	-	30.06.18	9	9
Alexis Cleveland Non-Executive Director	01.07.15	-	30.06.18	9	8
Martin Cocker Non-Executive Director /Audit Committee Chair /Senior Independent Director (from 1 March 2016)	01.01.12	-	31.12.18	9	8
Lisa Crichton-Jones Director of Workforce and Organisational Development	04.08.14	-	N/A	9	7
James Duncan Deputy Chief Executive/Director of Finance	01.12.09	-	N/A	9	8
Miriam Harte Non-Executive Director	01.01.17	-	30.12.19	9	7
Ken Jarrold Chair	01.02.18	-	31.01.21	2	2
John Lawlor Chief Executive	23.06.14	-	N/A	9	8
Paul McEldon Vice Chair	01.12.09	31.6.17	31.6.17	2	1
Dr Rajesh Nadkarni Medical Director	16.01.16	-	N/A	9	9
Gary O'Hare Director of Nursing and Operations	01.12.09	-	N/A	9	8
Lisa Quinn Director of Commissioning and Quality Assurance	01.12.09	-	N/A	9	9
Peter Studd Non-Executive Director	01.01.16	-	31.12.18	9	9
Ruth Thompson Non-Executive Director	01.04.14	-	31.03.20	9	5
Hugh Morgan Williams Trust Chair	01.11.13	31.07.17	31.10.19	3	0

Independent Non-Executive Directors

The Board of Directors is satisfied that the NEDs, who served on the Board of Directors for the period under review, 1 April 2017 to 31 March 2018, were independent. The Board of Directors is satisfied that there were no relationships or circumstances likely to affect independence, and the criteria at B1.1 of the Code of Governance was taken into account in arriving at their view. This was reinforced through the appointments/re-appointments process applied by the Nominations Committee.

Board Committees

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

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

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

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

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

Register of Directors' Interests

The Trust maintains a formal Register of Directors' Interests. The Register is available for inspection on the internet at www.ntw.nhs.uk or on request, from Caroline Wild, Deputy Director, Corporate Relations and Communications, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (caroline.wild@ntw.nhs.uk)

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

HM Treasury, cost allocation and charging guidance

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

Political Donations

The Trust has made no political donations during 2017/18.

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

We continue to monitor our performance in terms of paying our trade suppliers in line with our target of paying 95% within 30 days of receiving a valid invoice or within term, whichever is the shorter. An analysis of our performance is shown in Figure 4 below.

Figure 4: Payment of Trade Invoices

Better Payment Practice Code	2017/18 Number of invoices paid within target	2017/18 Value of invoices paid within target	2016/17 Number of invoices paid within target	2016/17 Value of invoices paid within target
Non-NHS Trade Invoices	94.1%	97.3%	92.7%	92.6%
NHS Trade Invoices	90.1%	99.4%	91.6%	99.7%

There were no payments made in year under the Late Payment of Commercial Debts (Interest) Act 1998. This was also the case in 2016/17.

The Trust did not make any political donations during the period.

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

NHS Improvement's well-led framework

The Trust's Annual Governance Statement 2017/18 (section 3.7), outlines how the Trust has regard to NHS Improvements Well-Led framework in arriving at its overall evaluation of the organisation's performance, internal control and Board assurance.

The CQC undertook a comprehensive assessment in June 2016, and found the Trust to be 'Outstanding' overall, and in the Well Led, Responsive, Caring and Effective domains.

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

The Trust confirms that there are no material inconsistencies between:

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

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

Service User and Carer Involvement

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

During 2017/18 service users and carers were involved in the following:

- Shaping our quality priorities for 2018/19 - In November 2017 the Trust held a 2018 – 2019 Quality Priorities Stakeholder event. This included Governors, Healthwatch members, service user and carer representatives as well as non-executive directors of the Trust. The Trust publicised an on-line survey in relation to our quality priorities via social media and through the Trust's internet site. The results of the survey showed that:-
  - o 93% of respondents strongly agree or agree that we should have a quality priority in relation to "Bed Occupancy and Out of Area Placements"
  - o 89% of respondents strongly agree or agree that we should have a quality priority in relation to "Access and Waiting Times"

- o 88% of respondents strongly agree or agree that we should have a quality priority in relation to "Embedding the Triangle of Care"
- Ongoing involvement via the service user and carer Reference Groups, and Carers Forums
- Deciding together, delivering together
- Development of Recovery Colleges and:
- Involvement in recruitment and selection process

Service user Feedback

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

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

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

NTW has achieved stage 2 of the Triangle of Care which involved all Community Mental Health Teams and Learning Disability teams. The Triangle of Care is a therapeutic alliance between carers, people who use services and professionals. It aims to promote safety, recovery and to sustain wellbeing in mental health by including and supporting carers and their families. In partnership with carers, carer centre leads and clinicians self-assessments are completed for all of our in-patient wards and community mental health teams. One of the Trust's Quality Priorities for 2017/18 was implementing the principles of the Triangle of Care, significant work has been undertaken with regard to this and a more detailed update can be found in the section 4 Quality Report. The Trust has committed to a further Quality Priority for 2018/19 to embed the Principles of Triangle of Care.

The Trust significantly refreshed during 2016/2017 'points of you', which is the system used to gather 'real time' feedback from service users and carers; to help

strengthen our feedback mechanisms across services. As a result of this the Trust has seen 'point of you' returns more than double in 2017-2018 with returns rising from 3068 in 2016-2017 to in excess of 6500 during 2017-2018. The friends and family test question is now included within the 'points of you' questionnaire so improving the response rate, these figures are reported nationally and provide the Trust with an additional service user reported experience measure.

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

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

Patient Information

The Trust's Patient Information Centre aims to ensure that everyone has access to a range of useful health and wellbeing information resources. The service is free and completely confidential. The staff at the Centre can provide access to information resources about: medical conditions, procedures and treatments and using the NHS complaints process and NHS services within the Trust.
The services offered by the centre are available to everyone, not only to patients. The Centre has established good working relationships with other statutory and voluntary organisations so that they can make referrals with confidence.
23 mental health self-help guides are available online in a range of formats, including British Sign Language (BSL), Easy Read, Large print and audio
www.ntw.nhs.uk/selfhelp

Complaints and Compliments

The Trust acknowledges that it is not only important that we offer service users the right care at the right time, but that their experience of care whilst with us is as positive as it possibly can be. Comments, compliments and complaints are valuable learning tools and provide information that enables services to improve. The Trust's Complaints Policy and accompanying Practice Guidance Notes provides the framework in which they can be managed effectively in line with the Local Authority, Social Services and National Health Service Complaints (England) Regulations 2009 (2009 Complaints Regulations) and the Ombudsman's principles.

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

Complaints have increased during 2017/18 with a total of 544 received during the year. This is an increase of 108 complaints (or 20%) from 2016/17, and the

increase can be seen across different categories. Although complaints are very individualised, there has been a general increase in service user dissatisfaction with new ways of working (episodic care). This has a focus on recovery and has in some cases impacted on benefit levels where it is felt the person no longer requires long term care co-ordination. Waiting lists in CYPS, multiple assessments and a general lack of communication around progress or diagnosis has also resulted in several complaints from dissatisfied parents.

One of the Trust's Quality Goals is to improve the way we relate to service users and carers, and our performance in terms of complaints is shown in Section 4 Quality Report.

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

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

Service improvements following staff or service user surveys or CQC reports

During 2017/18 there has been a significant amount of work undertaken to continue to deliver the Quality Priorities identified for 2017/18;

- Embedding the Positive & Safe Strategy
- Improving waiting times for referrals to multidisciplinary teams
- Implementing the principles of the Triangle of Care
- Co-production and personalisation of care plans
- Use of the Mental Health Act – Reading of Rights

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

Stakeholder Relations

The Trust is a significant partner in the STP locally. Taking the lead role in the Mental Health Workstream which has been established. This aims to integrate the prevention and support of mental ill health across the whole health economy.
We have also continued to work in each locality to support the implementation of the five year forward view including through Health and Wellbeing Boards and Vanguard Programme Boards. A named Executive Director leads this work in each locality, supported by operational managers and clinicians.

New partnership service developments in 2017/18 include;
- working in partnership with Changing Lives on a social impact bond to enable us to support entrenched rough sleepers. (Commenced November 2017.)
- providing addictions services within HMP Haverigg from 2018.
- Delivering 24/7 psychiatric liaison services in acute hospitals across the area.
- Delivering tier 4 CAMHS and Adult secure mental health services with Tees, Esk and Wear Valley NHS Foundation Trust through the New Models of Care pilot Programme.

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

- Presentation on our Quality Account (offered to all committees); and
- Overview of mental health services (Northumberland).

NB For service changes, the relevant CCG will be the lead organisation and NTW will work in partnership with those officers.

Statement as to disclosure to auditors (s418)

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

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

The statutory limitation on private patient income in Section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources. This income has had no impact on the on the provision of goods and services for the purposes of the

health service in England. The Private Patient Income for 2017/18 is shown in table below (Figure 5).

Figure 5: Private Patient Income

Private Patient Income	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Private patient income	0	0	10	10
Total patient related income	289,873	289,873	291,058	291,058
Proportion (as percentage)	0.00%	0.00%	0.00%	0.00%

John Lawlor
Chief Executive
23 May 2018

3.2 Remuneration Report

Annual statement on remuneration

Members of the Board of Directors are the individuals who have responsibility for controlling the major activities of the Trust and their remuneration is included in this report. This is in line with the requirement to include those who influence the decisions of the Trust as a whole rather than decisions of individual directorates or sections within the Trust.

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

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

During 2017/18 NTW conducted a benchmarking exercise on senior manager (Executive Director) salaries against information provided by NHS Improvement and the NHS Providers survey of NHS Trusts' executive directors' salaries. This was to ensure that Trust salaries were comparable to those paid by Trusts of a similar size and complexity.

The Remuneration Committee has agreed that Executive Directors salaries should be benchmarked against the upper quartile of medium sized mental health trusts, based on the information from NHS Improvement. As a second factor, the upper quartile figures for medium sized acute trusts were also considered.

This exercise showed that, with the exception of the Chief Executive, executive directors salaries are benchmarked well below the upper quartile in all cases. This aligned with a benchmarking exercise that had previously been undertaken by external consultants, which demonstrated that the salaries are considerably below those in the private sector. Acknowledging that the Trust is a £300 million business employing over 6,000 staff with the added complications of the mental health legislation environment and issues of deprivation of liberty, the Remuneration Committee awarded pay increases to Executive Directors as shown in the table below (Figure 7). These salary changes reflect the excellent standards of performance of the trust, including in particular the outstanding assessment of the trusts services by the CQC

During 2017/18, the Trust has had two substantive Executive Directors paid more than £150,000, namely the Chief Executive Officer and the Executive Medical Director. The Trust is satisfied that both pay packages are reasonable.

The Trust's previous Chief Executive was remunerated more than the current Chief Executive Officer. The Executive Medical Director's package includes a sum for

clinical duties as set out in figure 7. Remuneration reflects the complexity of the role and its responsibility.

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

Performance related pay did not apply for 2017/18 and benefits in kind relate to lease cars and salary sacrifice schemes.

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

Service Contracts

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

Senior Managers' Remuneration Policy

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

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

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

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

Statement of consideration of employment conditions elsewhere in the Foundation Trust

In establishing the Trust's wholly owned subsidiary company, NTW Solutions, the remuneration committee commissioned an external job evaluation and comparison to determine the salaries for these posts shown in Figure 7.

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

Remuneration Committee

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

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

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

The Remuneration Committee is chaired by the Trust Chair and its membership is made up of all NEDs. The Remuneration Committee met six times during 2017/18. Figure 6 below shows the membership of the Remuneration Committee during 2017/18 along with their attendance.

Figure 6: Membership of the Remuneration Committee and Attendance

Name	Meetings	
	Total	Attended
Ken Jarrold (Chair)	1	1
Dr Les Boobis	6	6
Alexis Cleveland (acting chair till 31.01.17)	6	6
Martin Cocker	6	5
Paul McEldon	3	1
Hugh Morgan Williams (Chair)	3	0
Peter Studd	6	5
Ruth Thompson	6	5
Miriam Harte	6	5

The Remuneration Committee has received advice from the Chief Executive, John Lawlor and Director of Workforce and Organisational Development to assist their considerations.

The Council of Governors has established a Nominations Committee to provide it with recommendations relating to the appointment of the Chair and NEDs and the associated remuneration and allowances and other terms and conditions. Details of

the work of the Nominations Committee are included in the section on "Disclosures set out in the NHS Foundation Trust Code of Governance".

During 2017/18, there were 15 individuals fulfilling the role as director in the Trust, 8 of them receiving expenses in the reporting period totalling £7,428. The equivalent for 2016/17 for the Trust was 15 individuals, with 9 receiving expenses totalling £11,195.

During 2017/18, there were 4 individuals fulfilling the role as director in the Trust subsidiary company NTW Solutions, 2 of them receiving expenses in the period totalling £760.

During 2017/18, there were 45 individuals in Governors' roles, but at any one time there was of a minimum of 30 Governors in post. 11 Governors received expenses during the year which totalled £1,439. The equivalent for 2016/17 was 39 individuals in Governor roles with a minimum of 33 Governors in post at any one time. Governors during 2016-17 received expenses totalling £1,578.

Figure 7: Board of Directors remuneration

Figure 7 shows the remuneration for each board member who served during 2017/18 along with prior year comparatives.

Salary and Pension entitlements for senior managers 1 April 2017 - 31 March 2018

Trust - Board of Directors Remuneration								
Name and Title	**Salary Bands of £5,000**		**Taxable Benefits rounded to the nearest £100**		**Pension Related Benefits Annual Increase in Pension Entitlement Bands of £2,500**		**Total Bands of £5,000**	
	2017/18	2016/17	**2017/18**	2016/17	**2017/18**	2016/17	**2017/18**	2016/17
Hugh Morgan-Williams - Chair	20 - 25	50 - 55	0	0	0	0	20 - 25	50 - 55
Ken Jarrold - Chair	5 - 10	0.00		0		0	5 - 10	0.00
Alexis Cleveland - Acting Chair and Non-Executive Director	35 - 40	15 - 20	0	0	0	0	35 - 40	15 - 20
Paul McEldon - Non-Executive Director	0 - 5	15 - 20	0	0	0	0	0 - 5	15 - 20
Martin Cocker - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Ruth Thompson - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Neil Hemming - Non-Executive Director	0 - 0	10 - 15	0	0	0	0	0 - 0	10 - 15
Dr Leslie Boobis - Non-Executive Director	10 - 15	15 - 20	0	0	0	0	10 - 15	15 - 20
Peter Studd - Non-Executive Director	15 - 20	10 - 15	0	0	0	0	15 - 20	10 - 15
Miriam Harte - Non-Executive Director	10 - 15	0 - 5	0	0	0	0	10 - 15	0 - 5
John Lawlor - Chief Executive	185 - 190	185 - 190	0	0	25.0 - 27.5	32.5 - 35.0	215 - 220	220 - 225
James Duncan - Executive Director of Finance and Deputy Chief Executive *	115 - 120	115 - 120	74	73	57.5 - 60.0	25.0 - 27.5	180 - 185	150 - 155
Dr Rajesh Nadkarni - Executive Medical Director *	150 - 155	150 - 155	64	50	45.0 - 47.5	45.0 - 47.5	200 - 205	200 - 205
Gary O'Hare - Executive Director of Nursing and Operations*	110 - 115	100 - 105	32	30	0.0 - 0.0	87.5 - 90.0	115 - 120	195 - 200
Lisa Quinn - Executive Director of Commissioning and Quality Assurance *	100 - 105	90 - 95	67	94	97.5 - 100.0	0	205 - 210	100 - 105
Lisa Crichton-Jones - Executive Director of Workforce and Organisational Development *	100 - 105	95 - 100	77	59	50.0 - 52.5	20.0 - 22.5	160 - 165	125 - 130

For Dr Radjesh Nadkarni, £45,000 of the remuneration relates to clinical duties (2016/17 £45,000). The remuneration of all other Executive Directors relates to management posts.

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

NTW Solutions - Board of Directors Remuneration								
Name and Title	**Salary Bands of £5,000**		**Taxable Benefits rounded to the nearest £100**		**Pension Related Benefits Annual Increase in Pension Entitlement**		**Total Bands of £5,000**	
	2017/18	2016/17	**2017/18**	2016/17	**2017/18**	2016/17	**2017/18**	2016/17
Peter Studd - Chair NTW Solutions	5 - 10	0 - 0	0	0	0	0	5 - 10	0
James Duncan - Non-Executive Director NTW Solutions	5 - 10	0 - 0	0	0	0	0	5 - 10	0

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

Median remuneration

The median remuneration of all Trust staff and the ratio between this and the mid-point of the banded remuneration of the highest paid director are shown below. The calculation is based on full time equivalent staff of the Trust at 31 March 2018 on an annualised basis.

Figure 8: Median remuneration

Fair pay multiple	2017/18	2016/17
Median total remuneration	25,190	24,353
Ratio to mid-point of the banded remuneration of highest paid director	7.49	7.70

Total pension entitlement

Figure 9: Board of Director Pension Analysis

Board of Directors Pension Analysis 2017/18							
Trust - Board of Directors	Real Increase (decrease) at pension age	Real Increase (decrease) in pension at lump sum	Total accrued pension at pension age at 31-03-18	Lump sum at pension age related to accrued pension at 31-03-18	Cash Equivalent Transfer Value at 31-03-18	Cash Equivalent Transfer Value at 31-03-17	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
John Lawlor **Chief Executive**	0.0 - 2.5	5.0 - 7.5	75 - 80	230 - 235	1,655	1,545	95
James Duncan * **Executive Director of Finance and Deputy Chief Executive**	2.5 - 5.0	2.5 - 5.0	40 - 45	105 - 110	694	604	84
Dr Rajesh Nadkarmi * **Executive Medical Director**	2.5 - 5.0	0.0 - 2.5	50 - 55	125 - 130	882	814	60
Gary O'Hare * **Executive Director of Nursing and Operations**	0.0 - 2.5	0.0 - 2.5	55 - 60	170 - 175	1,160	1,077	72
Lisa Quinn * **Executive Director of Commissioning & Quality Assurance**	5.0 - 7.5	7.5 - 10.0	35 - 40	100 - 105	629	515	109
Lisa Crichton-Jones * **Executive Director of Workforce & Organisational Development**	2.5 - 5.0	2.5 - 5.0	25 - 30	60 - 65	396	333	59
NTW Solutions - Board of Directors	Real Increase (decrease) at pension age	Real Increase (decrease) in pension at lump sum	Total accrued pension at pension age at 31-03-18	Lump sum at pension age related to accrued pension at 31-03-18	Cash Equivalent Transfer Value at 31-03-18	Cash Equivalent Transfer Value at 31-03-17	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k	Bands of £2.5k	Bands of £5k	Bands of £5k			
	£000	£000	£000	£000	£000	£000	£000
Malcolm Aiston * **Managing Director NTW Solutions**	7.5 - 10.0	25.0 - 27.5	50 - 55	150 - 155	1,075	887	180
Tracey Sopp * **Director of Finance NTW Solutions**	2.5 - 5.0	7.5 - 10.0	15 - 20	35 - 40	241	181	59

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

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

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

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculties of Actuaries. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

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

John Lawlor

Chief Executive

23 May 2018

3.3   Staff Report

Employee Numbers

At end March 2018, the Board of Directors comprises six Executive Directors (two female and four male) and six Non-Executive Directors (three female and three male). For the purposes of this Annual Report only Board members are considered to be senior managers.

Excluding Executive Directors, the Trust has 6,279 employees (4,538 female and 1,741 male) of whom 24% work part-time. This converts to a full time equivalent of 5,766 employees (4,085 female and 1,681 male).

2,308 employees (1,690 female and 618 male) are also registered with one or more of the Trust's staff banks. In addition, there are currently 544 (415 female and 129 male) 'bank only' workers who do not hold substantive posts elsewhere in the Trust.   A total of 639 bank only staff worked shifts during 2017/18.

Figure 10: Employee Expenses and Employee Numbers

Employee Expenses	Group						Trust					
	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	197,439	196,641	798	190,105	188,872	1,233	185,208	184,410	798	190,105	188,872	1,233
Social security costs	18,290	18,290	0	17,762	17,762	0	17,456	17,456	0	17,762	17,762	0
Apprenticeship levy	919	919	0		0	0	876	876	0	0	0	0
Pension cost - defined contribution plans:												
Employer's contributions to NHS Pensions	24,808	24,808	0	25,087	25,087	0	23,743	23,743	0	25,087	25,087	0
Pension cost - other contributions	0	0	0	0	0	0	0	0	0	0	0	0
Temporary staff - agency/contract staff	7,663	0	7,663	11,311	0	11,311	7,323	0	7,323	11,311	0	11,311
Total staff costs	249,119	240,658	8,461	244,265	231,721	12,544	234,606	226,485	8,121	244,265	231,721	12,544
included within:												
Costs capitalised as part of assets	329	329	0	445	445	0	8	8	0	445	445	0
Analysed into operating expenditure												
Employee expenses - staff & executive directors	247,319	238,858	8,461	242,252	229,708	12,544	233,137	225,016	8,121	242,252	229,708	12,544
Research & Development	1,312	1,312	0	1,418	1,418	0	1,312	1,312	0	1,418	1,418	0
Internal audit costs	159	159	0	150	150	0	149	149	0	150	150	0
Total employee benefits excluding capitalised costs	248,790	240,329	8,461	243,820	231,276	12,544	234,598	226,477	8,121	243,820	231,276	12,544

Average Number of Employees (whole time equivalent basis)	Group						Trust					
					Restated	Restated					Restated	Restated
	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17	2017/18	2017/18	2017/18	2016/17	2016/17	2016/17
	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number
Medical and dental	340	317	23	333	311	22	340	317	23	333	311	22
Administration and estates	1,414	1,359	55	1,302	1,214	88	1,099	1,056	43	1,302	1,214	88
Healthcare assistants and other support staff	306	306	0	269	269	0	95	95	0	269	269	0
Nursing, midwifery and health visiting staff	3,575	3,509	66	3,632	3,318	314	3,575	3,509	66	3,632	3,318	314
Scientific, therapeutic and technical staff	395	384	11	409	380	29	395	384	11	409	380	29
Healthcare science staff	256	256	0	374	374	0	256	256	0	374	374	0
Total average numbers	6,286	6,131	155	6,319	5,866	453	5,760	5,617	143	6,319	5,866	453
of which:												
Number of employees (WTE) engaged on capital projects	10	10	0	10	10	0	10	10	0	10	10	0

The 2016/17 comparatives have been restated due to changes in relation bank staff and category changes mandated by NHS Improvement.

Sickness Absence

The Trust's Workforce Strategy sets out the corporate approach to the management of absence. The Trust is committed to promoting wellbeing and supporting staff to achieve good levels of attendance; however we recognise that some absence due to personal sickness is inevitable within any large organisation. The Trust's Policy, Managing Sickness Absence NTW (HR)10 aims to ensure that where absence does occur it is managed through a fair and consistent approach. Managers are responsible for the management of absence within their own areas, providing support and assistance wherever possible to employees. Allocated cases are supported by the HR Advisory (HRA) service with general advice and support provided from the Locality HR teams. A management skills development programme has been in place for the past two years which has a focus on managing absence and the importance of doing this well and reflects the principles set out in the managing absence policy.

Management of sickness absence remains a key priority. The table below shows the Trust's sickness absence data for the period 1 January 2017 to 31 December 2017 (i.e. one calendar year) provided by NHS Digital - iView.

Figure 11: Sickness Absence Data 1 January 2017 to 31 December 2017 (provided by NHS Digital).

Average of 12 months	Average Full Time Equivalent	Full Time Equivalent-Days available	Average days recorded sickness absence	Average Sick Days per Full Time Equivalent
5.49%	5,847	2,132,865	117,040	20

A substantial amount of work has been undertaken to reduce levels of absence including the review of our sickness policy. The current policy came into operation in February 2015 and was reviewed in January 2018. Absence management training for managers has been made mandatory and the continued support for managers, sickness clinics and publicising and monitoring timescales for referral to Occupational Health have all seen positive results.

Over the last 12 months the absence rate has continued to steadily decrease to its lowest level for four years.

In late 2015, the Trust introduced a 5 year Health and Wellbeing Strategy which was refreshed in 2017 in line with the Trust's Workforce and OD Strategy. This not only enables the Trust to support staff but allows us to understand better their health needs as well as to encourage staff to take responsibility for their own health. A second organisational health needs assessment has been undertaken which allows for a more focused approach to health related activities.

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

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

Staff Policies and Actions – Equality and Diversity

Equality and Diversity

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

In addition to these measures we have the following:

- Equality and Diversity Committee which meets bi-monthly in order to take forward the equality and diversity agenda;

- The Equality Delivery System 2 (EDS2) and Workforce Race Equality Standard benchmarking and action plans which ensures that the Trust remains compliant with the Equality Act 2010, but also sets out our key equality objectives and the measures that we will use to gauge our performance against them;

- Staff Network groups for BAME Staff, Disabled Staff, LGBT+ Staff, Staff who have Mental Health Issues.

- Mediation Service established – 12 staff trained as mediators.

- Mandatory Equality and Diversity Training, which includes as part of its purpose to provide information on matters of concern to them as employees. The training content is regularly reviewed; and

- During the financial year we have worked alongside Remploy to ensure appropriate training and reasonable adjustments are provided for people who have become or who have declared a disability during their course of employment.

The Trust has been working alongside NHS Employers this year on the pilot work of the new Workforce Disability Equality Standard – to be introduced in late 2018. The Trust has also transitioned from the 'Two Ticks' scheme to accreditation as a Disability Confident Employer currently working towards Level 3 accreditation.

Equality Delivery System 2 (EDS2) 2017 Submission

The overall ratings for EDS2 remain the same as those for 2016. Work has commenced on all the actions and in has in some areas led to further actions. The actions that are emerging from the devolved approach to EDS2 will need to be realigned to the new locality structure. This work needs to come to fruition before we revise our overall ratings as part of the launch of our new Equality and Diversity Strategy in early summer 2018.

Key Action for 2017/18 is to develop a new Equality and Diversity Strategy that has appropriate locality focus and actions.

Workforce Race Equality Standard (WRES)

Our 2017 Submission (full details in the July 2017 Trust Board Paper) shows the following:

The figures for 2016-17 show that Black, Asian and Minority Ethnic (BAME) Staff are 2 times more likely to enter the disciplinary process The Trust has agreed to work with the RCN on introducing Cultural Ambassador Programme which will provide panels and investigations with cultural competence. The programme was initiated in the West Midlands. It is recommended that the outcomes of all 8 cases in 2016-17 are examined to see if there are any learning points regarding cultural competence that can be used as training points for any member of staff conducting disciplinary investigation work.

Key WRES 2017 actions are:
We benchmark our current activities against those for which there are national evidence that are proven to work as highlighted in Section 7 of the national report and adopt good practice to address the highlighted issues – particularly within the staff survey metrics in collaboration with the BAME Staff Network.

Staff Engagement

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

The Trust supports a number of regular communications:

- Weekly Bulletin; and
- Social media.

Staff are encouraged to participate through the following structures:

- The Council of Governors, which includes staff Governors;
- The promotion of Appraisals/Personal Development Plans and inclusion of targets in the Trust's Performance Targets;
- Continued investment in leadership programmes;
- Staff and staff side representatives are consulted, where appropriate, on proposed service developments/changes;
- Meeting members of the Board of Directors and Corporate Decisions Team through an on-going programme of visits to services and departments where staff get the opportunity to discuss and debate issues of operational and strategic importance; and
- The speakeasy programme.

We continue to facilitate engagement events as a means of influencing and shaping policy or strategy. Over the past 18 months or so we have engaged with a large number of staff, service users, carers and partners in the development and the embedding our new Trust strategic ambitions, building these into the conversations that we have and the processes, such as appraisal, that we rely on.

We continue to develop innovative ways of involving staff, on the basis that engaged staff: those who feel listened to and heard, attended to, valued, respected and cared for feel more able to do their jobs more effectively, which consequently impacts positively on the quality of care that we are able to deliver. Engagement needs to be constantly attended to, given the changing and challenging times that we live and work in. Consequently, we have sought to devolve the responsibility for staff engagement to our clinical and corporate teams, through the ongoing collective leadership programme initiatives for both groups of staff. We believe that this is the right thing to do, in response to the challenges and opportunities of our time and in keeping with our desire to devolve problem solving and decision making to teams at a local level. In this way, teams can reflect and build on their strengths, fix the things that need fixing, problem solve, make decisions and initiate developments.

We have developed an Organisational Development Associates network, which, is seeking to encourage, nurture and support development activity. It is important to note, that 'members' of the network contribute their time voluntarily, and that the activities of the network can be initiated by anyone but that we have developed a good link with our Executive Director colleagues and with the operational and corporate structures.

We have an obligation to make sure that we care for and support each other through good or not so good times and to ensure that we communicate in way that is in keeping with our values: to be caring and compassionate, respectful and honest and transparent. It is this principle that continues to underpin our approach to staff engagement.

Employee Consultation

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

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

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

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

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

During 2017/2018 specific consultations with staff have included the following:

Specialist Care

- Alnwood – restructure following bed changes;
- Ferndene – change to shift patterns;
- Walkergate Park - Change to shift patterns following pilot; and
- Forensics – Community Mental Health Team – review band 7 posts to ensuring delivering the required service.

Involvement of staff in our Foundation Trust's performance

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

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

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

Raising Concerns Policy

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

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

Occupational Health, Counselling and Health Promotion

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

These arrangements have been in place since 1 December 2010. We meet regularly with both organisations to make continuous improvements to the services provided to our staff. We receive a range of comprehensive data regarding performance against the contract, and this is shared with managers within the Groups and Directorates as they continue to manage absence, stress and promote health and wellbeing within the workforce.

A brochure to promote and highlight the services provided by Team prevent and Care First was launched at the beginning of 2017 to raise awareness of service provision.

The occupational health contract is in place for an agreed level of business but since its commencement has been continuously over agreed activity. Additional occupational health resource has been provided to meet the increased demand. The current contract ends in November 2019.

This continued effort in promoting absence management in partnership with the Trust has seen some excellent improvements in referral times for employees accessing occupational health services.

Team Prevent also assisted the Trust in undertaking a health surveillance programme for staff which was carried out in 2015.

Counter Fraud Activities

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

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

Staff Survey

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

Summary of performance – NHS staff survey

The Trust achieved a 64% response rate for the staff survey in 2017. This is an increased response of 19% from the previous year and 12% higher than the National average.

Figure 12: NHS staff survey – Response Rate

	2017		2016		Trust improvement/ deterioration
Response rate	Trust	National Average	Trust	National Average	
	64%	52%	45%	49%	Increase 19%

The Trusts top and bottom 5 ranking scores from the 2017 staff survey are provided in the table below.

Figure 13: Staff survey 2017 Compared to Staff Survey 2016

	2017		2016		Trust improvement/ deterioration
Top 5 ranking scores	Trust	National Average	Trust	National Average	
KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse	71%	61%	70%	60%	1% point improvement
KF16. Percentage of staff working extra hours	66%	72%	67%	72%	1% point improvement
KF17. Percentage of staff feeling unwell due to work related stress in the last 12 months	35%	42%	34%	41%	1% point deterioration
KF21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	92%	85%	93%	87%	1% point deterioration
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	16%	21%	17%	22%	1% point improvement

	2017		2016		Trust improvement/ deterioration
Bottom 5 ranking scores	Trust	National Average	Trust	National Average	
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	28%	22%	25%	21%	3% point deterioration
KF23. Percentage of staff experiencing physical violence from staff in last 12 months	3%	3%	3%	3%	Result stable
KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	33%	32%	31%	33%	2% point deterioration
KF4. Staff motivation at work	3.87	3.91	3.91	3.91	0.04% point deterioration
KF7. Percentage of staff able to contribute towards improvements at work	73%	73%	73%	73%	Result stable

Trust Wide Actions arising from 2017 Staff Survey Results

Reduce the number of staff experiencing physical violence from patients, relatives or the public

Our results for KF22 show that 28% of respondents experienced this – 2% point deterioration on the 2016 score of 26% To address this we will conduct a:-

- Detailed analysis of questions relating to KF22 to establish hot spot areas and areas with lower prevalence;
- Comparison of above with Talk First Data to see if any similarities any lessons that can be spread across the Trust from any better performing areas of the Trust;
- Work with hot spot areas to develop local plans to address issues; and
- Identify strategies used in top performing similar Trusts and scope the feasibility of introducing such measures to NTW.

Reduce the number of staff experiencing physical violence from staff

KF23 shows that 3% of respondents experienced this. The result is the same as for 2016. The National 2017 average for mental health is 3%. Best 2017 score for mental health 1%. To address this we will conduct a:-

- Detailed analysis of questions relating to KF23 to establish if possible areas where physical violence is taking place;
- Triangulation of any data found with known evidence;
- Relaunch of Raising Concerns information to include raising of concerns about physical violence as an example; and
- Identify strategies used in top performing similar Trusts and scope the feasibility of introducing such measures to NTW.

Improve staff motivation at work

KF4 shows a Trust score of 3.87. The 2016 result was 3.91. To address this we will:

- Detailed analysis of questions that go to make up KF4, analyse by demographic, profession and location;
- Content analysis of Free text comments to establish any themes around motivation;
- Discuss motivation as part of on-going rounds of Speak Easy engagement; and
- Identify strategies used in top performing similar Trusts and scope the feasibility of introducing such measures to NTW.

Reduce the number of staff experiencing harassment, bullying or abuse from patients, relatives or the public

KF25 shows that 33% of respondents experienced this. Trust score 2016 32%   The National 2017 average is 32%. Best 2017 score for mental health 21%. To address this we will:

- Analyse in detail questions relating to KF25 to establish hot spot areas and areas with lower prevalence

We are also revisiting our approach to engagement, the Trust-wide approach is being devolved down to localities and there are in addition local plans being developed to address this and other priorities identified by the analysis of staff survey data at a local level. Baseline metrics from the 2017 survey will be used to measure progress.

Expenditure on Consultancy

The Trust expenditure on consultancy during 2017/18 is provided within the Annual Accounts (section 5).

Off-Payroll Engagements

Figure 14: High paid off payroll arrangements

Number of Off-Payroll Engagements as of 31st March 2018, for more than £245 per day and that have lasted for longer than six months

Number of existing engagements as of 31st March 2018	**0**
Of which…….	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

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

Number of New Off-Payroll Engagements,or those that reached six months in duration between 1st April 2017 and 31st March 2018, for more than £245 per day and that have lasted for longer than six months

Number of new engagements, or those that reached six months in duration between 1st April 2017 and 31st March 2018	**0**
Of which…….	
Number assessed as within the scope of IR35	0
Number assessed as not within the scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

Number of New Off-Payroll Engagements of Board Members or Senior Officials with significant financial responsibility between 1st April 2017 and 31st March 2018.

Number of off-payroll engagements of Board members or senior officials with significant financial responsibility during the year	0

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

Exit Packages

The table below (Figure 15 and 16) shows the total exit packages from the Trust in 2016/17 and 2017/18.

Figure 15: Exit Packages 2017/18

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

Redundancy and other departure costs have been paid within the provisions of Agenda for Change Terms and Conditions

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

Exit Packages 2017/18	Trust	Compulsory Redundancies Number	Compulsory Redundancies £0	Other Departures Agreed Number	Other Departures Agreed £0	Total Exit Packages Number	Total Exit Packages £0	Special Payments Number	Special Payments £0
Exit package cost band:									
< £10,000		0	0	32	162	**32**	**162**	**0**	**0**
£10,001 to £25,000		0	0	3	46	**3**	**46**	**0**	**0**
£25,001 to £50,000		0	0	7	303	**7**	**303**	**0**	**0**
£50,001 to £100,000		0	0	0	0	**2**	**0**	**0**	**0**
£100,001 to £150,000		0	0	0	0	**0**	**0**	**0**	**0**
£150,001 to £200,000		0	0	0	0	**0**	**0**	**0**	**0**
> £200,001		0	0	0	0	**0**	**0**	**0**	**0**
Total		**0**	**0**	**42**	**511**	**42**	**511**	**0**	**0**

Figure 16: Exit Packages 2016/17

Exit Packages 2016/17	Trust	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
		Number	£0	Number	£0	Number	£0	Number	£0
Exit package cost band:									
< £10,000		0	0	2	14	**2**	**14**	**0**	**0**
£10,001 to £25,000		0	0	4	68	**4**	**68**	**0**	**0**
£25,001 to £50,000		0	0	3	114	**3**	**114**	**0**	**0**
£50,001 to £100,000		0	0	2	129	**2**	**129**	**0**	**0**
£100,001 to £150,000		0	0	0	0	**0**	**0**	**0**	**0**
£150,001 to £200,000		0	0	0	0	**0**	**0**	**0**	**0**
> £200,001		0	0	0	0	**0**	**0**	**0**	**0**
Total		**0**	**0**	**11**	**325**	**11**	**325**	**0**	**0**

John Lawlor

Chief Executive

23 May 2018

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

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

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

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

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

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

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

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

The general duties of the Council of Governors are:

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

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

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

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

Annual Report on the work of the Audit Committee 2017/18

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

Audit Committee Composition and Attendance:
The Audit Committee comprises three non-executive directors. Each of the members is considered to be independent. The Board is satisfied that the Chair of the Audit Committee has recent and relevant financial experience.

The Audit Committee met six times during, and twice shortly after the end of the financial year. Attendance at those meetings was as follows:

Member	Meetings	
	Total	Attended
Martin Cocker	6	6
Peter Studd	6	6
Miriam Harte	6	5

In addition to the non-executive directors, the Director of Finance, Executive Director of Commissioning and Quality Assurance, External Audit and Internal Audit, including Counter Fraud, were all invited to each meeting during the year. All, or suitable alternates, attended each meeting.

A representative of the Governors attended each Audit Committee meeting as an observer.

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

Programme of Works
The Audit Committee follows an annual work programme that covers the principal responsibilities set out within its terms of reference. In 2017/18, this included, amongst other matters, the following activities:
- Assessed the integrity of the Trust's consolidated and standalone financial statements for the year ended March 31, 2018;

- Reviewed the Annual Governance Statement in light of the Head of Internal Audit opinion, the External Audit opinion relating to the year end and any reports issued by CQC and Monitor;
- Reviewed External Audit's findings and opinions on the Quality Report, the securing of economy, efficiency and effectiveness, and the areas of the Annual Report subject to

audit review;

- Considered whether the Trust's Board Assurance Framework ('BAF') and Corporate Risk Register are complete, fit for purpose and in line with Department of Health expectations;

- Reviewed the arrangements by which staff may raise in confidence concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters;

- Reviewed the process established by the Trust to ensure compliance with Monitor's Code of Governance;

- Challenged and approved the internal audit programme, counter fraud and informatics plan, operational plans and detailed programmes of work for the year. The Audit Committee confirmed the effectiveness of internal audit and counter fraud and the adequacy of their staffing and resources;

- Considered the major findings of internal audit, counter fraud and informatics throughout the year. The Audit Committee agreed that the remedial actions proposed were appropriate and then monitored the timely implementation of those remedial actions by management;

- Reviewed the work of other Board Committees and considered how matters discussed at those committees impacted the work of the Audit Committee.

Significant Issues

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

1. Integrity of financial reporting
   The Audit Committee reviewed the integrity of the financial statements of the Trust. On April 1, 2017 the Trust established a fully owned subsidiary company, NTW Solutions. Accordingly, the Trust prepared consolidated financial statements for the first time for the year ended March 31, 2018.

   Therefore, the process included not only reviewing the Trust's accounting policies to ensure that they remained appropriate and had been complied with but also any new accounting policies being adopted for the first time. In addition, the Audit Committee debated the areas of significance in relation to the integrity of financial reporting.

   The review and debate took into account the views of the Independent Auditors, Mazars LLP ('Mazars').

   The significant matters considered were:

   Revaluation of the Trust's Buildings:

The Trust records its specialist NHS buildings initially at cost and subsequently at their fair value. The fair value is calculated using the 'depreciated replacement cost' ('DRC') method.

The DRC method seeks to calculate the cost of an asset that would provide a similar function and equivalent utility to the asset being valued, but which is of a current design, constructed using current materials and techniques and is built on a site of optimal size and location.

Therefore, the valuation of the Trust's specialized NHS buildings is not a valuation of the existing buildings in their current locations. Rather, it is a valuation of the specialist buildings that the Trust could hypothetically build to deliver the services and occupancy levels as at the balance sheet date on a site that was of the optimal size and location.

Application of the DRC method typically results in an asset value that is significantly lower than the actual cost.

In addition, subsequent remedial capital expenditure on assets already revalued under the DRC method and which does not significantly increase either the value or expected life of the asset is unlikely to result in an increase in the fair value of the asset calculated using the DRC method.

Any reduction in value between the original cost and the fair value calculated under the DRC method is reported as an impairment in the financial statements.

Accordingly, the initial use of the DRC typically results in a significant provision for impairment. In addition, subsequent remedial capital expenditure on assets already revalued under the DRC method is likely to result in an additional provision for impairment.

Any increase in the fair value of specialized NHS assets at successive balance sheet dates is reported as a revaluation.

Non-specialist buildings fall outside the DRC valuation methodology and are carried at market value.

The valuation as at March 31, 2018 resulted in an increase in market prices for buildings. As a result, approximately £9.3 million of impairments previously charged to expenditure have been reversed.

Against this, assets taken out of use in the year, primarily Villas 14 and 15, have resulted in a reduction in capital values of approximately £3.1 million.

The net amount of £6.2 million increase in value has been credited to the Statement of Comprehensive Income.

In respect of these movements in valuation of specialised NHS assets, the Audit Committee has debated and challenged the work performed by Mazars, including their review of the work of the valuer, Cushman Wakefield.

Additionally, the Audit Committee has confirmed with management that assumptions made in determining the Trust's services and occupancy levels as at March 31, 2018 and in mapping those services onto an asset of equivalent capacity and function have not changed during the year.

After careful consideration, the Audit Committee has concluded that the adjustments to the level of impairment have been properly calculated, charged or credited to the correct account and disclosed in the financial statements.

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

At March 31, 2018, the Trust provided approximately £0.5 million against potential irrecoverable debts.

There was one specific debt where recovery is in doubt.

The Trust has an amount outstanding of £1 million and there remains some doubt over which commissioner has responsibility for this debt. However, NHS England has confirmed in writing that they will identify the responsible commissioner and, when this has been done, all invoices should be forwarded to the responsible commissioner for settlement. However, the letter does not identify which body will eventually repay the debt nor when.

The Audit Committee challenged whether the letter from NHS England amounted to a guarantee of payment. In addition, since the repayment date has not been indicated, the Audit Committee debated with Management and the Independent Auditors whether the debt should be discounted and the discount charged to the Statement of Comprehensive Income.

After careful consideration, Audit Committee concurred that no provision is required

In respect of other provisions made as at March 31, 2018, the Audit Committee discussed the level of provision with management and challenged the work performed during the audit by the Independent Auditor to determine if the provisions were accurately calculated and complete.
After consideration, the Audit Committee was satisfied that the level of provision made in the financial statements reflects the best estimate of the economic outflow likely to occur.

Going Concern

The Audit Committee formally considered the assumptions relating the going

concern basis of reporting of the financial statements. After careful analysis and debate, the Audit Committee recommended to the March 2017 Board meeting that the use of going concern basis for the preparation of the annual financial statements was appropriate.

2. Board Assurance Framework

The Audit Committee has a responsibility to ensure that the Trust's system of risk management is adequate in both identifying risks and how those risks are managed. The Trust's principal risks and the mitigating controls are reflected in the Board Assurance Framework ('BAF'). Previously, the BAF was maintained by the Trust's Performance and Assurance group and formally reviewed by the Quality and Performance Committee ('Q&P').

However, during the year, responsibility for reviewing formally the BAF was transferred to the Audit Committee.

The Audit Committee questioned directly the Director of Commissioning and Quality Assurance as to the system for the regular re-assessment of the principal risks and mitigating controls reflected in the BAF. It also noted the work performed at Board level during 2017/18 to assess risk appetite.

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

Finally, the Audit Committee reviewed the Head of Internal Audit Opinion, presented to the Audit Committee in May 2017.

After careful scrutiny and consideration, the Audit Committee concluded that:
- The system of risk management is adequate in identifying risks and allowing the Board to understand the appropriate management of those risks; and
- The BAF was comprehensive and fit for purpose; and
- There were no significant omissions or duplications in the Trust's systems of governance.

3. Annual Governance Statement

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

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

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

4.   Clinical Audit

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

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

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

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

Mazars was required to report to the Trust whether:

- The financial statements for the year have been prepared in accordance with directions under Paragraph 25 of Schedule 7 of the National Health Service Act 2006; and

- The financial statements comply with the requirements of all other provisions contained in, or having effect under, any enactment which is applicable to the financial statements; and

- The Trust has made proper arrangements for securing economy, efficiency and effectiveness; and

- The Trust's Quality Report has been prepared in accordance with detailed guidance issued by Monitor.

In January 2018, Mazars presented the audit plan for the year to the Audit Committee. The audit plan was challenged robustly, particularly in terms of timing, resources required versus fee proposed, impact on the Trust's day-to-day activities, areas of audit risk, interaction with internal audit and the quality and independence of the Mazars' team.

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

Throughout the audit process, Mazars reported to the Audit Committee, noting any issues

of principle or timing identified by the audit, changes in the external auditor's assessment of risk and any significant control weaknesses or errors identified.

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

The Trust last conducted a tender for audit services in early 2014. The contract awarded to Mazars was for three years ending with the audit of the financial statements for 2016/17 with an option of two individual years thereafter.

Therefore, the Trust has an option of engaging Mazars as their Independent Auditor for one final year for the year end March 31, 2019.

Therefore, the Audit Committee will perform a specific evaluation of Mazars' performance with the input from the Trust's management and internal audit.

Following that review, the Audit Committee will recommend to the Council of Governors to either exercise the option of a final year or retender the contract.

Since a tender of audit services for 2019/20 is required regardless of the outcome of the review, a committee of governors has been established to conduct a tender for external audit services. The committee is being guided by the Chair of the Audit Committee and the Director of Finance of NTW Solutions. The tender will be held in the third quarter of 2018. It is considered that this timing is appropriate regardless of the result of the Audit Committee's evaluation on the performance of Mazars.

The Trust has a policy in place for non-audit services provided by External Audit, which has been approved by the Council of Governors. In 2016/17 and 2017/18, the Trust conducted a review of mortalities and learning support. Mazars assisted in that review.

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

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

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

The Committee reviewed, challenged and approved the proposed AuditOne audit and counter fraud plans and budgets for 2017/18.

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

The Audit Committee monitored that any remedial actions required were undertaken according to the agreed timescales. Where delays occurred, the reasons were reported to the Audit Committee.
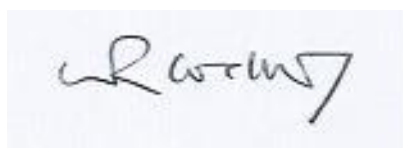
After careful consideration, the Committee is satisfied that:
1. The Trust has an adequate and effective framework for risk management, governance and internal control; and
2. Any delays in taking remedial actions were justifiable.

Whistleblowing
The Board has delegated responsibility for the review of the policy on whistleblowing and oversight of the application of that policy to Q&P. Any significant matters arising are brought to the attention of the Audit Committee by the Chair of Q&P.
The Audit Committee is responsible for assessing the independence, autonomy and effectiveness of the resolution of any significant matters subject to a whistleblowing event. No such matters were brought to the attention of the Audit Committee during the year.

Martin Cocker
Audit Committee Chair

Understanding the views of Governors and Members

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

- Board members attending Governor Engagement Sessions and Council of Governor Meetings;
- The minutes of the Council of Governors' meetings being received at meetings of the Board of Directors;
- Informal opportunities to network; and
- Governors attending committees as observers, provides a further opportunity for sharing of views.

The Council of Governors has been established to include both elected and appointed Governors and their roles and responsibilities are set out in the Trust's constitution. Elected Governors consist of public Governors, service user and carer Governors and staff Governors, and appointed Governors are from partner organisations.

Service users and carers are represented separately with six seats each, reflecting our commitment to these groups. Public Governors represent those in their local authority area. There are 6 public Governors, one for each local government area. Any individual who lives outside one of the six local government areas but within England and Wales may become a public member and he/she will be represented by the Newcastle upon Tyne public governor.

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

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

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

An election took place during the autumn of 2017 resulting in some changes from 1 December 2017. Appointed Governors also hold office for a period of three years and are eligible for re-appointment at the end of that period for a further three years and then a further two years and may not hold office for more than eight years.

The table below shows the individuals making up the Council of Governors during 2017/18, their constituencies, whether they were elected and their attendance during 2017/18.

Fiona Grant became the lead governor on 1st December 2015 and continues in this role.

During 2017/18, there were significant changes to the Council of Governors, due to elections and some resignations for other reasons. These are set out in the table below. As at 31 March 2018, the Council of Governors had vacancies for three Carer Governors, one Public Governor and one Community and Voluntary Sector Governor.

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

The Trust's policy is that reasonable expenses will be reimbursed to attend authorised training and induction events, and meetings arranged by the Trust of the Council of Governors, members and local constituency, and where applicable, meetings of the Nominations Committee and governor working groups. Details are included in a policy document issued to Governors.

Figure 17: Membership of the Council of Governors and Attendance

| Governor | Constituency | Elected | Date | | Period of office (months) | No. of meetings | |
			Start	Left (and reason)		Total	Attended
Margaret Adams	Public South Tyneside	Yes	01.03.14		49	5	4
Julia Allison	Public Gateshead	Yes	01.12.14	Resigned 05.09.2017	34	3	0
Colin Browne	Public S Tyneside Carer OPS	Yes	01.12.13 01.12.16		36 16	5	2
Vicky Bullerwell	Staff Non-Clinical	Yes	01.12.17		4	1	1
Michael Butler	Public Sunderland	Yes	01.12.15		28	5	0
Lynne Caffrey	Local Authority Gateshead	No	18.11.16	Resigned 18.07.2017	8	2	0
Alisdair Cameron*	Community and Voluntary	No	01.12.12	Term ended 30.11.2017	52 44	5	0
Anne Carlile	Carer Adult Services	Yes	01.04.16		24	5	5
Anne Dale	Local Authority Sunderland	No	15.06.15	Resigned 25.07.2017	25	5	0
Grahame Ellis	Staff Non-Clinical	Yes	01.12.12	Term ended 30.11.2017	60	4	4
Andrew Fothergill	Service User Adult Services	Yes	01.12.17		4	1	1
Fiona Grant	Service User Adult Services	Yes	01.12.14		40	5	4
Margaret Hall	Local Authority North Tyneside	No	20.05.16		22	5	0
Catherine Hepburn	Public North Tyneside	Yes	01.12.16		16	5	5
George Hardy	Carer Learning Disability Services	Yes	01.12.09 01.04.16	30.11.15 Term ended 31.03.2018	72 24	5	1

| **Barry Hirst** | University Newcastle University | No | 01.12.09 | 20.11.17 Term ended | 96 | 4 | 1 |

Veronica Jones	Local Authority Northumberland	No	25.07.17		8	4	0
Claire Keys **	Service User Adult Services	Yes	01.12.12	14.09.2014 (see note)	21	5	4
	Staff Clinical	Yes	01.12.15		28		
Diane Kirtley	Carer Neuro Disability Service	Yes	01.04.16		24	5	1
Chris Macklin	Carer Adult Services	Yes	01.12.15	Resigned 06.07.2017	31	1	1
Felicity Mendelson	Local Authority Newcastle	No	01.02.16		37	5	1
Graeme Miller	Local Authority Sunderland	No	16.05.12		70	5	1
Marian Moore	Service Users Older Peoples Services	Yes	01.03.11		85	5	0
Daniel Nettle	University Newcastle University	No	20.10.17		5	2	0
Peter Okey	Staff Medical	Yes	01.04.16		24	5	1
Austin O'Malley	Public Newcastle/rest of England & Wales	Yes	01.12.12	Resigned 31.03.2018	64	5	4
Pauline Pearson	University Northumbria University	No	01.02.13		62	5	2
Denise Porter	Community and Voluntary	No	01.04.17		12	5	5
Lucy *** Reynolds	Service User Neuro Disability Services	Yes	01.12.12 09.12.15	30.11.2015 (see note)	36 28	5	2
Bill Scott	Public Northumberland	Yes	01.12.14		40	5	3
Rachel Simpson	Service User Learning Disability Services	Yes	01.12.12		64	5	1
Lisa Strong	Staff Clinical	Yes	01.12.15		28	5	2
Allison Thompson	Local Authority Gateshead	No	01.07.17		9	3	0
David Townsley	Local Authority South Tyneside	No	20.04.17	Resigned 01.02.2018	11	4	1
David Twist	Service User Adult Services	Yes	01.12.14	Term ended 30.11.2017	36	4	0
Bob Waddell	Staff Non-Clinical	Yes	01.12.12		64	5	4
Jack Wilson	Service User Children & Young People's Service	Yes	01.12.13		52	5	2
Cheryl Wright	Public Gateshead	Yes	01.12.17		4	1	0

* Alisdair Cameron served as a Service User Governor for adult services between 1 December 2009 and 30 November 2012, i.e. 36 months.

** Claire Keys served as a Service User governor for adult services between 1 December 2012 and 14 September 2014, i.e. 21 months.

***Lucy Reynolds was unsuccessful in the elections in November 2015. However, the successful candidate resigned immediately after being elected. Lucy Reynolds as the second placed candidate was therefore re-elected.

There have been five formal meetings of the Council of Governors during 2017/18, including the Annual Members' Meeting. There have also been a number of training, engagement and focus sessions as determined by the Governors Steering Group.

Figure 18: Analysis of attendance of Board members at formal Council of Governors' meetings.

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

Nominations Committee

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

Figure 19: Nominations Committee Membership and Attendance

Name	Designation	Total	Attended
Alexis Cleveland (from 1 December 16)	Acting Chair	5	5
Anne Carlile	Carer Governor	5	4
Austin O'Malley	Public Governor	5	4
Barry Hirst	Appointed Governor	5	5
Chris Macklin (until 6 July 2017)	Carer Governor	4	4
*Fiona Grant	Service User Governor	5	0
Grahame Ellis	Staff Governor	5	5
Jack Wilson (from 6 March 2018)	Service User Governor	0	0
Margaret Adams (from 1st March 17)	Public Governor	5	5

 *Fiona Grant did not attend the meetings due to a conflict of interest.

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

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

During the period under review, the Trust's Chair resigned. As a result of this the Nominations Committee reviewed the Chair role, job description, person specification, qualifications, skills, expertise and values required for a Chair in our Trust. This was then reviewed against the qualifications, skills and experience of current Board members to ensure Board balance. Following this, the Committee undertook a competitive process to select and appoint an external search agency to assist in the appointment process.

The Nomination Committee considered two candidates for the Chair position and following formal interviews and feedback from focus groups made up of service users and carers, the committee recommended the appointment of Ken Jarrold which was ratified by the full Council of Governors on the 21 December 2017.
The Nominations Committee also recommended the Council of Governors reappoint Martin Cocker, Non-Executive Director for a further period of one year from 1 January 2018. The

reappointment was the result of a strengthened review of Martin's performance in the role of NED.

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

An important part of the Governors' role is to communicate with the group of people who elected them and we support the Governors to achieve this. Governors have been supported to establish regular links between Governors and the directors and the local community, especially our members to ensure targeted and specific programmes of engagement relevant to the diverse needs of each community is developed and progressed.

A range of engagement and communication methods are used by the individual Governors with support from the Trust. The Membership Strategy includes a list of communication methods from the Trust to the Governors, including the Members Newsletter, continuously updating the Foundation Trust pages on the website, ensuring all new members receive information on the benefits of membership, holding open meetings for members to discuss local issues, inviting members to the Trust's Annual Members Meeting, inviting members to participate in surveys and questionnaires, ensuring members are aware of ways to contact the Trust, the availability of the leaflet "A Guide to Becoming a Governor" and establishing communication routes between members and their governor representatives.

The Board has regard to the views of the Council of Governors in preparing the Trust's Operational Plans and Strategic Plans. The Council of Governors is consulted on the development of forward plans and any significant changes for the delivery of the Trust's Operational Plan. In particular this year the Council of Governors as well as service users, carers and members of the public have been fully involved in the development of the Trusts 5 year strategy.

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

Declaration of Interests

All Governors are asked to declare any interest on the Register of Governors' Interests at the time of appointment and annually every March. The Register is available for inspection on the internet at www.ntw.nhs.uk or on request, from Caroline Wild, Deputy Director, Corporate Relations and Communications, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (caroline.wild@ntw.nhs.uk).

Compliance with the Code of Governance

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

Four of the categories do not require disclosure, but the Trust can confirm that it complies with the statutory requirements quoted in the Code and it has made relevant supporting information available to Governors, members and the public on its website.

One of the categories requires supporting explanation to be included in the Annual Report and these explanations are included in this section of the Annual Report, i.e. "Disclosures set out in the NHS Trust Code of Governance".

The final category has a "comply or explain" requirement, where the Trust must explain the reasons for any departures from the Code, including how the alternative arrangements continue to reflect the main principles of the Code. The Trust has applied all of the principles of the NHS Foundation Trust Code of Governance.

The Trust continues to keep governance arrangements under review to ensure their effectiveness and the Trust undertook an external review of its governance arrangements, using the Well Led Framework, during 2015/16, supported by Deloitte, in line with Monitor's recommendations to all Foundation Trusts. No material governance concerns were identified. During 2016/17 the Trust was subject to a comprehensive inspection by the CQC which found the Trust to be Outstanding overall, and outstanding in the Well Led domain, which considered governance arrangements.

Information, development and evaluation

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

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

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

Indemnities

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

Membership

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

At 31 March 2018, we have a consistent membership of around 12,000 public and 6,850 staff (see the table below for details of numbers per constituency). During the past year we have continued to engage with the membership and encouraged nominations to governor elections.

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

The Trust held two free events for members during 2017/18 on wellbeing and, deafness and mental health. Both events gained excellent feedback and provided the opportunity for members to engage with the Trust and Governors.

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

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

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

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

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

The table below (Figure 20) shows an analysis of our membership as at 31 March 2018.

Figure 20: Analysis of membership as at 31 March 2018

Constituency	31 March 2018
General Public	
Gateshead	994
Newcastle upon Tyne Rest of England and Wales	3,482
Northumberland	1,413
North Tyneside	1,483
South Tyneside	794
Sunderland	2,046
Sub total	**10,279**
Service Users	
Adults	376
Children and young people	142
Learning disability	182
Neuro-disability	116
Older people	41
Unknown*	41
Sub total	**898**
Carers	
Adults	144
Children and young people	540
Learning disability	111
Neuro-disability	91
Older people	94
Sub total	**980**
Total All Public	**12157**
Staff	
Unspecified	37
Medical	246
Other Clinical	2,740
Non Clinical	3,829
Total All Staff	**6,852**
Total Members	**18,942**

Note: *Included in total are 41 service users who have not stated which service they use and are therefore recorded as unknown

We have continued to work closely with the main commissioners to develop the mental health payment system which supports tariffs associated with individual service users and their interactions with mental health services. The Trust agreed activity and income baselines with commissioners using new contract currencies based on mental health care clusters. The Trust will continue to monitor and report activity and income against both

existing contract currencies and the new proposed clusters. Further development will continue in 2018/2019.

The Trust's performance against the agreed CQUIN Indicators relating to improving safety, patient experience and clinical effectiveness is shown in the Quality Report.

3.5 NHS Improvement's Single Oversight Framework

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

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

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

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

Segmentation

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

This segmentation information is the Trust's position as at 31st March 2018.

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

Finance and Use of Resources

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

Figure 21: Single oversight framework: Finance and use of Resources

Area	Metric	2016/17 Q3	2016/17 Q4	2017/18 Q1, Q2, Q3 & Q4
Financial sustainability	Capital service capacity	3	3	3
	Liquidity	1	1	1
Financial efficiency	I&E margin	1	1	1
Financial controls	Distance from financial plan	2	1	1
	Agency spend	2	3	1
Overall scoring		**2**	**2**	**1**

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

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

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

The Trust provides services to a broad range of commissioners. The main commissioners for the Trust in 2017/18 were as follows:

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

The Trust had legally binding contracts in place to deliver commissioned services and has a positive relationship with commissioners. Commissioners monitor our performance through monthly monitoring reports and regular contract review meetings. We performed broadly in line with 2017/2018 patient care contracts over the year.

3.6 Statement of Accounting Officer's Responsibilities

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

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

NHS Improvement, in exercise of the powers conferred by Monitor by the NHS Act 2006, has given Accounts Directions which require Northumberland, Tyne and Wear NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of Northumberland, Tyne and Wear NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

- Observe the Accounts Direction issued by NHS Improvement, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the NHS Foundation Trust Annual Reporting Manual (and the Department of Health Group Accounting Manual) have been followed, and disclose and explain any material departures in the financial statements;
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance; and
- Prepare the financial statements on a going concern basis.

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS Foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

John Lawlor,
Chief Executive
23 May 2018

3.7 Annual Governance Statement 2017-18

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS foundation trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that the NHS foundation trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the NHS Foundation Trust Accounting Officer Memorandum.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Northumberland, Tyne and Wear NHS Foundation Trust and the group, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Northumberland, Tyne and Wear NHS Foundation Trust and the group for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

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

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

committees in place for quality and performance and operational management. Risk registers are maintained and reviewed by each Group and reviewed through the Foundation Trust-wide governance structures.

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

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

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

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

The risk and control framework

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

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

1. To support greater devolution of decision making and accountability for management of risk throughout the organisation from Trust Board to point of delivery (Board to Ward).
2. To promote a risk culture of monitoring and improvement, which ensures risks to the delivery of the Trust's ambitions are identified and addressed.
3. To define processes, systems and policies throughout the Trust which are in place to support effective risk management and ensure these are integral to activities in the Trust.
4. To support service users, carers and stakeholders through the reduction of risks to service delivery and improved service provision.

5. To support the Trust Board in being able to receive assurance that the Trust is continuously monitoring external compliance targets and legislation responsibilities, including standards of clinical quality, NHSI compliance requirements and Trust's licence.

Risks facing the organisation will be identified from a number of sources, for example:
- Risks arising out of the delivery of day to day work related tasks or activities
- The review of strategic or operational ambitions
- As a result of an incident or the outcome of investigations
- Following a complaint, claim or patient feedback
- As a result of a health and safety inspection/assessment, external review or audit report
- National requirements and guidance

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

Category	Risk Appetite
Clinical Innovation	NTW has a **MODERATE** risk appetite for Clinical Innovation that does not compromise quality of care.
Commercial	NTW has a **HIGH** risk appetite for Commercial gain whilst ensuring quality and sustainability for our service users.
Compliance/Regulatory	NTW has a **LOW** risk appetite for Compliance/Regulatory risk which may compromise the Trust's compliance with its statutory duties and regulatory requirements.
Financial/Value for money	NTW has a **MODERATE** risk appetite for financial/VfM which may grow the size of the organisation whilst ensuring we minimising the possibility of financial loss and comply with statutory requirements.
Partnerships	NTW has a **HIGH** risk appetite for partnerships which may support and benefit the people we serve.
Reputation	NTW has a **MODERATE** risk appetite for actions and decisions taken in the interest of ensuring quality and sustainability which may affect the reputation of the organisation.
Quality Effectiveness	NTW has a **LOW** risk appetite for risk that may compromise the delivery of outcomes for our service users.
Quality Experience	NTW has a **LOW** risk appetite for risks that may affect the experience of our service users.
Quality Safety	NTW has a **VERY LOW** risk appetite for risks that may compromise safety.
Workforce	NTW has a **MODERATE** risk appetite for actions and decisions taken in relation to workforce.

All risks which exceed the Trust risk appetite will be reported through the Trust Governance Structures to the Board of Directors. This replaces the system of all risks of 15 and above being reported.

The table below summarises those risks which have exceeded risk appetite, as reported to the Board in the Assurance Framework in March 2018. All risks identified below are

considered as in year and future risks relating to the Strategic Ambitions pertinent to 2017-18.

Risk Ref	Risk description	Risk Appetite	Risk score
SA1.3	That there are adverse impacts on clinical care due to potential future changes in clinical pathways through changes in commissioning of services.	Quality Effectiveness (6-10)	12
SA1.4	The risk that high quality, evidence based and safe services will not be provided if there are difficulties in accessing services in a timely manner and that services are subsequently not sufficiently responsive to demands.	Quality Safety (1-5)	8
SA3.1	That we do not further develop integrated information systems across partner organisations	Quality Safety (1-5)	9
SA3.2	That we do not influence the development of integrated new care models (ICS, MCP, STP) affecting the sustainability of MH and LD services.	Quality Effectiveness (6-10)	16
SA4.1	That we have significant loss of income through competition and national policy including the possibility of losing large services and localities.	Finance/VfM (12-16)	20
SA4.2	That we do not manage our resources effectively through failing to deliver the required service change, productivity gains and failing to meet the Trust control total of £7.1m	Finance/VfM (12-16)	20
SA5.2	That we do not meet significant statutory and legal requirements in relation to Mental Health Legislation	Compliance/ Regulatory (6-10)	12
SA5.5	That there are risks to the safety of service users and others if we do not have safe and supportive clinical environments.	Quality Safety (1-5)	10

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

The Trust's governance structures are the subject of periodic review, the last review taking place June 2017 where changes were made to the committee terms of reference to reflect the new arrangements for risk management across the committees.

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

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

Each of the sub-committees of the Foundation Trust Board of Directors has responsibility for risks pertaining to their area of focus and ensuring the following takes place:
• Review the management of the Corporate Risk Register and the Groups top risks;

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

The Quality and Performance Committee has responsibility for overseeing the Foundation Trust's performance against fundamental standards for quality and safety as part of this role. The Committee also considers all aspects of quality and performance, in terms of delivery of internal and external standards of care and performance.

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

The Research and Development Committee, a sub Committee of the Quality and Performance Committee, oversees the implementation and review of the Trust's Research and Development Strategy and ensures that the organisation's research governance responsibilities are met, including the cost effective use of research and development income.

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

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

The Trust reviews its performance against NHSI's (*formerly Monitor's*) published Quality Governance Framework on a twice yearly basis through the Quality and Performance Committee.

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

The Trust has a data quality improvement plan in place to ensure continuous improvement in performance information and has made continued advances in this area through 2017-18 with continued development of dashboard reporting from patient and staff level to Trust position. The Trust audit plan includes a rolling programme of audit against all performance and quality indicators.

Registration compliance is managed through the above quality governance structures and is supplemented by the Deputy Chief Operating Officer/Group Director being responsible for the oversight of all compliance assessments and management of on-going compliance through the Trust CQC Compliance Group. This Group reports into the Corporate Decisions

Team Quality Group. A process is in place through the governance arrangements highlighted above to learn from external assessments and improve our compliance. The CQC Compliance Group undertakes regular reviews of compliance against the CQC Fundamental Standards including undertaking mock visits and identifying Improvement requirements.

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

The Foundation Trust is registered with the CQC and has maintained full registration, with no non-routine conditions, from 1st April 2010. The CQC conducted a full comprehensive inspection during 2016 and rated the Trust as 'Outstanding'.

As described above the Trust has robust arrangements for governance across the Trust. Risks to compliance with the requirements of NHS Foundation Trust condition 4 (FT governance) are set out where appropriate within the Assurance Framework and Corporate Risk Register. The Board has reviewed its governance structures and the Board and its Committees undertake an annual self-assessment of effectiveness and annually review their terms of reference.

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

The Risk Management Strategy, the associated Risk Management Policy and the governance structure identified above have been developed in line with nationally identified good practice.
The Trust undertook an external assessment of its governance arrangements using the Well Led Framework through 2015-16, supported by Deloitte, in line with Monitor's recommendations relating to foundation trusts. Deloitte provided feedback to the Board at a Board Development Session in December 2015 and the Board of Directors reviewed the final report, including the recommendations in January 2016.
The independent review confirmed that there were no material governance concerns.

As part of CQCs comprehensive inspection during 2016 the trust governance arrangements came under further external scrutiny. The Trust achieved an 'Outstanding' rating for Well-led in addition to its overall rating.

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

- Working with partners in health and social services in considering business and service change. The Foundation Trust has a framework for managing change to services agreed as part of its contracts with its main commissioners across the North East. The Foundation Trust also has good relationships with Overview and Scrutiny Committees, with an excellent record of obtaining agreement to significant service change.

- Active relationships with Healthwatch and user and carer groups, and works with these groups on the management of service risks.

- A Deputy Director, Communications and Corporate Relations reporting directly into the Chief Executive for sustaining effective relationships with the key public stakeholders.

- Active engagement with governors on strategic, service, and quality risks, including active engagement in the preparation of the Annual Plan, Quality Accounts and the setting of Quality Priorities.

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

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

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

The foundation trust has undertaken risk assessments and Carbon Reduction Delivery Plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Foundation Trust has a Financial Strategy, which was most recently updated as part of the submission of the 2017-19 Operational Plan, and now includes detailed plans for delivery of service and financial objectives to March 2019. A refresh of financial plans for 2018/19 was approved in April 2018. Budgets are agreed based on the overall plan and a full re-basing exercise has taken place to underpin the budgets for 2018/19. All budgets, including Financial Delivery Plans are signed off by budget holders before approval by the Board of Directors. The financial position is reviewed on a monthly basis through, through the Executive Directors meeting and through the Board of Directors and on a quarterly basis by the Resource and Business Assurance Committee.

The Trust Board receives an update on the Financial Delivery Plan at each meeting. On-going plans for financial delivery have been developed through Operational Groups, and reviewed through Business Delivery Group, Group Operational Management Groups, The Executive Directors Meeting, Corporate Decisions Team and the Trust Board, as well as being reviewed through the Resource and Business Assurance Committee. An integrated approach has been taken to financial delivery with each scheme assessed for its financial workforce and quality impact. Each Group reviews its own performance on its contribution to the Trust Financial Delivery Plan at its Operational Management Group. The Foundation Trust actively benchmarks its performance, through a range of local, consortium based and national groups, and is actively involved in a range of quality, resource and service improvement initiatives with NHS Improvement

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

Information governance

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

Version 14.1 of the Toolkit was released in May 2017 and the Trust has met the required standard of level 2 across all key standards in the Information Governance Toolkit.

In 2017/2018 the Trust reported one Information Governance incident to the ICO and relevant stakeholders which was classified at level 2 in accordance with the HSCIC Governance Incident Reporting Tool. This incident was brought to the attention of the Trust in May 2017 by NHS Digital CareCert. NHS Digital informed that the Trust's public website www.ntw.nhs.uk had potentially been accessed illegally in July 2016.

The data potentially accessed related to those individuals who have contacted the Trust via the Trust's website. The data potentially accessed includes personal and personal sensitive data for example, name, address (email/contact details) and information relating the nature of the contact made to the Trust.

The Trust took immediate remedial action, investigated the incident and informed the Information Commissioner. It was confirmed that only one record was definitively accessed. The Trust was already in the process of renewing it's website, and a new website has now gone live.

The ICO have concluded their review and have decided that regulatory action is not required in this case.

Annual Quality Report

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

2017-18 is the 9th year of developing Quality Accounts/Report for Northumberland, Tyne and Wear NHS Foundation Trust.

The Trust has drawn upon service user, carer and staff feedback as well as the Council of Governors to inform the Quality Account/Report. We have also listened to partner feedback on areas for improvement and our response to these are incorporated in the 2017-18 Quality Account.

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

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

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

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

• Trust policies on quality reporting, key policies include:

- NTW(O)05 Incident Policy (including the management of Serious Untoward Incidents)
- NTW(O)07 Comments, Compliments and Complaints Policy
- NTW(O)09 - Management of Records Policy
- NTW(O)26 - Data Quality Policy
- NTW(O)28 – Information Governance Policy
- NTW(O)34 - 7 Day Follow Up
- NTW(O)62 - Information Sharing Policy

- NTW(O)36 – Data Protection Policy
- NTW(O)08 – Emergency Preparedness, Resilience and Response Policy

• Systems and processes have been further improved across the Trust during 2017-18 with the continued expansion of the near real-time dashboard reporting system, reporting quality indicators at every level in the Trust from patient/staff member to Trust level.

• The Trust has training programmes in place to ensure staff have the appropriate skills to record and report quality indicators. Key training includes:

  - Electronic Patient Record (RiO)
  - Trust Induction
  - Information Governance

• The Trust audit plan includes a rolling programme of audits on quality reporting systems and metrics.

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

• The Quality and Performance Committee reviews performance against Monitor's published Quality Governance Framework on a twice yearly basis.

• The Foundation Trust has a near real-time reporting system which connects all our business critical systems. The system presents information at varying levels enabling board to patient drill down. It is accessible by all Trust staff.

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

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee, and the Foundation Trust governance committees and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Performance and Assurance Framework provide me with evidence that the effectiveness of controls in place to manage the risks associated with achieving key organisational objectives have been systematically reviewed. Internally I receive assurance through the operation of a governance framework as described above, including the

Trustwide Governance Structure, Group level governance structures, internal audit reviews and the Audit Committee.

My review is also informed by (i) On-going registration inspections and Mental Health Act reviews by the Care Quality Commission (ii) the National Health Service Litigation Authority Clinical Negligence Scheme for Trusts, (iii) External Audit, (iv) NHS England (v) NHS Improvement's ongoing assessment of the Foundation Trust's performance, (vi) on-going review of performance and quality by our Commissioners and vii) the external assessment of the Trust's governance arrangements using the Well Led Framework through 2015-16, supported by Deloitte.

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

- Overseeing the risk management system and obtaining assurances that there is an effective system operating across the Trust. Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the Foundation Trust that supports the achievement of the organisations objectives.

- Consideration of the systems and processes in place to maintain and update the Assurance Framework, and consideration of the effectiveness and completeness of assurances that documented controls are in place and functioning effectively.

- Scrutiny of the corporate governance documentation for the Foundation Trust.

- The agreement of external audit, internal audit and counter fraud plans and detailed scrutiny of progress reports. The Audit Committee pays particular attention to any aspects of limited assurance, any individual areas within reports where particular issues of risk have been highlighted by internal audit, and on follow up actions undertaken. Discussions take place with both sets of auditors and management as the basis for obtaining explanations and clarification.

- Receipt and detailed scrutiny of reports from the Foundation Trust's management concerning the governance and performance management of the organisation, where this is considered appropriate.

- Review of its own effectiveness against national best practice on an annual basis. The terms of reference for the committee were adopted in line with the requirements of the Audit Committee Handbook and Monitor's Code of Governance.

The Trust Board itself has a comprehensive system of performance reporting, which includes analysis against the full range of performance and compliance standards, regular review of the Assurance Framework and Corporate Risk Register, ongoing assessment of clinical risk through review of complaints, SUIs, incidents, and lessons learned. The Quality and Performance Committee receives a regular update on the performance of clinical audit.

The Board of Directors also considers periodically a review of unexpected deaths which includes a comparison with national data, when available.

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

Conclusion

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

John Lawlor
Chief Executive
23 May 2018

3.8 Voluntary Disclosures - Modern Slavery Act Statement

Introduction

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

Organisation's Structure and Principal Activities

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

Our Supply Chains

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

Our Policies on Slavery and Human Trafficking

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

Due Diligence Processes for Slavery and Human Trafficking

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

Supplier Adherence to Our Values

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

Training

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

Quality Account

Northumberland, Tyne and Wear
NHS Foundation Trust

2017/18

Caring | Discovering | Growing | Together

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

Mental Health & Disability Foundation Trust

Local population of 1.4 Million

Employ around 6,000 staff

Inspected and rated
Outstanding ☆
Care Quality Commission

We work from over 60 sites across Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside and Sunderland

We also provide a number of regional and national specialist services to England, Ireland, Scotland & Wales

Five Local Clinical Commissioning Groups and **six** Local Authorities

Costs of around £300 Million

Northumberland, Tyne and Wear NHS Foundation Trust 2017/18 in numbers:

87%

The proportion of 6,500 service users and carers who responded to the Friends and Family Test and would recommend our services

16

The average number of bed days per month that local service users were inappropriately admitted out of area per month between January to March 2018

2

The number of mental health and disability trusts rated "Outstanding" by the Care Quality Commission

84%

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

64%

The response rate to the 2017 staff survey, which was 12% above the national average and 19% higher than the previous year

42,500

The number of service users cared for by the Trust on 31 March 2018

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Appendices

Morpeth

Prudhoe

Newcastle
upon Tyne

Sunderland

Welcome and Introduction to the Quality Account

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

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

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

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

What is a Quality Account?

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

We welcome the opportunity to outline how we have performed over the course of 2017/18, taking into account the views of service users, carers, staff and the public, and comparing ourselves with other Mental Health and Disability Trusts. This Quality Account outlines the good work that has been undertaken, the progress made in improving the quality of our services and identifies areas for improvement.

To help with the reading of this document we have provided explanation boxes alongside the text.

This is an "explanation" box

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

Statement of Quality from the Chief Executive

Thank you for taking the time to read our 2017-18 Quality Account, reflecting upon another busy year.

We have set out in this document how we have performed against local and national priorities - including how we have progressed with our Quality Priorities for 2017-18. We have also set out in this document our Quality Priorities for 2018-19, and look forward to reporting our progress against these in next year's Quality Account.

We were delighted this year to be awarded the prestigious "Provider of the Year" award by the Health Service Journal. This award is dedicated to all our staff who do such an amazing job supporting the people we serve, helping them to live the best lives they possibly can. Every member of our staff, regardless of their role played their part and winning this award is testament to their hard work and compassion.

Other achievements this year include the launch of our NTW Nursing Academy to ensure that we can address current and future workforce issues, and we are one of the first trusts in the country to develop exciting new "nursing associate" posts. We have also been awarded "Global Digital Exemplar" funds, which will enable us to use technology innovations to improve service user experiences.

This year has not been without challenges, and I am proud that despite the pressures we have faced, we have continued to receive positive feedback from service users and carers, consistent with our CQC outstanding status and we continue to achieve the requirements of NHS Improvement's Single Oversight Framework. We also ensure that we listen to those who have had a poor experience of care in our services to learn how we can make improvements.

In February we were delighted to welcome our new chair, Ken Jarrold to the Trust and look forward to working together towards our vision of being a leader in the delivery of high quality care and a champion for those we serve. I hope you will find the information in the document useful. To the best of my knowledge, the information in this document is accurate.

John Lawlor
Chief Executive

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

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

We were proud this year to redesign our leadership model at Northumberland, Tyne and Wear NHS Foundation Trust to ensure that the service user is at the forefront of everything we do.

Our locality care group based management structure ensures that decisions are made as close as possible to the service user, and that services meet the needs of local communities. This year we have focussed upon the following quality priorities:

- Improving waiting times to access services
- Embedding the Positive and Safe (Violence Reduction) Strategy
- Embedding the Principles of the "Triangle of Care" (a carer initiative)
- Ensuring that care plans are co-produced and personalised
- Ensuring that service users subject to the Mental Health Act are reminded of their rights

In September we published our "Learning from Deaths" policy, setting out how we will approach the review of deaths of service users, and this learning will be used to improve the health of service users who, as a group, die between 15-20 years earlier than the general population. The policy also sets out how we will also support bereaved relatives and carers.

We have faced challenges throughout the year, particularly pressures on inpatient bed availability, increases in some waiting times and we have also been affected by the national shortage of medical staff. In the coming year we will ensure that we prioritise these areas to ensure that we continue to deliver high quality services, and we are also developing a "Creating Capacity to Care" initiative, to ensure that staff are able to spend as much time as possible delivering care to service users.

Dr Rajesh Nadkarni
Executive Medical Director

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

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

Statement of Quality from Council of Governors Quality Group

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

During 2017-18 the group received a number of presentations from Trust representatives on varied topics including:

- Mental Health Act reading of rights
- Personalisation & co-production of care plans
- Triangle of Care initiative
- Discharge planning in Northumberland
- Waiting times in services for Children and Young People
- Staff wellbeing
- Willow View Carer Support Group
- Collingwood Court Mutual Help Meetings

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

Members of the group have continued to attend the Trust Quality and Performance Committee and we have also played a valuable role in developing the 2018-19 Trust Quality Priorities.

In 2018-19 we will continue to monitor progress towards Quality Priorities and hope to participate in visits to Trust services, to further enhance our understanding of issues impacting on the quality of services provided.

Margaret Adams

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

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

Care Quality Commission (CQC) Findings

In June 2016, the Care Quality Commission (CQC) conducted a comprehensive inspection of our services and rated us as "Outstanding", and we remain one of only two Mental Health and Disability Trusts in the country to be rated as such.

All of our core services are rated as either "Good" or "Outstanding" overall, and we aim to protect, build upon and share our outstanding practice, while addressing all identified areas for improvement. Our 2017/18 Quality Priorities were closely linked to CQC findings.

CareQuality Commission
Last rated
1 September 2016

Northumberland, Tyne and Wear NHS Foundation Trust

Overall rating	Inadequate	Requires improvement	Good	Outstanding ☆

Are services

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

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

CareQuality Commission
Last rated
1 September 2016

Northumberland, Tyne and Wear NHS Foundation Trust

Overall rating	Inadequate	Requires improvement	Good	Outstanding ☆

	Safe	Effective	Caring	Responsive	Well led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Good	Good	Good	Good	Good	Good
Child and adolescent mental health wards	Requires improvement	Good	Good	Good	Good	Good
Community mental health services for people with learning disabilities or autism	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆
Community-based mental health services for adults of working age	Good	Outstanding ☆	Outstanding ☆	Good	Good	Outstanding ☆
Community-based mental health services for older people	Good	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆
Forensic inpatient/secure wards	Good	Good	Good	Good	Good	Good
Long stay/rehabilitation mental health wards for working age adults	Good	Good	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Outstanding ☆	Outstanding ☆	Good	Good	Outstanding ☆
Substance misuse services	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Requires improvement	Good	Good	Good	Good
Wards for people with learning disabilities or autism	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆

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

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

Our values ensure that we will strive to provide the best care, delivered by the best people, to achieve the best outcomes. Our concerns are quality and safety and we will ensure that our values are reflected in all we do:

Our Strategy for 2017 to 2022

Our strategy takes into account local and national strategies and policies that affect us, and our ambitions are:

Caring	Discovering	Growing
Providing excellent care, supporting people on their personal journey to wellbeing	Doing everything we can to prevent ill health and offering support early	A centre of excellence for mental health and disability support
A great place to work	Striving for joined up services	Sustainable services that are good value for money

Together

Our long term Quality Goals are based on safety, service user and carer experience, and clinical effectiveness. Each year we set Quality Priorities to help us achieve our long term Quality Goals:

Quality Domain

- Safety
- Service User & Carer Experience
- Clinical Effectiveness

Long Term Quality Goals

- Keeping You Safe
- Working with you, your carers and your family to support your journey
- Ensuring the right services are in the right place at the right time to meet all your health and wellbeing needs

Annual Quality Priorities

2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Embedding the Positive & Safe Strategy (page 117)	Improving the Inpatient Experience	Co-production and personalisation of care plans (page 131); Improving waiting times (page 122); Implementing the principles of the Triangle of Care (page 130)	Improving Waiting Times; Embedding the Principles of Triangle of Care	Use of the Mental Health Act – Reading of Rights (page 139)	Embedding Trust Values

Trust Overview of Service Users

At any time the Trust is caring for approximately 42,500 people. Table 1 below shows the number of current service users as at 31 March 2018 by locality, with a comparison of the same figures from the last 2 years:

Table 1: Service Users by locality 2015/16 to 2017/18

Clinical Commissioning Group (CCG)	2015/16	2016/17	2017/18
Durham Dales Easington & Sedgefield CCG	375	475	474
North Durham CCG	578	653	633
Darlington CCG	111	134	110
Hartlepool & Stockton CCG	137	184	193
Newcastle & Gateshead CCG (Total)	12,879	13,210	13,195
Newcastle	8,741	8,592	8,533
Gateshead	4,138	4,618	4,662
North Tyneside CCG	3,996	4,093	4,013
Northumberland CCG	10,361	9,584	9,671
South Tees CCG	198	232	223
South Tyneside CCG	3,990	3,684	3,713
Sunderland CCG	9,020	9,443	9,711
Other areas	310	611	636
Total Service Users	**41,955**	**42,303**	**42,572**

Data source: NTW

Breakdown of service users by age, gender, ethnicity (by CCG)

Figure 1: Gender, age and ethnic group breakdown of service users for main CCGs

Newcastle & Gateshead CCG
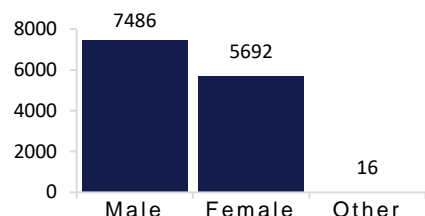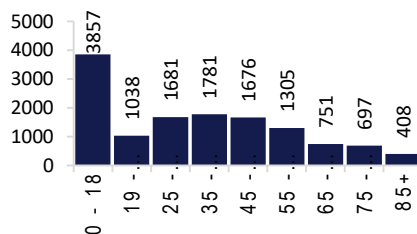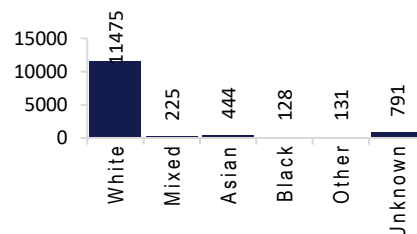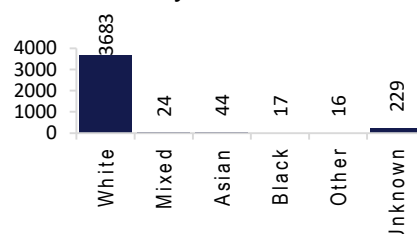
North Tyneside CCG

Northumberland CCG
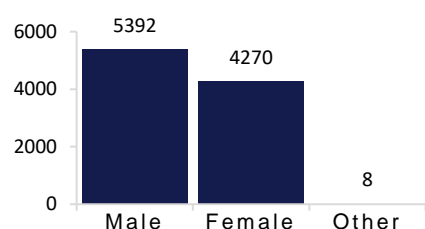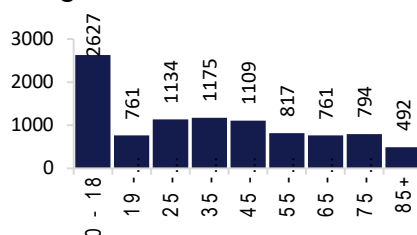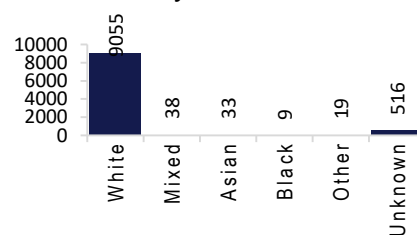
South Tyneside CCG
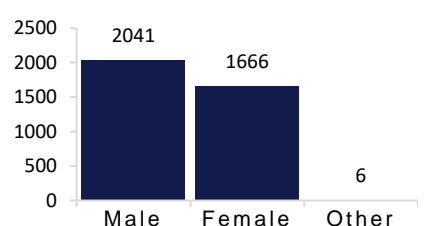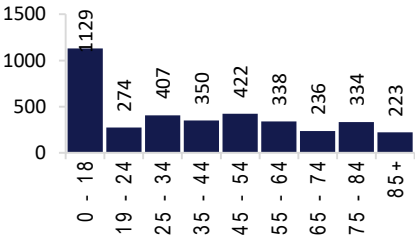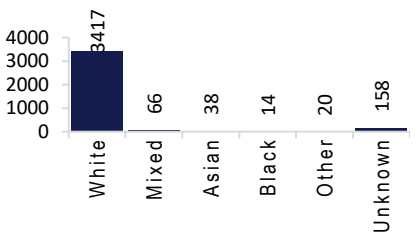
Sunderland CCG
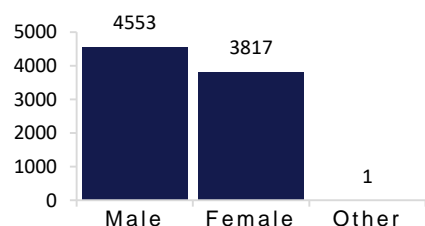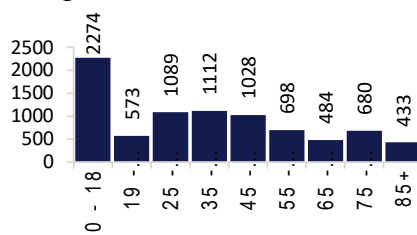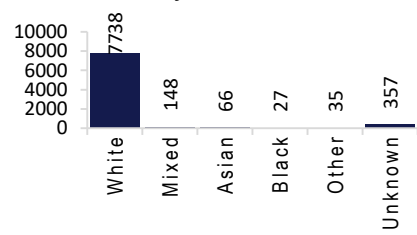
Data source: NTW

Looking Ahead – Our Quality Priorities for Improvement in 2018/19

This section of the report outlines the annual Quality Priorities identified by the Trust to improve the quality of our services in 2018/19.

Each year we set annual Quality Priorities to help us to achieve our long term Quality Goals. The Trust has identified these priorities in partnership with service users, carers, staff and partners from their feedback, as well as information gained from incidents, complaints and learning from Care Quality Commission findings.

We sought views from our stakeholders on our suggested Quality Priorities, asking whether they reflected the greatest pressures that the organisation is currently facing.

The Council of Governors and the Service User & Carer Reference forum jointly hosted an engagement session in November 2017, inviting governors, service users, carers, staff, commissioners and other stakeholders to hear about the progress at that point against the current quality priorities and to seek views on proposals for new quality priorities. The presentations from this session were made available on our website and we also conducted a survey to seek wider views.

How have we acted on feedback about our quality priorities engagement processes?

- We have provided an in year update of progress against our quality priorities

- We are reporting waiting times throughout the year, rather than at 31 March only (starting with services for Children and Young People)

- We recognise that discussions about resources, capacity and the availability of beds can generate anxiety and we have ensured that we consider the potential impact on quality of any decisions that we make.

- We try to use plain English and minimise the use of acronyms

- Increased reporting of service user and carer feedback

The Quality Priorities to be progressed during 2018/19 are:

Safety

Improving the Inpatient Experience

We will:

1. Reduce the number of service users being admitted to inpatient beds outside of the Trust because we have no beds available.
2. Reduce bed occupancy rates so that beds are always available.
3. Reduce the number of service users who are admitted to our beds outside of their home locality.
4. Monitor the feedback we receive from inpatients about their experience of being cared for on our wards.

Clinical Effectiveness

Embedding Trust Values

We will identify and reduce instances where we are not displaying the Trust values of being caring and compassionate, respectful, honest and transparent.

We will align themes and monitor complaints and feedback from staff, service users and carers to measure the progress of this Quality Priority.

Improving Waiting Times

We will improve waiting times for adult and older people's services so the 18 week Trust standard is achieved.

We will improve waiting times for children and young people to ensure that the 18 week treatment standard is achieved by the end of the year.

We will report waiting times for specialised services separately.

Embedding the Principles of Triangle of Care

We will continue to embed the Triangle of Care, ensuring that we work in partnership with service users and carers.

We will roll out the use of the Triangle of Care to services for Children and Young People.

We will closely monitor feedback from carers to measure the impact of this initiative.

Service User & Carer Experience

Looking Back – Review of Quality Goals and Quality Priorities in 2017/18

In this section we will review our progress against our 2017/18 **Quality Priorities** and consider the impact they may have made on each overarching **Quality Goal**.

Our 2017/18 Quality Priorities were:

Safety 2017/18 Quality Priority:
Embedding the Positive & Safe Strategy

Target	**The strategy continues to be embedded across the organisation, to ensure our service users are cared for in environments that are safe, where service users and staff work together to develop solutions in order to promote positive change, underpinned by best evidence**
Progress	**Met** During 2017/18 we have continued to embed the Positive and Safe Strategy, which is our approach to reducing instances of violence and aggression across the organisation. As part of embedding the strategy we have: • Ensured all wards have completed their induction days and they are all enrolled in the "Talk 1st" programme • Planned to undertake a deep dive into the increased levels of harm noted in 2016/17 this has not been undertaken however self harm has significantly reduced in 2017/18 therefore we are no longer planning to undertake this analysis. • Ensured all wards have undertaken "Talk 1st" review days. • Implemented routine assurance reporting into safer care reports. • Continued to develop the "Talk 1st" dashboard functionality and ensure that clinical services utilise data to support the reduction of restrictive interventions across the Trust. This initiative was the winner of a staff excellence award. • Monitored service user responses to the "feeling safe" question within our Points of You feedback survey to demonstrate a high stable satisfaction level. • Begun an ongoing exercise to review the organisational cost of violence. • Established a Positive and Safe intranet page which has proven a useful resource for teams to share relevant information and learning Trust wide. • Implemented the post incident and debrief policy, all service users and staff have access to evidence based approaches in order to provide support and contribute to ongoing learning with regards to incidents. • Ensured that each clinical group has implemented a "Positive and Safe" meeting Throughout the year we have also continued delivering "Risk of Harm to Others" training, and at 31 March 2018, 87.2% of applicable staff had received this training, meeting the 85% standard.

Positive and Safe Strategy impact in numbers:

Figure 2: Change in Talk 1st data 2017/18 on previous year

Instances of Restraint

+2%

-10% — 2016/17

2017/18

Instances of Prone Restraint

-25% — 2016/17

-13% — 2017/18

Instances of Mechanical Restraint

+18% — 2016/17

-67% — 2017/18

Reported Incidents of Violence and Aggression

+9%

-2% — 2016/17

2017/18

Reported Incidents of Self Harm

+40% — 2016/17

-23% — 2017/18

Instances of Seclusion

-29% — 2016/17

-14% — 2017/18
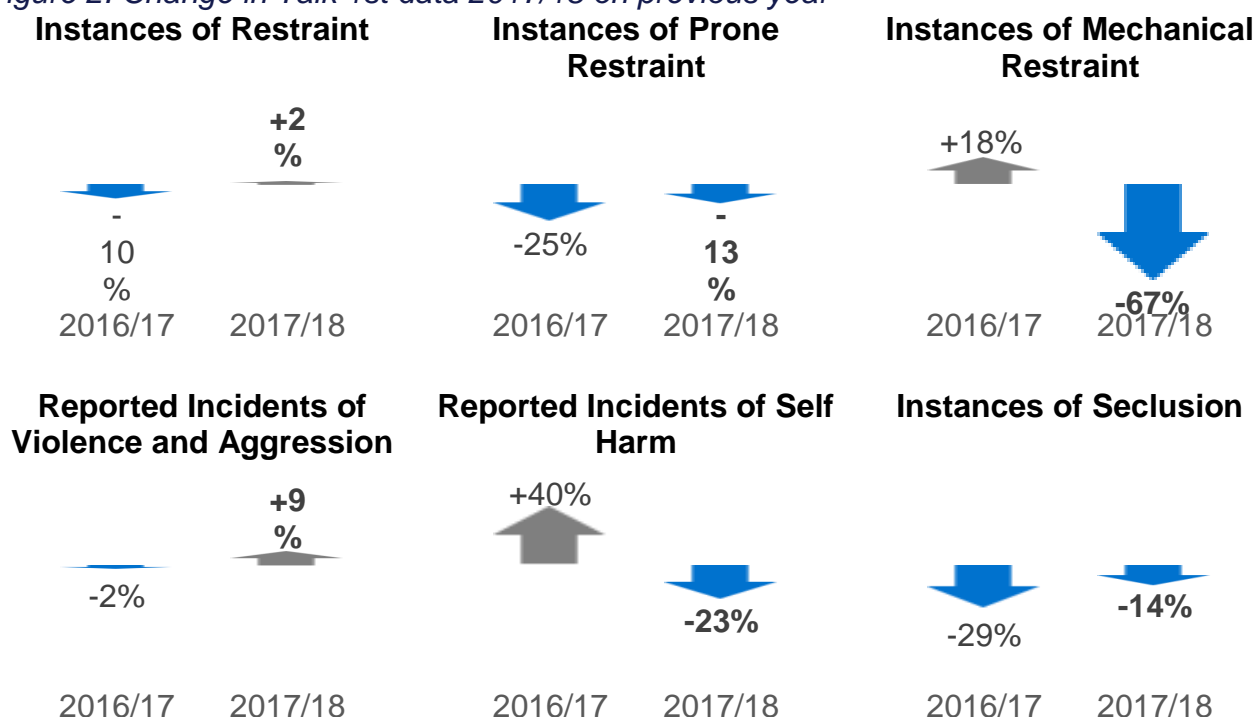
Data source: NTW

The Positive and Safe strategy continues to deliver positive change in relation to the reduced use of restrictive interventions across NTW.

Reductions in the use of seclusion, prone restraint and mechanical restraint have been noted.

Small increases have been noted in the areas of violence and aggression and restraints overall, this is largely attributable to a small number of highly complex patients across the trust and improved reporting systems. It is encouraging to note that despite the rise in the aforementioned fewer restrictive interventions overall are being used as a result.

Inpatient and community teams across the trust are engaged in the Talk 1st programme which aims to reduce violence and aggression by ensuring our environments are positive, inclusive and person centred. This approach has been embraced by the teams and has resulted in a number of positive practice examples, some of which have received national recognition as best practice.

Information from the Positive and Safe Strategy can be viewed in relation to the Staff Survey results, especially for staff experiencing physical violence from patients, relatives or the public in last 12 months on page 171

How has the "Embedding the Positive and Safe Strategy" Quality Priority helped support the Safety Quality Goal of "Keeping You Safe"?

We aim to demonstrate success against this quality goal by reducing the severity of incidents and the number of serious incidents across the Trust's services.

Figure 3 below shows the total number of patient safety incidents reported by the Trust over the past 3 years:

Figure 3: Number of reported patient safety incidents and total incidents 2015/16 to 2017/18

Data source: NTW
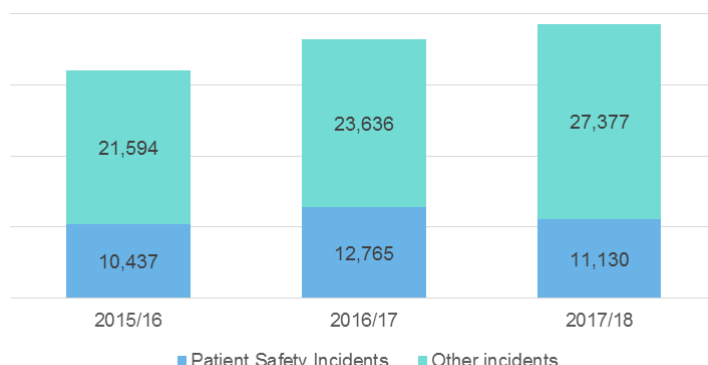
Compared with the previous year, there has been a 13% decrease in the number of patient safety incidents. Patient safety incidents represent 29% of the total number of incidents reported for the year, which totalled 38,507 (an increase of 6% from the previous year – this increase is partly attributed to a change in the safeguarding reporting process).

Table 2: Number and percentage of patient safety incidents by impact 2015/16 to 2017/18

Number of Patient Safety incidents reported by impact:	2015/16		2016/17		2017/18	
No Harm	4,800	46.0%	6,626	52.0%	6,616	59.4%
Minor Harm	4,937	47.0%	5,181	40.5%	3,683	33.1%
Moderate Harm	597	6.0%	770	6.0%	749	6.7%
Major Harm	23	0.2%	79	0.6%	37	0.3%
Catastrophic, Death	80	0.8%	109	0.9%	45*	0.4%
Total patient safety incidents	10,437	100.0%	12,765	100.0%	11,130	100.0%

Data source: NTW

Note, annual totals for previous years may differ from previously reported data due to on-going data quality improvement work and to reflect coroner's conclusions when known. Data is as at 7 April 2018.

*The reported deaths reduced in 2017/18 following changes to national reporting rules to cease reporting deaths of unknown cause, we are now only required to report actual self-harm related deaths.

The "no harm" or "minor harm" patient safety incidents remain 92.5% of reported patient safety incidents, however this year has seen a shift from "minor harm" to "no harm".

Table 3: Total incidents 2017/18 by CCG, includes patient safety and non-patient safety incidents

Total incidents by CCG	1. No Harm	2. Minor Harm	3. Moderate Harm	4. Major Harm	5. Catastrophic, Death
NHS Gateshead CCG	1,808	569	110	2	61
NHS Newcastle CCG	4,551	2,115	274	24	226
NHS North Tyneside CCG	2,108	597	112	6	104
NHS Northumberland CCG	7,914	1,939	315	16	185
NHS Sunderland CCG	4,760	1,655	275	17	279
NHS South Tyneside CCG	1,770	656	146	4	149
Total for local CCGs	**22,911**	**7,531**	**1,232**	**69**	**1,004**

Data source: NTW

Note that column 5 includes all deaths including by natural causes, and that there are also incidents relating to service users from other non-local CCGs, the trust total deaths for NTW is 1,037. There is more information on Learning from Deaths on page 156.

Openness and Honesty when things go wrong: the Professional Duty of Candour

All healthcare professionals have a duty of candour which is a professional responsibility to be honest with service users and their advocates, carers and families when things go wrong. The key features of this responsibility are that healthcare professionals must:

- Tell the service user (or, where appropriate, the service user's advocate, carer or family) when something has gone wrong.
- Apologise to the service user. Offer an appropriate remedy or support to put matters right (if possible).
- Explain fully to the service user the short and long term effects of what has happened.

At NTW we try to provide the best service we can. Unfortunately, sometimes things go wrong. It is important that we know about these so we can try to put things right, and stop them from going wrong again.

If you wish to make a complaint you can do so by post to: Complaints Department, St. Nicholas Hospital, Gosforth, Newcastle upon Tyne NE3 3XT

By email: complaints@ntw.nhs.uk

By phone: 0191 245 6672

A key requirement is for individuals and organisations to learn from events and implement change to improve the safety and quality of care. We have implemented the Duty of Candour, developed a process to allow thematic analysis of reported cases, raised

awareness of the duty at all levels of the organisation and we are also reviewing how we can improve the way we learn and ensure that teams and individuals have the tools and opportunities to reflect on incidents and share learning with colleagues. Healthcare professionals must also be open and honest and take part in reviews and investigations when requested. All staff are aware that they should report incidents or raise concerns promptly, that they must support and encourage each other to be open and honest, and not stop anyone from raising concerns.

We have reviewed our approach to Duty of Candour, in light of the national publications on death reviews and have been applying this new approach since April 2017.

From April 2017, the Trust reviewed its internal and external safety reporting, and created a suite of safety and learning reports under the banner of Safer Care, this meant that the reports were included in the formal governance of the Trust from floor to board, as well as to commissioners through the formal quality review groups. As a transparent organisation all the safety related board reports including Learning from Deaths have been public board documents, for wider sharing and learning. As part of the clinical re-organisation that took place in the Trust in October 2017, a Safer Care Directorate was created to further integrate the support for front line clinical and operational services, led by a Group Medical Director and Group Nurse Director, and supported by subject experts in the field of Safeguarding , Infection Control, Health , Safety , Security and Emergency Preparedness, as well as responsibilities for key corporate processes such as serious incidents, complaints, claims and mortality reviews.

Service User & Carer Experience 2017/18 Quality Priority:

Improving waiting times for referrals to multi-disciplinary teams

Target	To ensure that 100% of service users will wait no longer than 18 weeks for their first contact with all services, with the exception of the following services: • **Community Services for Children and Young People – waiting time to treatment is measured and should be no more than 18 weeks** • **Adult Autism Spectrum Disorder (ASD) Diagnosis service - waiting times to be reduced** • **Adult Attention Deficit Hyperactivity Disorder (ADHD) Diagnosis service - waiting times to be reduced** • **Adult Gender Identity Service – waiting times to be reduced**
Progress	**Not Met** Our aim remains that no-one should wait more than 18 weeks for their first contact with a community service. In line with nationally reported 18 weeks data, we measure progress against this by looking at the waiting list at the end of the year, and calculating how many of those service users waiting had been waiting for more or less than 18 weeks at that point. Referrals which are regarded as a priority or emergency by the clinical team would not be expected to wait 18 weeks for first contact. The definition of what constitutes a priority or emergency referral differs per service. We encourage service users, carers and referrers to keep in touch with us while they are waiting for their first contact and to let us know if anything about their situation changes. This year we have not seen the improvements in waiting times that we would have hoped for. Services have experienced continuing challenges and as a result some waiting times are longer than this time last year, most notably in services for children and young people South of Tyne and in the adult autism spectrum disorder diagnosis service. Within community services for adults and older people, the number of people waiting more than 18 weeks for their first contact with a service at 31st March 2018 was 285, which is an increase of 20% when compared with the same date last year. The longest waiting times for these services are in Northumberland and Sunderland.

Waiting times analysis at locality level

In **Northumberland**, waiting times for adult service have lengthened, with 13% waiting more than 18 weeks as at 31 March 2018.

Within services for Children and Young People (CYPS), the waiting list is currently smaller than at any time in the last eighteen months and the proportion waiting more than 18 weeks for treatment is currently 13%, which is a deterioration compared with the same time last year but an improvement on more recent months. Waiting times for the adult attention deficit hyperactivity disorder diagnosis services have remained broadly the same and waits for the adult autism spectrum disorder diagnosis service have lengthened.

Figure 4a-f: Northumberland CCG waiting lists, assorted metrics

Northumberland Waiting List as at 31 March 2018

Northumberland all other adult services % and number waiting more than and within 18 weeks

Northumberland CYPS Waiting List Size

Northumberland CYPS % and number waiting more than and within 18 weeks

Northumberland Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

Northumberland Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

Data source: NTW

In **North Tyneside**, the waiting times for adult services have slightly lengthened. There has been some improvement in the adult attention deficit hyperactivity disorder diagnosis services and waits for the adult autism spectrum disorder diagnosis service have lengthened.

Figure 5a-d: North Tyneside CCG waiting lists, assorted metrics

North Tyneside Waiting List as at 31 March 2018

- All other adult services: 66%
- Adult ASD Diagnosis: 19%
- Adult ADHD Diagnosis: 15%

North Tyneside all other adult services % and number waiting more than and within 18 weeks

- 31 March 2017: within 18 weeks 96% (504), more than 18 weeks 4% (19)
- 31 March 2018: within 18 weeks 96% (378), more than 18 weeks 4% (16)
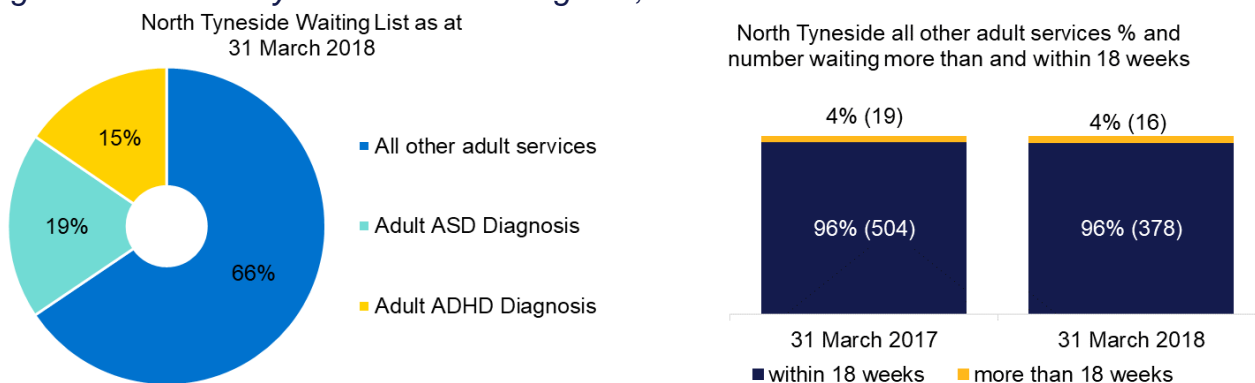
NTW does not provide community services for children and young people in North Tyneside, this service is provided by Northumbria Healthcare NHS Foundation Trust.

North Tyneside Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

- 31 March 2017: more than 18 weeks 51% (46), within 18 weeks 49% (44)
- 31 March 2018: more than 18 weeks 48% (45), within 18 weeks 52% (48)

North Tyneside Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

- 31 March 2017: more than 18 weeks 51% (37), within 18 weeks 49% (35)
- 31 March 2018: more than 18 weeks 65% (74), within 18 weeks 35% (40)
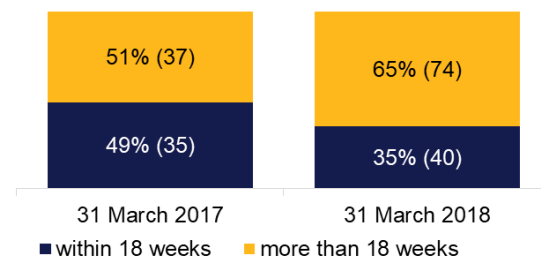
Data source: NTW

In **Newcastle**, there has been improvements in the waiting times for adult services.

The improvements made last year in reducing the number of children and young people waiting to access services in Newcastle have not been sustainable and waiting times have consequently increased during the year. Waiting times to treatment have lengthened, with 13% of people waiting to access these services on 31 March 2018 having waited longer than 18 weeks as of that date.

There has been no significant change in the waiting times for the adult attention deficit hyperactivity disorder diagnosis services, and for the adult autism spectrum disorder diagnosis service waiting times have lengthened.

Figure 6a-f: Newcastle locality waiting lists, assorted metrics

Newcastle Waiting List as at 31 March 2018

- All other adult services
- Adult ASD Diagnosis
- Adult ADHD Diagnosis
- Children and Young People

54%
27%
9%
10%

Newcastle all other adult services % and number waiting more than and within 18 weeks

3% (34) — 31 March 2017 — 97% (941)
2% (16) — 31 March 2018 — 98% (676)

■ within 18 weeks ■ more than 18 weeks

Newcastle CYPS Waiting List Size

30/09/16	31/12/16	31/03/17	30/06/17	30/09/17	31/12/17	31/03/17
355	337	255	287	299	295	347

Newcastle CYPS % and number waiting more than and within 18 weeks

30/09/16	31/12/16	31/03/17	30/06/17	30/09/17	31/12/17	31/03/17
20% (71)	12% (42)	4% (11)	3% (8)	10% (29)	8% (23)	13% (45)
80% (284)	88% (295)	96% (244)	97% (279)	90% (270)	92% (272)	87% (302)

■ within 18 weeks ■ more than 18 weeks

Newcastle Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

31 March 17	31 March 18
46% (57)	48% (57)
54% (67)	52% (61)

■ within 18 weeks ■ more than 18 weeks

Newcastle Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

31 March 2017	31 March 2018
51% (37)	73% (93)
49% (35)	27% (35)

■ within 18 weeks ■ more than 18 weeks

Data source: NTW

In **Gateshead**, there has been improvements in the waiting times for adult services.

Last year's improvements in waiting times for children and young people waiting to access services have not been maintained and waits have lengthened. There has been no significant change for access to the adult attention deficit hyperactivity disorder diagnosis service and there has been an increase in the waiting times for access to the adult autism spectrum disorder diagnosis service.

Figure 7a-f: Gateshead locality waiting lists, assorted metrics

Gateshead Waiting List as at
31 March 2018

- All other adult services
- Adult ASD Diagnosis
- Adult ADHD Diagnosis
- Children and Young People

50%
33%
11%
6%

Gateshead all other adult services % and number waiting more than and within 18 weeks

8% (58)   5% (21)

92% (665)   95% (410)

31 March 2017   31 March 2018
- within 18 weeks   - more than 18 weeks

Gateshead CYPS Waiting List Size

274 277 235 223 246 257 291

30/09/16 31/12/16 31/03/17 30/06/17 30/09/17 31/12/17 31/03/17

Gateshead CYPS % and number waiting more than and within 18 weeks

20% (56) 12% (32) 2% (5) 3% (6) 14% (34) 10% (25) 13% (39)

80% (218) 88% (245) 98% (230) 97% (217) 86% (212) 90% (232) 87% (252)

30/09/16 31/12/16 31/03/17 30/06/17 30/09/17 31/12/17 31/03/17
- within 18 weeks   - more than 18 weeks

Gateshead Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

64% (29)   64% (32)

36% (17)   36% (18)

31 March 2017   31 March 2018
- within 18 weeks   - more than 18 weeks

Gateshead Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

44% (33)   70% (65)

56% (42)   30% (28)

31 March 2017   31 March 2018
- within 18 weeks   - more than 18 weeks

Data source: NTW

126

In **South Tyneside**, there has been improvements in the waiting times to first contact for adult services.

Last year's improvements in waiting times for children and young people waiting to access services have not been maintained and waits have significantly lengthened, with 56% waiting more than 18 weeks as at 31 March 2018.

There has been a deterioration in waits to access to both the adult attention deficit hyperactivity disorder diagnosis service and the adult autism spectrum disorder diagnosis service.

Figure 8a-f: South Tyneside CCG waiting lists, assorted metrics

South Tyneside Waiting List as at 31 March 2018

- All other adult services: 67%
- Adult ASD Diagnosis: 7%
- Adult ADHD Diagnosis: 5%
- Children and Young People: 21%

South Tyneside all other adult services % and number waiting more than and within 18 weeks

- 31 March 2017: 3% (14) more than 18 weeks, 97% (505) within 18 weeks
- 31 March 2018: 2% (12) more than 18 weeks, 98% (592) within 18 weeks

South Tyneside CYPS Waiting List Size

- 30/09/16: 157
- 31/12/16: 158
- 31/03/17: 136
- 30/06/17: 192
- 30/09/17: 182
- 31/12/17: 181
- 31/03/17: 194

South Tyneside CYPS % and number waiting more than and within 18 weeks

- 30/09/16: 5% (8) more than, 95% (149) within
- 31/12/16: 9% (15) more than, 91% (143) within
- 31/03/17: 100% (136) within
- 30/06/17: 19% (36) more than, 81% (156) within
- 30/09/17: 25% (46) more than, 75% (136) within
- 31/12/17: 43% (77) more than, 57% (104) within
- 31/03/17: 56% (108) more than, 44% (86) within

South Tyneside Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

- 31 March 2017: 50% (12) more than, 50% (12) within
- 31 March 2018: 58% (25) more than, 42% (18) within

South Tyneside Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

- 31 March 2017: 47% (21) more than, 53% (23) within
- 31 March 2018: 63% (40) more than, 38% (24) within

Data source: NTW

In **Sunderland**, waiting times for adult services have slightly deteriorated.

Waiting times for children and young people have significantly lengthened, with 42% waiting more than 18 weeks as at 31 March 2018.

There has been a deterioration in waits to access to the adult attention deficit hyperactivity disorder diagnosis service and the adult autism spectrum disorder diagnosis service.

Figure 9a-f: Sunderland CCG waiting lists, assorted metrics

Sunderland Waiting List as at 31 March 2018

- All other adult services
- Adult ASD Diagnosis
- Adult ADHD Diagnosis
- Children and Young People

61%, 31%, 3%, 5%

Sunderland all other adult services % and number waiting more than and within 18 weeks

31 March 2017	31 March 2018
2% (28)	5% (66)
98% (1128)	95% (1375)

- within 18 weeks
- more than 18 weeks

Sunderland CYPS Waiting List Size

30/09/16	31/12/16	31/03/17	30/06/17	30/09/17	31/12/17	31/03/17
640	650	443	579	497	631	744

Sunderland CYPS % and number waiting more than and within 18 weeks

30/09/16	31/12/16	31/03/17	30/06/17	30/09/17	31/12/17	31/03/17
25% (157)	26% (166)		26% (150)	30% (151)	33% (206)	42% (311)
75% (483)	74% (484)	100% (443)	74% (429)	70% (346)	67% (425)	58% (433)

- within 18 weeks
- more than 18 weeks

Sunderland Adult ADHD Diagnosis % and number waiting more than and within 18 weeks

31 March 2017	31 March 2018
46% (29)	65% (48)
54% (34)	35% (26)

- within 18 weeks
- more than 18 weeks

Sunderland Adult Autism Spectrum Disorder Diagnosis % and number waiting more than and within 18 weeks

31 March 2017	31 March 2018
51% (44)	71% (82)
49% (43)	29% (34)

- within 18 weeks
- more than 18 weeks

Data source: NTW

The **Gender Identity Service** is a regional service commissioned by NHS England, therefore the data for this service is not displayed at Clinical Commissioning Group (CCG) level.

Figure 10: Gender identity service waiting list, end of quarter snapshots

Data source: NTW

The overall waiting list for this service has varied between 300 and 375 people during the last two years.

Figure 11: Gender identity service, percentage of service users waiting less than 18 weeks, end of quarter snapshots

Data source: NTW

The 18 week standard is not being achieved. Waiting times for this service improved in 2016/17 however this has not been sustained and waits have been lengthening during 2017/18, with three quarters of those waiting to access the service having waited longer than 18 weeks as at 31 Mach 2018.
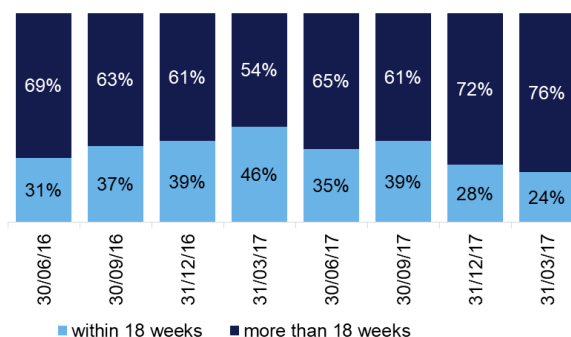
NTW data for **Five Year Forward View for Mental Health** waiting time standards:

Table 4: Five Year Forward View for Mental Health waiting times data 2017/18

Area	Waiting time measure	Minimum standard	NTW data	Data period
Early Intervention in Psychosis (EIP)	% starting treatment within two weeks of referral	50%	**95.2%**	April 2017 to March 2018
Improving Access to Psychological Therapies (IAPT)	% entering treatment within 6 weeks	75%	**99.6%**	April 2017 to March 2018
	% moving to recovery	50%	**52.4%**	
Children and young people with an eating disorder	% urgent cases starting treatment within one week of referral	*95% by 2020/21*	**93.7%**	Quarter 4 2017/18
	% routine cases starting treatment within four weeks of referral		**82.1%**	

Service User & Carer Experience 2017/18 Quality Priority:

Implementing the principles of the Triangle of Care

Target	**To improve the way we relate, communicate and engage with carers to involve them within care and support planning.** **Progress will be measured by monitoring carer feedback for an increase in quantity and quality of feedback due to increased engagement.**
Progress	**Met** During 2017/18 we have refreshed the carer awareness training for inpatient and community services and a programme to cascade this training is under development. The original carer training is still ongoing until the refreshed training is launched. Systems are in place to record and monitor the number of staff who attend the training. We have developed systems and these are reviewed and updated regularly for all carer champions. A trust wide Rapid Improvement Process Workshop has taken place to review the Trust's approach to engaging with carers, "Getting to Know You". All services have developed action plans to implement the Triangle of Care principles, which are monitored and reviewed at carer champion forums within groups. A Trust wide position of all action plans are monitored through the Trust wide Triangle of Care Steering Group which was established this year.

What are the principles of Triangle of Care?

The six key principles are:

1) Carers and the essential role they play are identified at first contact or as soon as possible thereafter

2) Staff are 'carer aware' and trained in carer engagement strategies

3) Policy and practice protocols re: confidentiality and sharing information, are in place

4) Defined post(s) responsible for carers are in place

5) A carer introduction to the service and staff is available, with a relevant range of information across the care pathway

6) A range of carer support services are available

Service User & Carer Experience 2017/18 Quality Priority:

Co-production and personalisation of care plans

Target	In 2017/18 our aim was to learn from actions undertaken in Older People's Inpatient Services and to embed good practice in relation to the co-production and personalisation of care plan across all inpatient services.
Progress	**Met** During 2017/18 we reflected on work that had been undertaken within the older people's service to help us understand what needed to be taken forward. Further development was required to build on the audit tool that had been developed in the older people's service to allow the creation of a useable tool for adult services, with a baseline audit being undertaken. Care plan training is being delivered to all qualified nurses working on an inpatient ward using the training material that had been developed for older people services as a basis for designing a bespoke package for adult services. These are co-facilitated by a senior nurse and clinical nurse manager via a continuing cycle of mandatory workshops. Care plan clinics have been introduced and these are facilitated by senior clinicians and attended by qualified nurses. The workshops have been based on the principle of sharing best practice and evidence based interventions. A bespoke supervision workshop has been introduced and tailored for lead nurses to develop caseload reflective supervision incorporating person centred care planning which are due April 2018. A monthly ward care planning audit takes place using the registered care plan audit led by clinical leads and ward managers. The results are shared with the ward team and any lessons/themes are shared within each Clinical Business Unit. Outcomes are fed back to individuals via clinical supervision. A quarterly Clinical Business Unit clinical audit has been undertaken and results have been shared via the Locality Care Group Quality Standards meetings and Group Directors. A further quarterly audit is underway and the results will be collated, shared and reviewed against the current action plans.

How have the three Service User & Carer Experience 2017/18 Quality Priorities helped support the Service User & Carer Experience Quality Goal to "work with you, your carers and your family to support your journey"?

We aim to demonstrate success against this Quality Goal by improving the overall score achieved in the annual CQC survey of adult community mental health services and by reducing the number of complaints received. We will also review the feedback received from our Points of You survey which includes the national "Friends and Family Test".

CQC Community Mental Health Service User Survey 2017

This national survey gathered information from over 12,000 adults across England who were in receipt of community mental health services between September 2016 and November 2016. NTW's response rate was in line with the national response rate of 26%.

Overall, the Trust scored 7.2 (out of 10) in response to the question about overall experience of care. This was within the expected range for the Trust and remains unchanged from the 2016 survey. The NTW result for this question has been relatively static for the last four years (see Figure 29).

Figure 12: NTW's overall experience of care score 2014 to 2017

| 7.2 | 7 | 7.2 | 7.2 |
| 2014 | 2015 | 2016 | 2017 |
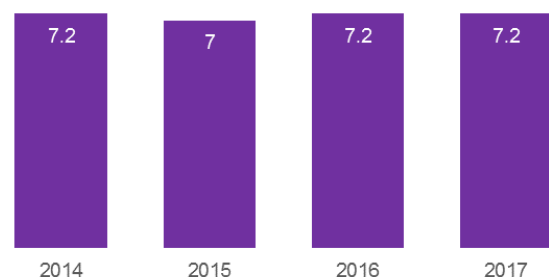
Data source: CQC

When comparing results with other providers, CQC identifies whether a Trust performed "better", "worse" or "about the same" as the majority of trusts for each question. There are two areas in 2017 where NTW performed better than other trusts to an extent that is not considered to be through chance. These relate to involving carers and explaining changes in who people see. There is also one area where NTW performed worse than expected, which is providing advice and support in finding support for financial advice or benefits.

While most questions remain within the expected ranges for the Trust, many saw slightly decreased scores compared with last year – most notably in the section focusing on "reviewing care". There was one area of improvement compared with 2016, in the section "changes in who you see". None of the year on year score changes are considered statistically significant.

Table 5: National Mental Health Community Patient Survey results for 2016 and 2017

Survey section	2016 NTW score (out of 10)	**2017 NTW score (out of 10)**	2017 NTW lowest – highest question score	2017 Position relative to other mental health trusts
1. Health and Social Care Workers	7.9	**7.8**	6.4 – 8.1	About the Same
2. Organising Care	8.6	**8.5**	7.8 – 9.0	About the Same
3. Planning Care	7.0	**7.0**	6.0 – 7.5	About the Same
4. Reviewing Care	7.9	**7.4**	6.2 – 8.3	About the Same
5. Changes in who you see	6.0	**6.7**	4.6 – 7.3	About the Same
6. Crisis Care	6.5	**6.2**	5.1 – 7.3	About the Same
7. Treatments	7.6	**7.6**	6.3 – 8.2	About the Same
8. Support & Wellbeing	5.3	**5.1**	3.5 – 5.9	About the Same
9. Overall Views of Care and Services	7.6	**7.4**	5.9 – 7.9	About the Same
Overall Experience	**7.2**	**7.2**	**5.9 – 7.5**	

Data source: CQC

Mental Health Inpatient Survey 2017

A separate survey of mental health inpatients has also taken place during 2017, which, unlike the community mental health survey, is not mandated by CQC, resulting in lower trust participation. CQC do not publish the results of this survey. As with the community mental health survey, this is an opportunity to compare results with the findings of our Points of You process and explore issues in further detail.

Individuals age 16-64 who had been admitted to an NTW acute mental health ward for at least 48 hours in the period 1st July 2016 to 31st December 2016 were surveyed and 22% responded.

Two areas of improvement identified were in relation to delayed transfers of care and service users feeling that that they were not always not listened to carefully by psychiatrists. High scoring areas in comparison to other trusts were cleanliness of bathrooms and toilets, availability of activities at evenings and weekends, and service users being aware how to make a complaint. There was also some areas of significant improvement compared to the last time the trust participated in this survey (2015), most notably in responding to specific dietary needs, explaining the purpose and side effects of medication and the reading of rights.

Quantitative comments made by participants of both surveys have been received and found to be broadly in line with the thematic analysis of Points of You comments received.

Complaints

Information gathered through our complaints process is used to inform service improvements and ensure we provide the best possible care to our service users, their families and carers.

Complaints have increased during 2017/18 with a total of 544 received during the year. This is an increase of 108 complaints (25%) from 2016/17. Although complaints are very individual, there has been a general increase in dissatisfaction with new ways of working (episodic care). This has a focus on recovery and has in some cases impacted on benefit levels where it is felt the person no longer requires long term care co-ordination. Other themes identified include waiting times in community services for children and young people, multiple assessments and a general lack of communication around progress or diagnosis.

Figure 13: Number of complaints received 2015/16 to 2017/18
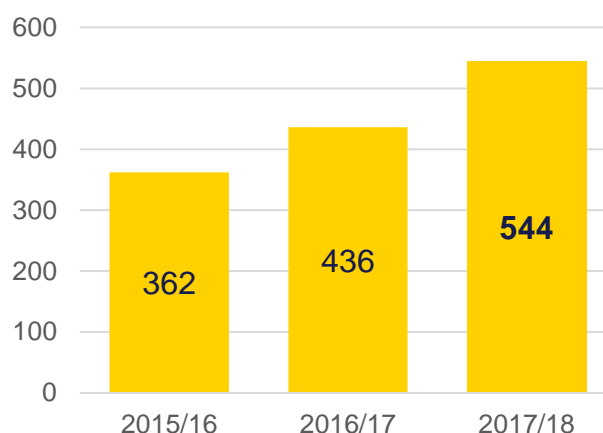
Data source: NTW

A new Learning and Improving group has recently been established to look at ways of embedding learning across the organisation incorporating learning from complaints, claims and incidents. Lessons learned are disseminated across services with the aim of improving the quality of care.

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

Table 6: Number of complaints received by category 2015/16 to 2017/18

Complaint Category	2015/16	2016/17	2017/18
Patient Care	76	124	157
Communications	72	75	83
Values and Behaviours	58	64	109
Facilities	6	29	7
Prescribing	24	26	31
Admissions and Discharges	24	21	37
Appointments	22	20	22
Clinical Treatment	15	20	21
Trust Admin/ Policies/ Procedures	11	17	17
Other	15	13	13

Complaint Category	2015/16	2016/17	2017/18
Privacy, Dignity and Wellbeing	9	12	4
Access to Treatment or Drugs	9	7	10
Restraint	9	4	2
Waiting Times	10	3	17
Commissioning	0	1	0
Consent	1	0	1
Integrated Care	1	0	1
Staff Numbers			2
Total	**362**	**436**	**544**

Data source: NTW

Outcomes of complaints

Within the Trust there is continuing reflection on the complaints we receive, not just on the subject of the complaint but also on the complaint outcome. In 2017/18 we responded to complaints in line with agreed timescales in 89% of cases. Table 7 indicates the numbers of complaints and the associated outcomes for the 3 year reporting period:

Table 7: Number (and percentage) of complaint outcomes 2015/16 to 2017/18

Complaint Outcome	2015/16	2016/17	2017/18
Closed – Not Upheld	91 (25%)	135 (31%)	150 (27%)
Closed – Partially Upheld	89 (25%)	107 (25%)	163 (30%)
Closed – Upheld	76 (21%)	87 (20%)	80 (15%)
Comment			1 (0%)
Complaint withdrawn	29 (8%)	50 (11%)	48 (9%)
Decision not to investigate	3 (1%)	5 (1%)	3 (1%)
Still awaiting completion	51 (14%)	34 (8%)	72 (13%)
Unable to investigate	23 (6%)	17 (4%)	27 (5%)
Total	**362**	**436**	**544**

Data source: NTW

Complaints referred to the Parliamentary and Health Service Ombudsman

If a complainant is dissatisfied with the outcome of a complaint investigation they are given the option to contact the Trust again to explore issues further. However, if they choose not to do so or remain unhappy with responses provided, they are able to refer their complaint to the Parliamentary and Health Service Ombudsman (PHSO).

The role of the PHSO is to investigate complaints that individuals have been treated unfairly or have received poor service from government departments and other public organisations and the NHS in England.

Outcome of complaints considered by PHSO, as at 31 March 2018 there were 10 cases still ongoing and their current status at the time of writing is as follows:

Table 8: Outcome of complaints considered by the PHSO

Enquiry	4
Draft – partially upheld	2
Draft – not upheld	1
Intention to investigate	3

Friends and Family Test – Service Users and Carers

The NHS Friends and Family Test is a national service user and carer experience feedback programme. The Friends and Family Test question asks:

"How likely are you to recommend our service to friends and family if they needed similar care or treatment?"

There are 5 possible answer options ranging from extremely likely to extremely unlikely (with an additional option of 'don't know').

Figure 14: Percentage of respondents who would or would not recommend the services they received to their friends and family 2015/16 to 2017/18

Would Recommend 87% (2017/18) 81% (2016/17) 81% (2015/16)	Neither/Don't Know 7% (2017/18) 13% (2016/17) 15% (2015/16)	Would Not Recommend 7% (2017/18) 6% (2016/17) 4% (2015/16)
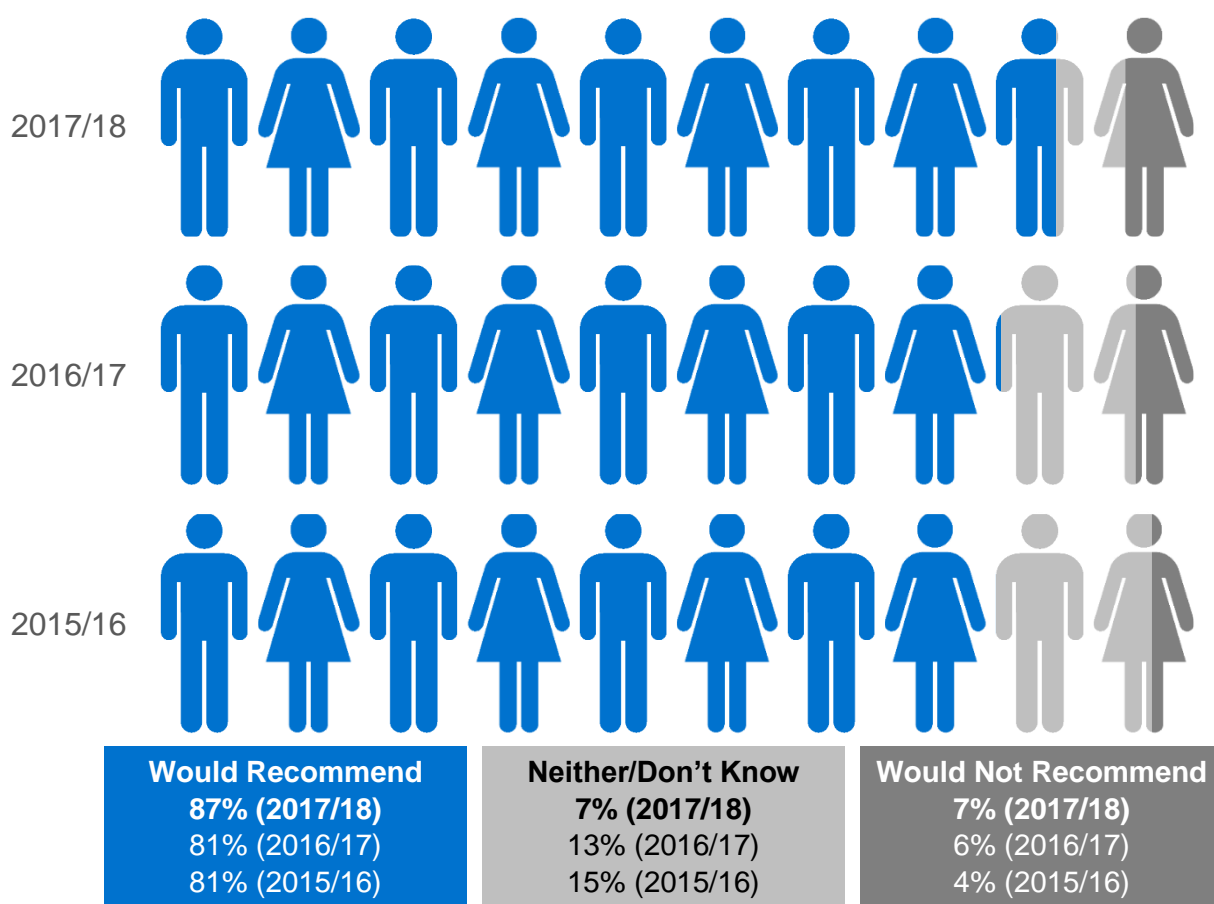
Data source: NTW

During 2017/18, 6,563 responses to the Friends and Family Test question were received which was a 63% increase in responses compared to 2016/17 (4,031 responses received). Of respondents, 87% said they would recommend the service they received (rating of extremely likely or likely), this score has increased compared to 2016/17. Seven percent of respondents indicated they would not recommend the service they received (ratings of extremely unlikely or unlikely) which is a small increase compared to 2016/17.

Points of You Survey

We use the Points of You survey to gather feedback from service users and carers about their experience of our services.

The below Table 9 shows the questions asked in the survey and the results for the period January to March 2018, when we received feedback from approximately 1,200 service users and 500 carers:

Table 9: Points of You responses January to March 2018

Question	Score: (out of ten)
How kind and caring were staff to you?	9.4
Were you encouraged to have your say in the treatment or service received and what was going to happen?	8.5
Did we listen to you?	8.9
If you had any questions about the service being provided did you know who to talk to?	8.7
Were you given the information you needed?	9.2
Were you happy with how much time we spent with you?	8.4
Did staff help you to feel safe when we were working with you?	9.2
Overall did we help?	8.8

Data source: NTW

This data can be displayed by service type, as per Table 10 below:

Table 10: Points of You responses by service type, January to March 2018

	Number of Responses Q4	Q2 - Kind and caring	Q3 - Have your say	Q4 - Listen to you	Q5 - Know who to talk to	Q6 - Information you needed	Q7 - Time we spent with you	Q8 - Feel safe	Q9 - Did we help
Trust	**1729**	**9.4**	**8.5**	**8.9**	**8.7**	**9.2**	**8.4**	**9.2**	**8.8**
Neuro Rehab Inpatients (Acute Medicine)	28	9.6	9.0	9.3	9.3	9.3	8.9	9.7	9.5
Neuro Rehab Outpatients (Acute Outpatients)	158	9.8	9.4	9.6	9.3	9.8	9.3	9.8	9.5
Community mental health services for people with learning disabilities or autism	57	9.6	8.7-	9.0	7.1	8.9	8.4	9.3	8.7

	Number of Responses Q4	Q2 - Kind and caring	Q3 - Have your say	Q4 - Listen to you	Q5 - Know who to talk to	Q6 - Information you needed	Q7 - Time we spent with you	Q8 - Feel safe	Q9 - Did we help
Community-based mental health services for adults of working age	321	9.0	9.0	9.4	9.5	9.2	8.9	9.7	9.5
Community-based mental health services for older people	430	9.7	8.9	9.2	8.8	9.4	8.7	9.5	9.2
Mental health crisis services and health-based places of safety	86	8.7	8.0	8.5	7.8	8.4	7.9	8.4	8.0
Acute wards for adults of working age and psychiatric intensive care units	48	9.1	7.0	7.4	7.3	7.9	7.1	8.1	7.8
Child and adolescent mental health wards	21	9.0	7.1	8.4	9.5	9.4	7.6	8.5	8.4
Forensic inpatient/secure ward	1	10.0	7.5	10.0	10.0	10.0	7.5	10.0	10.0
Long stay/rehabilitation mental health wards for working age adults	36	9.6	8.8	9.0	9.7	9.7	8.5	9.5	9.2
Wards for older people with mental health problems	29	9.4	8.1	8.4	8.5	8.8	8.6	9.3	8.8
Wards for people with learning disabilities or autism	10	9.0	8.5	8.0	10.0	8.9	7.5	8.0	7.5
Children and Young Peoples Community Mental Health Services	156	8.9	8.1	8.5	8.5	9.0	7.9	9.1	7.4
Substance Misuse	153	9.7	8.8	9.0	9.3	9.6	8.5	9.4	9.5
Other	195	9.5	8.0	9.1	9.1	9.5	8.6	9.5	9.2

Data source: NTW

Key:

Score 8-10 (highest score)	Score 6-7.9	Score 4-5.9	Score 2-3.9	Score 1.9-0 (lowest score)

2017/18 Clinical Effectiveness Quality Priority:

Use of the Mental Health Act – Reading of Rights

Target	Staff must remind service users of their rights and the effects of the Mental Health Act (MHA) from time to time, ensuring that staff explain service users' rights to them on admission and routinely thereafter as outlined in the Mental Health Act Code of Practice. We must ensure that patients subject to Community Treatment Orders (CTOs) are read their rights at regular intervals as outlined in the Mental Health Act Code of Practice
Progress	**Met** During 2017/18 the process for recording the reading of rights in our electronic patient record system (RiO) has been reviewed and updated to support practice and to comply with the requirements of the MHA Code of Practice. A communication and engagement plan was developed to support the launch of the new form and to highlight/embed practice requirements to all relevant staff. Compliance reports are currently reviewed at relevant groups across the organisation including the individual Clinical Business Unit Quality Standards Groups. The Mental Health Act dashboard, showing compliance with requirements has been enhanced during the year and planned targets which were set for the year have been exceeded, as below: 1. Record of Rights assessed at section change (Quarter 4) – 86.9% 2. Record of rights assessed at the point of CTO (Quarter 4) – 81.8% 3. Record of Rights (CTO) reviewed in the past 3 months (Quarter 4) – 96.3% Awareness sessions have been delivered throughout the year and an E-Learning package is currently under development along with a 'Rights' poster for both detained and Community Treatment Order service users – this has been circulated for display in relevant areas. It is intended that an evaluation of the impact of these actions will be carried out in 2018/19.

How has the "Use of the Mental Health Act – Reading of Rights" Quality Priority helped support the Clinical Effectiveness Quality Goal of "ensuring the right services are in the right place at the right time to meet all your health and wellbeing needs"?

Underpinned by the organisation's approach to delivering the Clinical Effectiveness Strategy, we will demonstrate success by delivering improvements in service delivery.

Service Improvement and Developments throughout 2017/18

These are some of the key service improvements and developments that the Trust implemented during 2017/18:

Trustwide:

Chill Out Rooms and Sensory Strategies.

Following the implementation of chill out rooms and sensory strategies on the adult inpatient wards, this has now been extended to older people's inpatient wards. NTW is leading the way with access on all adult and older people's wards to sensory techniques and equipment. The chill out rooms provide a space to develop sensory strategies and coping mechanisms. Techniques are also demonstrated using everyday equipment that can be purchased on discharge for example coloured lights.

These spaces can also be used by staff for debrief sessions or to provide a safe, calm environment for carers, particularly on the older people's organic wards where carers may be distressed following a visit.

New Services

We successfully secured the contract to provide addictions services within HMP Haverigg from 2018.

Working in partnership with Changing Lives on a social impact bond for entrenched rough sleepers, commenced November 2017.

Newcastle / Gateshead

Developing Biopsychosocial formulations in older peoples inpatient units

Staff in the older people's functional and organic inpatient units across NTW were trained in either the 5Ps plus plan biopsychosocial formulation or the Newcastle model of formulation.

The aim was to enable a more holistic picture of every service user's difficulties and strengths and to use this to guide more individualised person centred care plans. In Newcastle on the functional inpatient units staff try, where possible, to develop the formulation directly with service users as well as with the wider multidisciplinary team in weekly formulation meetings. Goals of admission and individualised care plans are then developed from the information gathered in the formulation. These are done together with service users when they are able to, as well as with the multidisciplinary team.

An evaluation of the 5Ps training on two of NTW's units found significant changes in staff empathy towards the service user and a significant increase in their understanding of and feelings of confidence about working with that person.

On the organic unit in Newcastle where many service users are less able to engage in developing a formulation the multidisciplinary team meet to develop a biopsychosocial formulation based on the Newcastle model. This looks at what needs might be being expressed by a person's behaviour. Information is also gathered from family and carers and an individualised needs led care plan developed to try to meet those needs in the least restrictive way. The care plan is reviewed during the person's stay on the unit and amended as necessary. It is shared with community staff and families and with care home staff at discharge. This helps to ease the transition from hospital to community and to reduce readmissions.

Psychiatric Liaison Services

Working in partnership with both Newcastle and Gateshead CCGs, there is now 24/7 service provision in both Newcastle's Royal Victoria Infirmary (RVI) and Gateshead's Queen Elizabeth Hospital (QE) to enable those presenting to an acute hospital to receive assessment and appropriate ongoing support for mental health difficulties.

Sunderland

Implementation of a Multi-Disciplinary Support Model in the Organic Older People's Pathway in the South.

The Trust has implemented a multi-disciplinary support model in the organic older persons pathway in the South to enhance inter agency working with social services to ensure appropriate and timely admissions and discharges to and from our organic wards.   The model has delivered tangible benefits in reducing bed occupancy level on the wards and out of locality placements improving the care and experience for service users, carers and families. The learning from the success of the scheme has been shared, and has elicited similar improvements in the older people's functional pathway.

Northumberland

Within the Northumberland Locality we have been working jointly with our primary care colleagues to develop an e-referral form to be utilised by our GP practices. The aspiration

is that NTW will be able to provide bespoke advice and guidance and respond to GPs within 48 hours of referral.

Psychiatric Liaison Services

Working in partnership with Northumberland CCGs, there is now 24/7 service provision in Northumbria Specialist Emergency Care Hospital to enable those presenting to an acute hospital to receive assessment and appropriate ongoing support for mental health difficulties.

South Tyneside

Delivering integration through the co-location of Mental Health and Social Services.

The South Tyneside community adult mental health team and South Tyneside local authority have been co-located at the Jane Palmer Community Hospital since June 2017. The co-location has brought opportunities for joint, integrated working, to ensure that coordinated and less fragmented care packages addressing mental, physical and social health are developed and wrapped around the service user. The close proximity allows the services to liaise more efficiently about referrals, ensuring that the most appropriate service completes the assessment and that the information is shared with the referring agency. As a result there has been a reduction in the duplication of assessments, which is beneficial for the service user.

North Tyneside

The team is working with the Local Authority on fast track training for Mental Health Social Workers (Think Ahead programme) who are working within the community mental health teams under a more integrated model.

New Care Models in Tertiary Mental Health Services

The Trust submitted an application as a secondary mental health provider to manage care budgets for adult secure mental health services in partnership with Tees, Esk and Wear Valleys NHS Foundation Trust. This is part of a process aimed at admission avoidance, shorter lengths of stay, and repatriating service users from out of area placements.

NICE Guidance Assessments Completed 2017/18

The National Institute for Health and Care Excellence (NICE) provides national guidance and advice to improve health and social care. During 2017/18 the Trust undertook the following assessments against appropriate guidance to further improve the quality of services provided.

Table 11: NICE Guidance Assessments Completed in 2017/18

Ref	Topic Details / Objective	Compliance Status/ main actions
NG 51	Sepsis: recognition, diagnosis and early management	Partial Compliance. Final Audit scheduled for April 2018 to review amendments made to policies and Sepsis awareness
NG 53	Transition between inpatient mental health settings and community or care home settings	Compliant to guidance There is an action plan in place with some quality improvements.
NG55	Harmful sexual behaviour among children & young people	Compliant to guidance. There is an action plan in place with some quality improvements
CG28	Depression in children and young people: Identification and management in primary, community and secondary care	Partial Compliance. Clinical audit planned to reassess
QS 97	Drug allergy: diagnosis and management	Partial Compliance. Policy has been amended. Final action around Electronic prescribing
QS102	Bipolar disorder, psychosis and schizophrenia in children and young people	Partial Compliance Actions include systems to improve monitoring of the physical health of children prescribed antipsychotics.
QS 133	Children's Attachment	Partial Compliance. Actions in place around improvements to recording and specialist training and assessments
QS 113	Healthcare-associated infections	Full compliance- Action plan complete April 2017
PH 48	Smoking Cessation	Full compliance- Action plan complete April 2017
PH 52	Managing Overweight and obesity in adults	Full compliance- Action plan complete May 2017
QS121	Antimicrobial Stewardship	Full compliance- Action plan complete June 2017
NG 15	Antimicrobial stewardship: systems and processes for effective antimicrobial medicine use	Full compliance- Action plan complete June 2017

Ref	Topic Details / Objective	Compliance Status/ main actions
QS 90	Urinary tract infections in adults	Full compliance- Action Plan complete June 2017
QS140	Transition from children's to adults' services	Full compliance at Baseline assessment June 2017
QS 11	Quality Standard for Alcohol dependence	Full compliance Action plan May 2017
QS 120	Medicines Optimisation	Full compliance- Action Plan complete July 2017
CG 42	Dementia	Full compliance- Action Plan complete Sept 2017
QS 86	Falls in older people: assessment after a fall and preventing further falls	Full compliance- Action plan complete March 2018

Data source: NTW

Part 2c

Mandatory Statements relating to the Quality of NHS Services Provided

Review of Services

During 2017/18 the Northumberland, Tyne and Wear NHS Foundation Trust provided and/or sub-contracted 179 NHS Services.

The Northumberland, Tyne and Wear NHS Foundation Trust have reviewed all the data available to them on the quality of care in all 179 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of relevant health services by the Northumberland, Tyne and Wear NHS Foundation Trust for 2017/18.

Participation in clinical audits

During 2017/18, 7 national clinical audits covered relevant health services that Northumberland, Tyne and Wear NHS Foundation Trust provides.

The national clinical audits eligible for participation by Northumberland, Tyne and Wear NHS Trust during 2017/18 are shown in Table 12.

The Trust participated in 100% of national clinical audits which Northumberland, Tyne and Wear NHS Foundation Trust were eligible to participate in during the 2017/18 period.

The national clinical audits that Northumberland, Tyne and Wear NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, are listed in Table 13 below alongside the number of cases submitted to each audit, and as a percentage of the number of registered cases required by the terms of that audit if applicable.

Table 12: National Clinical Audits 2017/18

1	POMH-UK Topic 17a: Use of depot / long-acting anti-psychotic injections for relapse prevention
2	POMH-UK Topic 15b: Prescribing Valproate for Bipolar Disorder
3	Specialist Rehabilitation for Patients with Complex Needs following Major Injury: Response Times for Assessment and Admission, Functional Gain and Cost-Efficiency
4	National Clinical Audit of Anxiety & Depression (NCAAD)
5	National Clinical Audit of Psychosis (NCAP)
6	CCQI Early Intervention in Psychosis Network: Self-Assessment Audit 2017-2018
7	POMH-UK Topic 16b: Rapid Tranquilisation

Data source: NTW

Table 13: Cases submitted for National Clinical Audits 2017/18

	National Clinical Audits 2017/18	Cases submitted	Cases required	%
1	POMH-UK Topic 17a: Use of Depot / long-acting anti-psychotic injections for relapse prevention (CA-17-0008)	Sample provided: 220 POMH-UK report due July 2018	-	-
2	POMH-UK Topic 15b: Prescribing Valproate for Bipolar Disorder (CA-17-0011)	Sample provided: 254 POMH-UK report due July 2018	-	-
3	Specialist Rehabilitation for Patients with Complex Needs following Major Injury: Response Times for Assessment and Admission, Functional Gain and Cost-Efficiency (CA-17-0018)	Sample provided: Ward 1: 35 Wards 3 & 4: 63 Total: 98 Final report and action plan September 2017	All Patients: 98	100%
4	National Clinical Audit of Psychosis (NCAP) (CA-17-0017)	Sample provided per CCG as follows: South Tyneside: 50 Sunderland: 49 Newcastle: 50 Gateshead: 50 North Tyneside: 51 Northumberland: 50 Total: 300 National Report due June 18	300	100%
5	CCQI Early Intervention in Psychosis Network: Self-Assessment Audit 2017-2018 (CA-17-0023)	Sample provided per EIP Service as follows: South Tyneside: 68 Sunderland: 107 Newcastle: 139 Gateshead: 105 North Tyneside: 68 Northumberland: 79 Total: 566 National Report due July 18	566	100%

Data source: NTW

The reports of 4 national clinical audits were reviewed by the provider in 2017/18, and Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

Table 14: Actions to be taken in response to National Clinical Audits

	Project	Actions
1	Topic 16a: Rapid Tranquilisation (CA-16-0040)	Rapid Tranquilisation policy/e-learning package updated
2	Topic 7e: Monitoring of Patients Prescribed Lithium (CA-16-0045)	Awareness raising via Medicines Management Committee Newsletter and updated checklist put in place.

	Project	Actions
3	Topic 11c: Prescribing antipsychotic medication for people with dementia (CA-16-0046)	Review of existing RiO initiation, prescribing tools, electronic updates and prescribing forms.
4	Specialist Rehabilitation for Patients with Complex Needs following Major Injury: Response Times for Assessment and Admission, Functional Gain and Cost-Efficiency (CA-16-0084)	Appointment of an additional consultant, and the increased session support provided by another, have now addressed issues

Data source: NTW

Additionally, 104 local clinical audits were reviewed by the provider in 2017/18 and the details can be found in Appendix 2.

Research

Participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by Northumberland, Tyne and Wear NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 1,661.

This is a 22% increase on last year's recruitment figure and is above the year on year average (10% increase since 2010/2011).

The Trust was involved in 75 clinical research studies in mental health, dementia, learning disability and neuro-rehabilitation related topics during 2017/18, of which 52 were National Institute for Health Research (NIHR) portfolio studies.

This is a 4% increase from last year's figure and is slightly below the year on year average (7% increase since 2010/2011).

During 2017/18, 50 clinical staff employed by the trust participated in ethics committee approved research.

We have continued to work closely with the NIHR Clinical Research Networks North East and North Cumbria Local Clinical Research Network to support national portfolio research and have achieved continued success with applications for large-scale research funding in collaboration with Newcastle and Northumbria Universities.

According to the latest NIHR Clinical Research Network annual league tables NTW are the 3rd most research active mental health and disability trust based on number of active research studies

Goals agreed with commissioners

Use of the Commissioning for Quality & Innovation (CQUIN) framework

The CQUIN framework aims to embed quality improvement and innovation at the heart of service provision and commissioner-provider discussions. It also ensures that local quality improvement priorities are discussed and agreed at board level in all organisations. It

enables commissioners to reward excellence by linking a proportion of English healthcare providers' income to the achievement of local quality improvement goals.

A proportion of Northumberland, Tyne and Wear NHS Foundation Trust income in 2017/18 was conditional on achieving quality improvement and innovation goals agreed between Northumberland, Tyne and Wear NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation payment framework. Further details of the agreed goals for 2017/18 and for the following 12 month period are available electronically at www.ntw.nhs.uk.

For 2017/18, 6.4m of Northumberland, Tyne and Wear NHS Foundation Trust's contracted income was conditional on the achievement of these CQUIN indicators (£6.4m in 2016/17).

CQUIN Indicators

All CQUIN requirements for 2017/18 are fully delivered for quarters 1 to 3 and pending agreement for quarter 4. A summary of CQUIN indicators for 2017/18 and 2018/19 is shown in Table 15 to Table 17 below, with a summary of the actions completed for each indicator.

Note that the CQUIN indicators are either mandated or developed in collaboration with NHS England and local Clinical Commissioning Groups (CCGs), the current CQUIN programme spans two years 2017/18 and 2018/19. The range of CQUIN indicators can vary by commissioner, reflecting the differing needs and priorities of different populations.

Table 15: CQUIN Indicators to improve Safety

CQUIN Indicators to improve Safety
Reducing Restrictive Practices within adult low and medium secure inpatient services
Our Recovery & Engagement Lead Nurse continued to work with service users, carers and Peer Support Staff to embed the Recovery College and enable development of co-production. This has provided a platform for service user and carer voice in relation to service delivery.
All wards / teams have attended Talk 1st cohort training. Positive & Safe dashboard data is available to all staff within secure services and is now analysed by the services at local groups and within service user meetings.
Staff have undertaken training to ensure they are aware of their role in supporting service users to have choice, involvement and participation in planning their day, this has improved staff and service user relations.
Changes include establishing mini shops and the café cart continues to be a huge success giving service users enhanced access to confectionery, various barista coffees and choice of sandwiches, cakes etc. that are made by service users and sold to fund the delivery of this user-led service.

CQUIN Indicators to improve Safety
Improving Staff Health & Wellbeing
The Trust was required to achieve a 5% point improvement in two of the three NHS annual staff survey questions on health and wellbeing, musculoskeletal problems (MSK) and stress. Although we did not achieve the required improvement on our previous result we were significantly above the national average response rate on two questions (health and wellbeing, and stress) and matched the national average on MSK.

The trust achieved all of the requirements of the health food survey and have already met some of the 18/19 requirements. This includes;

- prohibiting price promotions, advertisements on NHS premises, and locating at checkouts of sugary drinks and foods high in fat, sugar or salt
- Ensuring that healthy options are available at any point including for those staff working night shifts
- As of 1 January 2017 the trust only sells Diet, Skinny, Zero, Sugar Free etc. versions of canned and bottled drinks
- All pre-packed sandwiches and other savoury meals contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g.

73.5% of frontline workers received the 'flu vaccine (70% target). |
| Improving physical healthcare to reduce premature mortality in people with Severe Mental Illness |
| Inpatient Wards, EIP teams and Community Mental Health Teams worked to ensure service users with Severe Mental Illness have been screened for cardiometabolic factors in line with the Lester Tool recommendations and received an appropriate intervention when required.

To ensure that safe care is provided to service users who are receiving care from both primary care and the Trust, shared care agreements are now in place detailing organisational responsibility for care. |
| Preventing ill health by risky behaviours – alcohol and tobacco |
| The Trust has developed systems to ensure all inpatient service users are screened in relation to smoking and alcohol consumption. If required NTW has offered a brief intervention and or referral to specialist alcohol and smoking cessation services. |

Table 16: CQUIN Indicators to improve Patient Experience

CQUIN Indicators to improve Service User & Carer Experience
Health & Justice – Patient Experience
The Points of You feedback survey has been rolled out in Liaison and Diversion services with work ongoing to improve the response rates. Regular meetings & drop in sessions have been set up and Q3 saw the introduction of Coram Voice which has been embedded positively into the service and will support in the process of young people giving feedback as well as feeding back to the young people about changes to service. Work is ongoing in relation to the accessible information standard with this being regularly reviewed and updated where necessary.

Table 17: CQUIN Indicators to improve Clinical Effectiveness

CQUIN Indicators to improve Clinical Effectiveness
Development of Recovery Colleges for adult medium and low secure inpatients
A variety of courses are provided for service users with regular review of how they have engaged & enjoyed the courses. Of the service users that enrolled from Northgate we had a 90% attendance rate and from St Nicholas hospital we had an 80% attendance rate.
Transitions out of Children and Young People's Community Mental Health Services
We have developed and refined the transitions practice guidance note for young people. A "moving on" pack has been created and this will be rolled out. An audit of those transitioning from the mental health care pathway was completed in Q4 and has identified that all young people were involved in their transition planning however there is further work to do on the involvement of parents and carers and in the consideration of wider issues such as housing and employment.
Children and Young People's Inpatient Transitions
All 5 areas have been achieved to date: • Plan for discharge/transition at the point of admission • Involve the young person in all discussions and decisions (as much as possible/appropriate) • Involve the family/carers in all discussions and decisions (as much as possible/appropriate) • Liaise early with other agencies • Numbers of delayed discharges: – this has been tracked on a monthly and internally weekly basis and work on planning for discharge at the point of admission is well embedded. Action plans to support timely discharge were evident in all cases where a delay had been recorded.
Specialised Services Discharge & Resettlement
Systems are now in place to record and report estimated discharge dates in Forensic services. Delayed discharges are regularly monitored and a system is in place to flag when service users are approaching their target discharge dates to enable monitoring and review prior to becoming a delay. Weekly meetings are held to discuss and review complex cases. A small fund has been set up to support discharges that may otherwise be delayed due to issues relating to small items of expenditure (for example, a service user requiring a fridge).
Improving services for people with mental health needs who present to A&E
NTW has worked in partnership with Acute Trust colleagues to identify service users who would benefit from a multi-agency care plan with the aim of reducing the number of A&E attendances. This has successfully reduced attendance for this cohort of service users by more than 20% in all localities.

Data source (Table 15 to Table 17): NHS England and NTW

Statements from the Care Quality Commission (CQC)

Northumberland, Tyne and Wear NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is registered without conditions and therefore licensed to provide services. The Care Quality Commission has not taken

enforcement action against Northumberland, Tyne and Wear NHS Foundation Trust during 2017/18.

Northumberland, Tyne and Wear NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during 2017/18. We have, however participated in a number of inspections and Mental Health Act visits as follows:

In April 2017 Northumberland, Tyne and Wear NHS Foundation Trust participated in a focused CQC Mental Health Act visit considering assessment, transport and admission to hospital.

In May 2017 Northumberland, Tyne and Wear NHS Foundation Trust participated in a CQC focused inspection visit to two core services (acute wards for adults of working age/psychiatric intensive care units, and long stay rehabilitation mental health wards for work working age adults. The publication of these reports are awaited.

In October 2017, Northumberland, Tyne and Wear NHS Foundation Trust participated in a system-wide thematic inspection focusing on mental health services for children and young people across South Tyneside.

The Care Quality Commission conducted a comprehensive inspection of Northumberland, Tyne and Wear NHS Foundation Trust in 2016 and rated the Trust as "Outstanding".

Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to address the conclusions or requirements reported by the CQC:

- We will ensure that care plans in wards for older people are more personalised, and
- We will reduce the use of mechanical restraint in wards for children and young people.

Northumberland, Tyne and Wear NHS Foundation Trust

Overall rating	Inadequate	Requires improvement	Good	Outstanding ☆

	Safe	Effective	Caring	Responsive	Well led	Overall
Acute wards for adults of working age and psychiatric intensive care units	Good	Good	Good	Good	Good	Good
Child and adolescent mental health wards	Requires improvement	Good	Good	Good	Good	Good
Community mental health services for people with learning disabilities or autism	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆
Community-based mental health services for adults of working age	Good	Outstanding ☆	Outstanding ☆	Good	Good	Outstanding ☆
Community-based mental health services for older people	Good	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆
Forensic inpatient/secure wards	Good	Good	Good	Good	Good	Good
Long stay/rehabilitation mental health wards for working age adults	Good	Good	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆
Mental health crisis services and health-based places of safety	Good	Good	Good	Good	Good	Good
Specialist community mental health services for children and young people	Good	Outstanding ☆	Outstanding ☆	Good	Good	Outstanding ☆
Substance misuse services	Good	Good	Good	Good	Good	Good
Wards for older people with mental health problems	Good	Requires improvement	Good	Good	Good	Good
Wards for people with learning disabilities or autism	Good	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆	Outstanding ☆

External Accreditations

The Trust has gained national accreditation for the quality of services provided in many wards and teams.

78% of adult and older people's mental health wards have achieved the Accreditation for Inpatient Mental Health Services (AIMS).

100% of the adult forensic medium and low secure wards have been accredited by the Quality Network for Forensic Mental Health Services.

87% of children and young people's wards have been accredited by the Quality Network for Inpatient Children and Adolescent Mental Health Services (CAMHS).

Table 18: Current clinical external accreditations (March 2018)

External Accreditation	Ward/Department	Location
Accreditation for Inpatient Mental Health Services (AIMS)	Bluebell Court (Rehab)	St George's Park
	Embleton	St George's Park
	Kinnersley (Rehab)	St George's Park
	Newton (Rehab)	St George's Park
	Warkworth	St George's Park
	Collingwood	Campus for Ageing and Vitality
	Elm House (Rehab)	Bensham
	Fellside	Queen Elizabeth Hospital
	Lamesly	Queen Elizabeth Hospital
	Lowry	Campus for Ageing and Vitality
	Willow View (Rehab)	St Nicholas Hospital
	Mowbray (OP)	Monkwearmouth Hospital
	Roker (OP)	Monkwearmouth Hospital
	Akenside (OP)	Campus for Ageing and Vitality
	Hauxley (OP)	St George's Park
	Aldervale (Rehab)	Hopewood Park
	Beckfield (PICU)	Hopewood Park
	Clearbrook (Rehab)	Hopewood Park
	Longview	Hopewood Park
	Shoredrift	Hopewood Park
	Springrise	Hopewood Park

External Accreditation	Ward/Department	Location
	Cleadon (OP)	Monkwearmouth Hospital
Quality Network for Forensic Mental Health Services (QNFMHS)	Bamburgh Clinic	St Nicholas Hospital
	Bede Ward	St Nicholas Hospital
	Kenneth Day Unit	Northgate Hospital
Quality Network for Inpatient CAMHS (QNIC)	Stephenson	Ferndene
	Fraser	Ferndene
	Riding	Ferndene
	Redburn	Ferndene
	Alnwood	St Nicholas Hospital
Quality Network for Community CAMHS (QNCC)	Newcastle & Gateshead CYPS	Benton House
	Northumberland CYPS	Villa 9, Northgate Hospital
	South Tyneside and Sunderland CYPS	Monkwearmouth Hospital
ECT Accreditation Scheme (ECTAS)	Hadrian Clinic	Campus for Ageing and Vitality
	Treatment Centre	St George's Park
Psychiatric Liaison Accreditation Network (PLAN)	Self Harm and Liaison Psychiatry Service	Newcastle
	Northumberland Liaison Psychiatry and Self Harm Team	Northumberland
	Psychiatric Liaison Team	Sunderland
Quality Network for Perinatal Mental Health Services (QNPMH)	Beadnell Mother and Baby Unit	St George's Park
Quality Network for Eating Disorders (QED)	Ward 31a	Royal Victoria Infirmary
Home Treatment Accreditation Scheme (HTAS)	Newcastle Crisis Resolution and Home Treatment Team	Ravenswood Clinic
	Sunderland Crisis Resolution and Home Treatment Team	Hopewood Park
	South Tyneside Crisis Resolution and Home Treatment Team	Palmers Community Hospital
	Gateshead Crisis Resolution and Home Treatment Team	Tranwell Unit
	Northumberland Crisis Resolution and Home Treatment Team	St George's Park

Data source: NTW

Data Quality

Good quality information underpins the effective delivery of care and is essential if improvements in quality of care are to be made. The Trust has already made extensive improvements in data quality. During 2017/18 the Trust will build upon the actions taken to ensure that we continually improve the quality of information we provide.

Table 19: Actions to be taken to improve data quality

Clinical Record Keeping	We will continue to monitor the use of the RiO clinical record system, learning from feedback and incidents, measuring adherence to the Clinical Records Keeping Guidance and highlighting the impact of good practice on data quality and on quality assurance recording. We will continue to improve and develop the RiO clinical record system in line with service requirements.
NTW Dashboard development	We will continue to review the content and format of the existing NTW dashboards, to reflect current priorities including the development and monitoring of new and shadow metrics that are introduced in line with national requirements. We will continue to develop the Talk 1st and Points of You dashboards.
Data Quality Kitemarks	We will continue to roll out the use of data quality kitemarks in quality assurance reports further.
Data Quality Group	We will implement a Trust wide data quality group.
Mental Health Services Dataset (MHSDS)	We will continue to understand and improve data quality issues and maintain the use of national benchmarking data. We will seek to gain greater understanding of the key quality metric data shared between MHSDS, NHS Improvement and the Care Quality Commission. We will improve our data maturity index score and understand areas where improvement is required.
Consent recording	We will continue to redesign the consent recording process in line with national guidance and support the improvement of the recorded consent status rates.
ICD10 Diagnosis Recording	We will continue to increase the level of ICD10 diagnosis recording across community services.
Mental Health Clustering	We will increase the numbers of clinicians trained in the use of the Mental Health Clustering Tool and improve data quality and data completeness, focusing on issues such as cluster waiting times analysis, casemix analysis, national benchmarking and HoNOS 4-factor analysis to support the consistent implementation of outcomes approaches in mental health.
Contract and national information requirements	We will continue to develop quality assurance reporting to commissioners and national bodies in line with their requirements.
Quality Priorities	We will develop a robust reporting structure to support the quality priorities relating to waiting times and improving inpatient care.
Outcome Measures	We will enhance the current analysis of outcome measures focusing on implementing a system for reporting information back to clinical teams.

	We will also focus on Improving Access to Psychological Therapies (IAPT) outcomes to ensure preparedness for the introduction of IAPT outcomes based payment in 2018-19.					
Sexual orientation monitoring information standard	We will work towards meeting the requirements of the sexual orientation monitoring standard.					
Electronic Staff Record (ESR)	We will develop data quality monitoring of ESR data and develop action plans to address issues identified.					

Data source: NTW

North East Quality Observatory (NEQOS) Retrospective Benchmarking of **2016/17** Quality Account Indicators

The North East Quality Observatory System (NEQOS) provides expert clinical quality measurement services to many NHS organisations in the North East.

NTW once again commissioned NEQOS to undertake a benchmarking exercise, comparing the Trust's Quality Account 2016/17 with those of 56 other NHS Mental Health and Disability organisations. A summary of frequent indicators found in all Quality Accounts has been provided in Table 20 below:

Table 20: Nationally available Quality Account indicators for 2016/17

	Quality Account Indicators	Target	Average	Peer*	**NTW**	Number of Trusts
1	Staff who would recommend the trust to their family/friends (%)	-	3.64	3.65	**3.87**	56
2	Admissions to adult urgent care wards gatekept by Crisis Resolution Home Treatment Teams (%) Q4 16/17	95%	98.8	98.5	**99.5**	55
3	Inpatients receiving follow up contact within 7 days of discharge (%) Q4 16/17	95%	96.8	96.9	**97.6**	55
4	Incidents of severe harm/death (%)	-	1.1	1.6	**1.5**	53
5	CPA formal review within 12 months (per March 2017)	95%	82.7	80.1	**87.5**	49
6	EIP patients treated within 2 weeks March 2017	50%	73.7	72.3	**85.3**	54

Data source: North East Quality Observatory

*Table 20 includes data for a peer group of similar trusts: Birmingham and Solihull Mental Health NHS Foundation Trust; Cheshire and Wirral Partnership NHS Foundation Trust; Lancashire Care NHS Foundation Trust; North East Essex Mental Health NHS Trust; Oxford Health NHS Foundation Trust; South London and Maudsley NHS Foundation Trust; Sussex Partnership NHS Foundation Trust; and Tees, Esk and Wear Valleys NHS Foundation Trust

Learning from Deaths

The Serious Incident Framework (2015) forms the basis for the Trusts Incident Policy which guides/informs the organisation about reporting, investigating and learning from incidents including deaths. The Learning from Deaths policy approved by the organisation in September 2017 supports and enhances this learning and investigation process. We report all deaths of people with learning disabilities who are service users to the Learning Disabilities Mortality Review (LeDeR) Programme for further investigation, from which we have received no feedback to date.

During 2017/18 1,037 of Northumberland, Tyne and Wear NHS Foundation Trust's patients were reported to have died, with the majority of these being natural deaths in nature.

This comprised the following number of deaths which occurred in each quarter of that reporting period: 213 in the first quarter; 241 in the second quarter; 280 in the third quarter; 303 in the fourth quarter.

Of the 1,037 deaths, and in line with our Incident Policy – NTW(O)05 and our Learning From Deaths Policy – NTW(C)12, 225 of these deaths would fit the criteria for further investigation.

Of the 225 deaths subject to an investigation, 57 have been subject to a mortality case record review and 168 have been or are subject to a level 1 (After Action Review) or level 2 (full serious incident) investigation.

By 11 April 2018, the following investigations were carried out and completed in each quarter, 47 in the first quarter; 56 in the second quarter; 73 in the third quarter. For the 4th quarter of the year and acknowledging the 60 working day timescale to investigate 49 deaths requiring investigation in the fourth quarter, these will be completed in line with appropriate policy, and if the timescales cannot be achieved an appropriate extension will be agreed with Commissioners.

Eight representing 0.8% of the patient deaths during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

In relation to each quarter, this consisted of:

- 2 representing 0.94% for the first quarter;
- 1 representing 0.41% for the second quarter;
- 3 representing 1.07% for the third quarter;
- 2 representing 0.67% for the fourth quarter.

These numbers have been estimated using the findings from Serious Incident investigations. Where there has been either a root or contributory cause found from the incident review then this has been used as a way to determine if the patient death may have been attributable to problems with care provided. There is currently no agreed or validated tool to determine whether problems in the care of the patient contributed to a death within mental health or learning disability services so we are using this approach until

such a tool becomes available. This means that currently mental health and learning disability organisations are using differing ways of assessing this. The Royal College of Psychiatrists is developing a tool which NTW anticipates adopting in the future.

Over the last twelve months our investigations have identified five main areas of **learning**:

Risk Assessment

When looking at cases it has been identified that when assessing the risk of the patient this has been underscored. Also risks identified at assessment have not been included into a risk management plan. In some investigations past risk has not been considered when developing a new risk management plan.

Trust wide risk training has been updated and added to following investigation findings, looking at "Harm to Others" training and updating suicide risk training

Physical Health

The management of problems relating to physical health conditions has been identified in several cases reviewed and covers policy's not being followed and awareness of clinical symptoms. This is linked to the correct management of diabetes and the correct prescribing of anti-psychotic medication.

A full learning programme in relation to diabetic management and clinical management has been produced in conjunction with practice guidance notes to support. A programme of audit in relation to the use of Acuphase medication was commissioned and actions have come out of this to support learning and change practice.

CAS alerts and learning bulletins have also been actioned to raise staff awareness.

Prescribing of Medication

Lack of understanding about certain drugs prescribed and their possible side effects and the awareness of the potential for misuse of prescribed drugs by patients.

The use of emergency drugs for patients prescribed or misusing drugs which can save lives and how we teach patients to use these emergency drugs for themselves.

CAS alerts, articles, Key Cards and Safety Bulletins have been used to raise awareness and training for staff on inpatients and training for patients provided with such drugs.

Record Keeping Standards

This is a theme/issue that is often picked up as an incidental finding as part of any investigation, and is about records not being completed properly, accurately and within a timely fashion.

Regular audit programmes, supervision and case note management supervision is ongoing.

Carers' Support

Investigations have identified that carers fatigue is not always recognized and acted upon, and carers' are not always used to get the best outcome from an assessment.

Staff engaged in a trust wide Rapid Process Improvement Workshop over a week in January 2018 to specifically address the "Getting To Know You" process which is integral to the patient's pathway to support carers and families.

Dissemination of Learning

Learning has been both trust wide and individual/team specific and the trust uses a variety of methods to share the learning across the organisation. This includes discussing the learning within team meetings, learning groups and individual supervision of staff. The trust has several newsletters which focus on learning, and a Central Alert System which is used when a message is so important it needs to go across all the organisation very quickly.

Making sure the learning becomes part of practice within the organisation and across the organisation is done in several different ways. The organisation has a variety of audit programmes running which will check if the learning from deaths is put into practice. Changes made from learning are introduced into policies which are regularly reviewed. Training programmes are changed and updated following learning from incident investigation findings. Teams have learning at the top of their agenda for meetings to ensure awareness raising is constantly maintained and becomes part of everyday culture. Learning groups use incident findings to inform their agendas to check out staffs understanding of learning and the impact on their service areas.

NTW has introduced a formal Learning and Improvement Group to monitor all of the above and evaluate the impact of actions identified from incident and complaint investigations.

We will commence reporting the number of case record reviews or investigations completed in-year which related to deaths during the previous year from 2018/19.

NHS Number and General Medical Practice Code Validity

Northumberland, Tyne and Wear NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses service for inclusion in the Hospital Episode Statistics which are included in the latest published data for April 2017 to March 2018.

The percentage of records in the published data- which included the patient's valid NHS number was:

99.6% for admitted patient care; and 99.5% for outpatient care.

The percentage of records in the published data which included the patient's valid General Medical Practice Code was:

99.8% for admitted patient care; and 99.8% for outpatient care.

Information Governance Toolkit attainment

The Northumberland, Tyne and Wear NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 75% and was graded green (satisfactory).

Clinical Coding error rate

Northumberland, Tyne and Wear NHS Foundation Trust was not subject to the Payment by Results clinical coding audit during 2017/18 by the Audit Commission.

Performance against mandated core indicators

The mandated indicators applicable to Northumberland, Tyne and Wear NHS Foundation Trust are as follows:

The percentage of patients on Care Programme Approach (CPA) who were followed up within 7 days after discharge from psychiatric inpatient care during the reporting period (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reason - we have established, robust reporting systems in place through our electronic patient record system (RiO) and adopt a systematic approach to data quality improvement.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services by ensuring clinicians are aware of their responsibilities to complete these reviews.

Table 21: 7 day follow up data 2015/16 to 2017/18 (higher scores are better)

7 day follow up %	2015/16				2016/17				2017/18			
	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q1	Q2	Q3	Q4
NTW	99.1%	98.5%	99.1%	98.5%	99.1%	98.5%	99.1%	98.5%	**96.0%**	**97.5%**	**97.4%**	**97.7%**
National Average	97.0%	96.8%	97.0%	96.8%	97.0%	96.8%	97.0%	96.8%	**96.7%**	**96.7%**	**95.4%**	**95.5%**
Highest national	100%	100%	100%	100%	100%	100%	100%	100%	**100%**	**100%**	**100%**	**100%**
Lowest national	88.9%	83.4%	88.9%	83.4%	88.9%	83.4%	88.9%	83.4%	**71.4%**	**87.5%**	**69.2%**	**68.8%**

Data source: NHS England

The percentage of admissions to acute wards for which the Crisis Home Treatment Team acted as a gatekeeper during the reporting period (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons - we have established, robust reporting systems in place through our electronic patient record system (RiO) and adopt a systematic approach to data quality improvement.

The Northumberland, Tyne and Wear NHS Foundation Trust intends to take the following actions to improve this percentage, and so the quality of its services by closely monitoring this requirement and quickly alerting professionals to any deterioration in performance.

Table 22: Gatekeeping data 2015/16 to 2017/18 (higher scores are better)

Gate-Keeping %	2015/16				2016/17				2017/18			
	Q2	Q3	Q2	Q3	Q2	Q3	Q2	Q3	Q1	Q2	Q3	Q4
NTW	100%	100%	100%	100%	100%	100%	100%	100%	99.8%	100%	100%	99.7%
National Average	97.0%	97.4%	97.0%	97.4%	97.0%	97.4%	97.0%	97.4%	98.7%	98.6%	98.5%	98.7%
Highest national	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Lowest national	48.5%	61.9%	48.5%	61.9%	48.5%	61.9%	48.5%	61.9%	88.9%	94.0%	84.3%	88.7%

Data source: NHS England

The score from staff employed by, or under contract to, the trust during the reporting period who would recommend the trust as a provider of care to their family or friends

The Northumberland, Tyne and Wear NHS Foundation Trust consider that this data is as described for the following reasons – this is an externally commissioned survey.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by continuing to hold multidisciplinary staff engagement sessions at Trust and local levels regarding the results of the staff survey and identifying actions for improvement.

"If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation"

Table 23: NHS staff survey data (question 21d)

% Agree or Strongly Agree	2015	2016	2017
NTW %	65%	72%	68%
National Average %	69%	69%	70%
Highest national %	93%	95%	93%
Lowest national %	37%	45%	42%

Data source: Survey Coordination Centre

'Patient experience of community mental health services' indicator score with regard to a patients experience of contact with a health or social care worker during the reporting period

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons – this is an externally commissioned survey.

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services by constantly engaging with service users and carers to ensure we are responsive to their needs and continually improve our services.

Table 24: Community Mental Health survey scores, 2015 to 2017

Health and social care workers	2015	2016	**2017**
NTW	7.6	7.9	**7.8**
Compared with other Trusts	About the Same	About the Same	**About the Same**

(score out of 10, higher are better)

Data source: CQC

The number and, where available the rate of patient safety incidents reported within the trust during the reporting period, and the number and percentage of such patient safety incidents that resulted in severe harm or death (data governed by a national definition)

The Northumberland, Tyne and Wear NHS Foundation Trust considers that this data is as described for the following reasons – this is data we have uploaded to the National Reporting and Learning System (NRLS).

The Northumberland, Tyne and Wear NHS Foundation Trust has taken the following actions to improve this rate/number/percentage, and so the quality of its services by ensuring all serious Patient Safety Incidents are robustly investigated and lessons shared throughout the organisation (including the early identification of any themes or trends).

Table 25: Patient Safety Incidents, National Reporting and Learning System

Indicator	Performance	2015/16 Q1-Q2	2015/16 Q3-Q4	2016/17 Q1-Q2	2016/17 Q3-Q4	**2017/18 Q1-Q2**	**2017/18 Q3-Q4**
Number of PSI reported (per 1,000 bed days)	NTW	38.6	37.2	48.5	51.6	**42.7**	
	National average	38.6	38.3	42.1	41.5	**48.2**	
	Highest national	83.7	85.1	89.0	88.2	**126.5**	
	Lowest national*	0	14.0	10.3	11.2	**16.0**	
Severe PSI (% of incidents reported)	NTW	0.4%	0.7%	0.8%	0.5%	**0.4%**	
	National average	0.3%	0.3%	0.3%	0.3%	**0.3%**	
	Highest national	2.5%	2.3%	2.9%	1.8%	**2.0%**	
	Lowest national*	0.0%	0%	0%	0%	**0%**	
PSI Deaths	NTW	0.9%	0.7%	0.8%	1.0%	**0.5%**	
	National average	0.8%	0.8%	0.8%	0.8%	**0.7%**	
	Highest national	3.2%	5.2%	10.0%	3.8%	**3.4%**	

Indicator	Performance	2015/16 Q1-Q2	2015/16 Q3-Q4	2016/17 Q1-Q2	2016/17 Q3-Q4	**2017/18 Q1-Q2**	**2017/18 Q3-Q4**
(% of incidents reported)	Lowest national*	0.0%	0.1%	0.1%	0%	**0%**	

Data source: <u>NHS Improvement</u>

*note that some organisations report zero patient safety incidents, national average for mental health trusts

Review of Quality Performance

In this section we report on the quality of the services we provide, by reviewing progress against indicators for quality improvement, including the NHS Improvement Single Oversight Framework, performance against contracts with local commissioners, statutory and mandatory training, staff sickness absence and staff survey results.

We have reviewed the information we include in this section to remove duplication and less relevant data compared to previous quality accounts. We have included key measures for each of the quality domains (safety, service user experience and clinical effectiveness) that we know are meaningful to our staff, our Council of Governors, commissioners and partners.

NHS Improvement Single Oversight Framework

The NHS Improvement Single Oversight Framework identifies NHS providers' potential support needs across five themes:

- quality of care
- finance and use of resources
- operational performance
- strategic change
- leadership and improvement capability

Individual trusts are "segmented" by NHS Improvement according to the level of support each trust needs. In 2017/18 NTW has been assigned a segment of "1 – maximum autonomy".

Table 26: Self-assessment against the Single Oversight Framework as at March 2018 (previous year data in brackets where available)

	Period	Trustwide	Newcastle Gateshead CCG	Northumberland CCG	North Tyneside CCG	South Tyneside CCG	Sunderland CCG
Patient Safety Quality Indicators							
Admissions to adult facilities of patients under 16	2017/18	0	0	0	0	0	0
CPA follow up - proportion of discharges from hospital followed up within 7 days	2017/18 (2016/17)	97.2% (97.3%)	96.3% (97.2%)	98.1% (98.2%)	96.1% (98.1%)	97.4% (98.5%)	98.6% (95.1%)
Inappropriate Out of Area Placements	Quarter 4 average per month	16	28	-	13	-	7
Clinical Effectiveness Quality Indicators							
% clients in settled accommodation	2017/18 (2016/17)	77.3% (76.8%)	79.9% (78.1%)	74.7% (76.1%)	79.8% (80.8%)	81.9% (75.0%)	73.9% (73.5%)
% clients in employment	2017/18 (2016/17)	6.5% (7.0%)	6.3% (6.0%)	8.9% (10.8%)	6.8% (5.7%)	4.7% (5.8%)	4.3% (5.5%)
Ensure that cardio-metabolic assessment and treatment for people with psychosis is delivered routinely in the following service areas:							
• Inpatient wards	31/03/2018 (Qtr4 16/17)	85.0% (85%)					
• Early intervention in psychosis services	31/03/2018 (Qtr4 16/17)	76.7% (97%)					
• Community mental health services (people on care programme approach)	31/03/2018 (Qtr4 16/17)	58.8% (83%)					
Data Quality Maturity Index (DQMI)	Qtr2 17/18	91.7%					
IAPT- Proportion of people completing treatment who move to recovery	March 2018 (Qtr4 16/17)	52.4% (53.5%)					52.4% (53.5%)
Service User Experience Quality Indicators							
RTT Percentage of Incomplete (unseen) referrals waiting less than 18 weeks*	2017/18 (2016/17)	99.6% (98.7%)	98.6% (96.9%)	100% (100%)	100% (100%)	100% (100%)	100% (100%)
People with a first episode of psychosis begin treatment with a NICE recommended care package within two weeks of referral	2017/18 (2016/17))	83.9% (78.8%)	76.7% (71.4%)	81.6% (73.1%)	74.0% (75.0%)	95.7% (94.3%)	95.1% (91.6%)
IAPT Waiting Times to begin treatment – incomplete							
• 6 weeks	March 2018 (Qtr4 16/17)	99.6% (99.6%)					99.6%
• 18 weeks	March 2018 (Qtr4 16/17)	100% (100%)					100%

Data source: NTW. *Note that this relates only to a small number of consultant-led services

Performance against contracts with local commissioners

During 2017/18 the Trust had a number of contractual targets to meet with local clinical commissioning groups (CCG's). Table 27 below highlights the targets and the performance of each CCG against them for quarter four 2017/18 (1 January 2018 to 31 March 2018).

Table 27: Contract performance targets 2017/18 Quarter 4 (2016/17 Quarter 4 in brackets)

CCG Contract performance targets Quarter 4 2017/18 (target in brackets)	Newcastle Gateshead CCG	Northumberland CCG	North Tyneside CCG	Sunderland CCG	South Tyneside CCG
CPA Service Users reviewed in the last 12 months (95%)	97.4% (95.6%)	93.3% (97.1%)	95.8% (95.7%)	98.0% (98.2%)	98.1% (98.4%)
CPA Service Users with a risk assessment undertaken/reviewed in the last 12 months (95%)	99.0% (97.0%)	95.8% (98.1%)	93.5% (97.6%)	99.5% (98.0%)	98.5% (98.9%)
CPA Service Users with identified risks who have at least a 12 monthly crisis and contingency plan (95%)	96.3% (95.2%)	93.6% (96.0%)	93.4% (95.8%)	95.6% (97.1%)	95.9% (97.2%)
Number of inpatient discharges from adult mental health illness specialties followed up within 7 days (95%)	97.1% (98.7%)	97.8% (98.1%)	96.1% (98.1%)	100% (94.4%)	100% (97.7%)
Current delayed transfers of care -including social care (<7.5%)	1.5% (3.2%)	2.6% (3.0%)	0.0% (0.0%)	0.9% (0.0%)	3.2% (3.8%)
RTT percentage of incomplete (unseen) referrals waiting less than 18 weeks (92%) Note that this relates only to a small number of consultant-led services	98.6% (96.9%)	100% (100%)	100% (100%)	100% (100%)	100% (100%)
Current service users aged 18 and over with a valid NHS Number (99%)	99.9% (99.9%)	99.7% (99.9%)	99.8% (99.9%)	99.7% (99.8%)	99.9% (99.0%)
Current service users aged 18 and over with valid Ethnicity completed (90%)	91.8% (91.1%)	93.9% (94.4%)	92.7% (91.2%)	96.2% (94.4%)	95.5% (93.4%)
The number of people who have completed IAPT treatment during the reporting period (50%)	n/a	n/a	n/a	54.9% (52.9%)	n/a

Data source: NTW

Statutory and Mandatory Training for 2017/18

It is important that our staff receive the training they need in order to carry out their roles safely.

Table 28: Training position as at 31 March 2018

Training Course	Trust Standard	Position at 31/03/2017	Position at 31/03/2018
Fire Training	85%	88.3%	88.6%
Health and Safety Training	85%	92.2%	93.6%
Moving and Handling Training	85%	93.4%	94.4%
Clinical Risk Training	85%	91.3%	91.8%
Clinical Supervision Training	85%	82.3%	83.6%
Safeguarding Children Training	85%	95.3%	95.1%
Safeguarding Adults Training	85%	92.9%	94.2%
Equality and Diversity Introduction	85%	94.0%	94.0%
Hand Hygiene Training	85%	92.4%	93.2%
Medicines Management Training	85%	89.9%	83.8%
Rapid Tranquilisation Training	85%	86.7%	78.3%
MHCT Clustering Training	85%	87.8%	90.3%
Mental Capacity Act / Mental Health Act / DOLS Combined Training	85%	82.8%	74.3%
Seclusion Training (Priority Areas)	85%	94.5%	92.7%
Dual Diagnosis Training	80%	88.3%	89.2%
PMVA Basic Training	85%	76.4%	80.6%
PMVA Breakaway Training	85%	92.3%	82.3%
Information Governance Training	95%	92.5%	95.0%
Records and Record Keeping Training	85%	98.6%	98.3%

Data source: NTW. Data includes NTW Solutions, a wholly owned subsidary company of NTW.

🟩	Performance at or above target
🟧	Performance within 5% of target
🟥	Under Performance greater than 5%

Staff Absence through Sickness Rate

High levels of staff sickness impact on service user care: therefore the Trust monitors sickness absence levels carefully.

Figure 15: Monthly staff sickness, NTW and national, April 2015 to January 2018
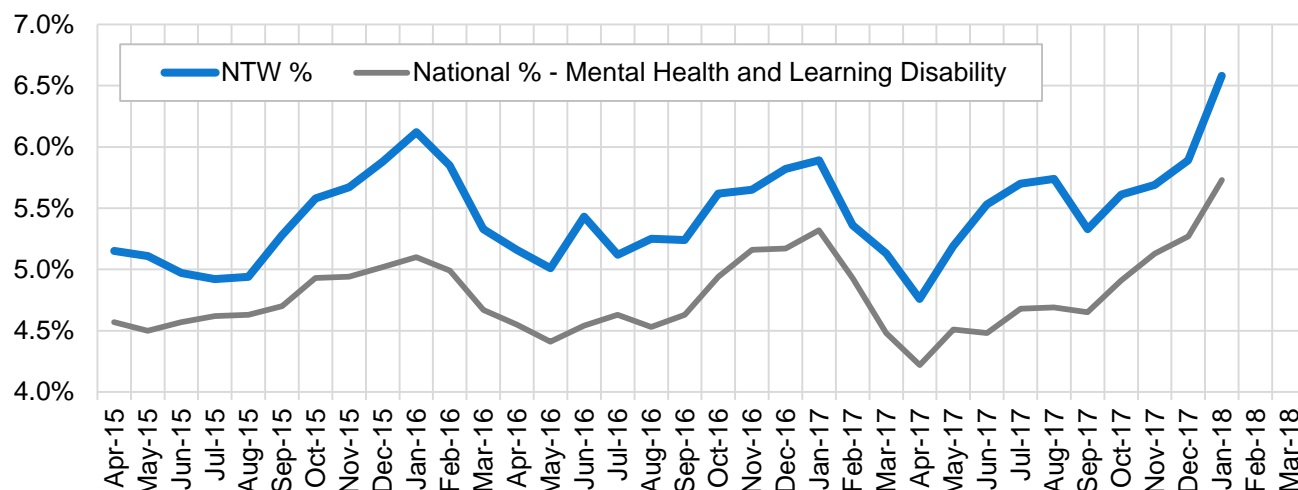
Data source: NHS Digital, Electronic Staff Record. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.
Note: Figures pre-November 2016 have been updated from the 2016/17 Quality Account

The Trust's workforce strategy outlines the corporate approach to the management of absence including a management skills development programme and masterclasses which have a focus on managing absence.

There is also a strong focus on health and wellbeing which is highlighted in the 5 year Health and Wellbeing strategy; this was implemented in 2015 and refreshed in 2017. This strategy not only enables the Trust to support staff but allows us to understand better the health needs of our staff and encourages staff to take responsibility for their own health.

Figure 16: NTW Sickness (in month) 2014/15 to 2017/18
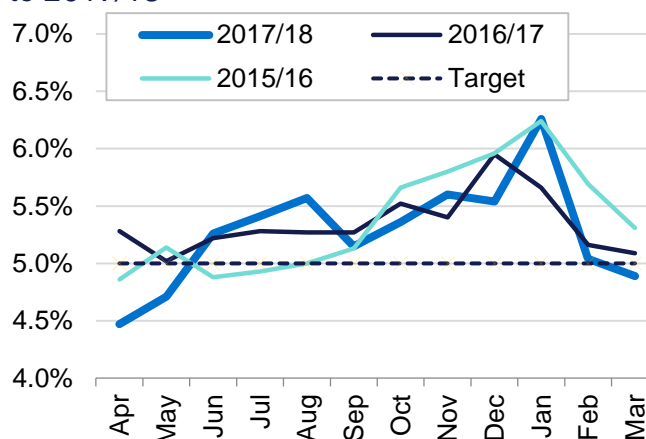
Data source: NTW. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

We continue to hold the Better Health at Work Award at Maintaining Excellence Level and work in accordance with Investors in People standards. In addition the Trust has signed the Time to Change Pledge to demonstrate our commitment to removing stigma associated with mental health issues.

Staff Survey

Since 2010 the Trust has adopted a census approach to the Staff Survey. Whilst the results listed here are relating to the National Survey, our action planning also takes into account the findings from our census report as well as themes identified from the free text comments. For the last four years, as a direct consequence of staff survey findings, we have been working on improving our approach to staff engagement. We have developed a schedule of listening events called "Speak Easies" where senior managers listen to the views of staff across the Trust, with a focus on empowering people to be able to take action to improve matters at a local level. Staff Survey results are disseminated widely throughout the Trust and views are sought on how we can take action on issues highlighted in the survey results. The Trust wide priorities for action arising from the Staff Survey are agreed by the Trust Board and is monitored through the Trust's Corporate Decisions Team (Workforce) Group.

Table 29: NHS staff survey responses 2016- to 2017

Response rate	2016	2017
Trust	45%	**64%**
National Average	49%	**52%**

Note Trust increase of 19 percentage points

Table 30: Top responses, Staff Survey 2017 Compared to 2016

Top 5 ranking scores	**2017**		2016		**Trust improvement/ deterioration**
	Trust	National Average	Trust	National Average	
KF27. Percentage of staff / colleagues reporting most recent experience of harassment, bullying or abuse	**71%**	61%	70%	60%	1% point improvement
KF16. Percentage of staff working extra hours	**66%**	72%	67%	72%	1% point improvement
KF17. Percentage of staff feeling unwell due to work related stress in the last 12 months	**35%**	42%	34%	41%	1% point deterioration
KF21. Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	**92%**	85%	93%	87%	1% point deterioration
KF26. Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	**16%**	21%	17%	22%	1% point improvement

Table 31: Bottom responses, Staff Survey 2017 Compared to 2016

Bottom 5 ranking scores	2017		2016		Trust improvement/ deterioration
	Trust	National Average	Trust	National Average	
KF22. Percentage of staff experiencing physical violence from patients, relatives or the public in last 12 months	**28%**	22%	25%	21%	3% point deterioration
KF23. Percentage of staff experiencing physical violence from staff in last 12 months	**3%**	3%	3%	3%	Result stable
KF25. Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	**33%**	32%	31%	33%	2% point deterioration
KF4. Staff motivation at work	**3.87**	3.91	3.91	3.91	0.04 point deterioration
KF7. Percentage of staff able to contribute towards improvements at work	**73%**	73%	73%	73%	Result stable

Data source (Table 29 to Table 31): Survey Coordination Centre. Data includes NTW Solutions, a wholly owned subsidiary company of NTW.

Actions

Work is taking place at a local level to understand and analyse information with a view to taking early action to address issues that are highlighted

On a Trust-wide basis we are undertaking a fuller analysis of results regarding violence and aggression shown towards staff.

It is recommended that we undertake a full analysis of our bottom five scores and those areas that have deteriorated to seek to understand what those results are telling us and how we might address performance in those areas.

Statements from Clinical Commissioning Groups (CCG), local Healthwatch and Local Authorities

We have invited our partners from all localities covered by Trust Services to comment on our Quality Account.

Corroborative statement from Northumberland, North Tyneside, Newcastle Gateshead, Sunderland and South Tyneside Clinical Commissioning Groups for Northumberland Tyne & Wear NHS Foundation Trust Quality Account 2017/18

The CCGs welcome the opportunity to review and comment on the Trust Quality Account for 2017/18 and would like to offer the following commentary.

Northumberland, North Tyneside, Newcastle Gateshead, Sunderland and South Tyneside Clinical Commissioning Groups (CCGs) are committed to commissioning high quality services from Northumberland Tyne and Wear NHS Foundation Trust (NTWFT) and take seriously their responsibility to ensure that patients' needs are met by the provision of safe, effective services and that the views and expectations of patients and the public are listened to and acted upon.

The CCGs would like to take the opportunity to congratulate the Trust on the numerous national accreditations and awards that it has achieved across the year. These have included the Health Service Journal 'Provider of the Year' award and quality accreditations for older peoples mental health wards, inpatient mental health services, adult forensic and low secure wards and children & young people's wards.

The CCGs commend the Trust for the improvements that are demonstrated in the report in meeting four of their five quality priorities set for 2017/18. Clear progress has been made in the 'Positive & Safe' priority, including reductions in rates of patient restraint through the "Talk 1st" programme to reduce restrictive interventions across the Trust. An increase in total numbers of incidents reported alongside a parallel decrease in patient safety incidents and their severity of harm shows the Trust commitment to the maintenance of a positive patient safety culture across the organisation.

Commissioners would, however, like to see further progress made in 2018/19 in reducing the reported instances of violence and aggression against staff, which have increased by 2% from 2016/17, and the Trust position on which is reported in the 2017 Staff Survey as being both worse than the national average and worse than in the 2016 survey.

It is disappointing to note the ongoing issues that have been experienced by the Trust throughout 2017/18 in attempting to meet the 'Improving waiting times for referrals to multidisciplinary teams' quality priority. Compared to 2016/17, longer waits are being experienced by patients across all of the CCG areas across adult services, adult autistic spectrum disorder diagnosis services, children &

young people's services and community services. The CCGs are pleased to see a continuing focus on improving waiting times in 2018/19 and look forward to working with the Trust to support and develop their initiatives to tackle this crucial work.

The CCGs understand the importance of involving carers in patient treatment and it is encouraging to see the 'Implementing the Triangle of Care' quality priority succeed, with the review of the "Getting to Know You" programme and ongoing carer awareness training for staff and carers at the foundation of its success. This achievement, alongside the success of the 'Co-production & personalisation of care plans' quality priority gives the CCGs assurance that the Trust is putting patients and carers at the heart of their treatment and care plans.

Results of the national Friends & Family Test and the Trust's own 'Points of You' patient survey further support assurance of the excellent work the Trust is conducting to establish whether patients are having a positive experience of care. However, it is noted that complaints are up 25% from 2016/17 and the Trust should ensure that the themes identified from these patient contacts, including waiting times, are addressed systematically as part of the overall Trust improvement plans.

The CCGs have, however, some concerns regarding some of the results of the 2017 staff survey and how this may be related to the Trust staff absence rates which, although improved, are higher than the national average. A reported decrease in 2017 to 68% of staff who agreed or strongly agreed that they would be happy with the standard of care at the Trust if a friend or relative needed treatment is of concern. When coupled with the deterioration in scores in the survey of staff experiencing physical violence and staff experiencing harassment, bullying or abuse from patients, relatives or the public it is clear that the Trust still has some work to do in 2018/19 to resolve these issues. The CCGs are pleased, however, that this is acknowledged in the report and actions are underway to resolve this.

Commissioners are pleased to note that the Trust has successfully implemented the recommendations of the national guidance on 'Learning from Deaths'. CCGs acknowledge that the Trust's work already appears to be proving fruitful, with learning identified in areas including risk assessment, physical health, prescribing, record keeping and carer support. The CCGs would also like the Trust to consider how it will share learning with wider health and social care stakeholders and join up with the Learning Disabilities Mortality Review Programme to provide a system wide picture of potential service improvements.

In 2017/18 an engagement exercise was again undertaken with stakeholders to gather suggestions for the new quality indicators and the CCGs commend the Trust on using this approach and are supportive of the Trust's quality priorities for improvement in 2018/19.

In so far as we have been able to check the factual details, the CCGs' view is that the Quality Account is materially accurate. It is clearly presented in the format required by NHS England and the information it contains accurately represents the Trust's quality profile. Finally, the CCGs would like to offer congratulations to the Trust on the achievements outlined in this report which we believe accurately reflects the Trust's commitment to delivering high quality, patient centred services. The CCGs look forward to continuing to work in partnership with the Trust to assure the quality of services commissioned in 2018/19.

Annie Topping
Director of Nursing, Quality & Patient Safety
NHS Northumberland CCG

Lesley Young Murphy
Exec. Director of Nursing & Chief Operating Officer
NHS North Tyneside CCG

Chris Piercy
Executive Director of Nursing, Patient Safety & Quality
NHS Newcastle Gateshead CCG

Ann Fox
Director of Nursing, Quality & Safety
NHS Sunderland CCG

Jeanette Scott
Director of Nursing, Quality and Safety
NHS South Tyneside CCG

Healthwatch Newcastle, Healthwatch Gateshead and Healthwatch North Tyneside's statement:

We are pleased to read the Northumberland, Tyne and Wear NHS Foundation Trust's (NTW) quality account for 2017/18. It is an interesting and informative read and it is clear the Trust has endeavoured to make improvements against the priorities it set itself, in circumstances that have been challenging at times.

Quality goal 1: Patient Safety

We are pleased to read that last year's quality priority associated with this goal - Embedding the Positive & Safe Strategy – has been met. We are pleased to note that 87.2% of applicable staff have now received 'Risk of Harm to Others' training – meeting the 85% standard, and that instances of prone and mechanical restraint and self-harm have all reduced. We also note the decrease in the number of reported patient safety incidents over the previous year.

We welcome the new goal – Improving the Inpatient Experience. In particular, the aim to reduce the number of out of area placements which we know is very unsettling for both patients and their families; and the aim to reduce bed occupancy rates, which we understand can have a significant impact on patient safety.

Quality goal 2: Service User and Carer experience

It is unfortunate that the target relating to waiting times has not been met. The number of people waiting more than the target 18 weeks has increased by 20% and we note that waiting times for both children and young people services and specialist services have also increased this year. Whilst we appreciate the continuing challenges which have contributed to this situation, we are concerned about these increases and we feel it is essential that this is kept as a priority goal for 18/19 and we are pleased to see that this is the case. We note that the introduction of the single

point of contact for Children and Young People's services, earlier this year, may have impacted on waiting times and we hope that this will continue to be monitored through-out the coming year.

There are particular issues in relation to crisis services. In North Tyneside a number of people have raised concerns around the time it takes to get full support. Most people know which services to access but told us about a number of barriers to actually getting them including the clarity of service provision, waiting times and prior poor experiences. We would reiterate the point we made in our response last year about the need for people to be able to access some support whilst they are waiting for full service provision.

We are happy to see that the priority target related to the implementation of the Triangle of Care – to improve the way we relate, communicate and engage with carers to involve them within care and support planning – has been met. However, we appreciate this is an ongoing piece of work and we are pleased that embedding the principles of the triangle of care remains a quality priority this year, with the focus on rolling out its use in Children's Services.

We are also pleased to note that the priority relating to the co-production and personalisation of care plans, has been met by learning from the actions taken in Older People's Inpatient Services following the CQC Inspection, to embed good practice in all inpatient services.

Quality goal 3: Clinical Effectiveness

We are pleased to read that the priority target relating to clinical effectiveness – Use of the Mental Health Act – Reading of Rights, has been met, through improvements to patient records, the launch of a new form and staff awareness sessions to embed best practise

We welcome the new goal related to Embedding Trust Values of Care and Compassion, Respect and Honesty and Transparency. We feel it makes sense to align feedback and complaints against these values. We would also suggest the trust could employ additional ways of ensuring values are embedded for example in staff supervision and team meetings and in learning from and celebrating positive feedback.

The Trust's new and continuing priorities for 2017/18 are reasonable and comprehensive.

We wish NTW continued success and look forward to receiving updates on progress.

Newcastle City Council Health Scrutiny Committee's statement:

As Chair of Newcastle Health Scrutiny Committee, I welcome the opportunity to comment on your draft Quality Account for 2017/18. The committee discussed the document at their meeting on 23 April 2018 and this letter provides a summary of comments that were raised.

As you know the committee have a particular interest in the commissioning and delivery of mental health services in Newcastle and we will continue to receive updates from Newcastle Gateshead Clinical Commissioning Group as work continues to improve services.

From our discussions we are aware of the unprecedented set of challenges – including high demand, workforce shortages and funding constraints – facing services. Despite this, we acknowledge that NTW is rated as providing outstanding mental health services and has been given the 'provider of the year' award by the Health Service Journal.

In relation to progress against your 2017/18 priorities, we would make the following points:

- We welcome the impact that has been achieved through introduction of the Positive and Safe Strategy, in particular the significant reduction in use of prone restraint and mechanical restraint over the last two years, which had been a concern for us.

- We note the level of reported incidents of violence and aggression, which can be linked to the high bed occupancy levels and hope that in the longer term incidents will fall as the trust is able to reduce bed occupancy.

- Of particular concern to us is the high number of individuals who have difficulty in accessing mental health services within the 18 week NHS target. In particular, we note the 20% increase in demand (285 people) for community services for adults and older people compared to the same period last year.

  We note from our meeting and previous discussions with the CCG that a number of actions are being taken to help address this, which include some changes to services and the adoption of an episodic care model. However, we remain concerned that individuals do not appear to have the same level of access to timely care as they perhaps would for a physical health condition.

  Although this may be a national position, we will continue to monitor the situation in Newcastle and will discuss progress with the CCG. We welcome that this will continue to be a focus for the trust in 2018/19.

- We are surprised at the ethnicity breakdown of service users and wonder if this suggests that a cohort of our BME residents may be disaffected with NHS services. If so, this will be of concern and the committee may wish to discuss this with commissioners and stakeholders during the coming year.

- We note that complaints have increased by 33% from 2015/16, an increase of 182. A significant proportion of these (157) are related to patient care and we would like to explore this further with you in the coming year.

In relation to 2018/19 priorities, we would make the following additional points:

- At our meeting we discussed 'out of area' and 'out of locality' placements and the impact this can have on patients and their families. We acknowledge that this is a national issue, reflecting high demand for services, and although we note that numbers of NTW service users placed out of the area are currently low at two, we welcome a focus on reducing this further.

- Overall, we support the priorities proposed for 2018/19, as being a fair reflection of areas that are of high importance to local residents.

Finally, it is worth noting that we again find the Quality Account document to be clear and informative and we are pleased that the trust has continued in its efforts to be proactive in engaging with stakeholders on the development of priorities, which will lead to a greater understanding.

Finally, I would like to acknowledge the willingness of the trust to engage with the committee whenever requested and I hope that this will continue.

Cllr Wendy Taylor
Chair, Health Scrutiny Committee

Northumberland County Council Health and Wellbeing Overview and Scrutiny Committee's statement:

The Health and Wellbeing Overview and Scrutiny Committee welcomes the opportunity to submit a commentary for inclusion in your Annual Plan and Quality Account for 2017/18 as presented to the committee in draft, and about our ongoing engagement with the Trust over the past year. We have continued to receive information from the Trust with participation of your officers at some of our committee's bimonthly meetings.

At our 20 March 2018 meeting we received a presentation on your draft Quality Account for 2017/18 and your priorities for 2018/19. At that meeting we also received presentations from the Northumbria, North East Ambulance Service and Newcastle Hospitals NHS Foundation Trusts on their own quality accounts; this we believe provides a good joined up picture of the many NHS services in Northumberland. Members responded favourably to the information you presented, with reference to your highly valued staff and clinical support provided. During your presentation, members noted how your three overarching long term goals were refreshed in the 2017-22 NTW Strategy, details of the current Quality Priorities, plus your process of identifying priorities for the next year and why these should be your Quality Priorities for 2018/19. We request you take some of the following issues raised by members into account.

Members welcomed that benchmarking had taken place which included considering patient safety processes, and reductions in restraint requirements, violence and aggression, assisted by the use of other techniques. Members welcomed that the Trust has an open reporting culture. Members did note feedback about the co-production and personalisation of care plans had included comments that some plans included too much or too little detail.

In relation to the reading of patients' rights, members noted how the periodical frequency of being reminded could be subject to interpretation as the guidelines were not clear. It is welcomed that an evaluation of the impact of proposed actions will be carried out during 2018/19. The aspiration that NTW will be able to provide bespoke advice and guidance and respond to GPs within 48 hours of referral is also welcomed.

Members also welcomed how consideration was being given to improving the inpatient experience and to avoid out of area admissions where possible and that if people had to be admitted elsewhere, how work took place to bring them back as soon as possible. Members were very pleased that a 'getting to know you' tool was used which involved carers when getting to know the service user, enabling the opportunity to arrange any beneficial actions. Carers were essential and NTW's prioritisation of this was strongly welcomed by members.

Reference was made to national pressures and whether this busy year was likely to be a trend. There was a rising acceptance of people with mental health issues, and stopping the deterioration in

waiting times was important for the year ahead. NTW should focus on improving rather than continuing current levels. Members were reassured that the Royal College of Psychiatrists recommended the 85% bed occupancy level, which acknowledged that staff also needed time for other development such as training. Members expressed no concerns about levels of nursing staff, but also drew attention to the importance of how the Trust continued to meet the challenge if pressure on services continued to grow. Members welcomed details of collaboration across the North East between Trust and that directors of nursing and finance met up regularly.

From the information you have provided to the committee over the past year, including the presentation about your draft 2017/18 Quality Account and the full version of the document we received on 25 April, we believe the document is a fair and accurate representation of the services provided by the Trust and reflects the priorities of the community. Members also support your priorities for improvement planned for 2018/19, but also request that you note and consider the various points that they have raised in relation to your work going forward.

We also would be very grateful if I could get in contact with you again soon to further discuss possible agenda items for the Health and Wellbeing Overview and Scrutiny Committee to consider about the Trust's services during the next council year beginning in May 2018. If I can be of any further assistance please do not hesitate to contact me.

Mike Bird, Senior Democratic Services Officer, Democratic Services

On behalf of Councillor Jeff Watson, Chair, Northumberland County Council Health and Wellbeing Overview and Scrutiny Committee

Healthwatch Northumberland Statement:

We welcome the opportunity to respond to the draft quality account of Northumberland, Tyne & Wear NHS Foundation Trust and would like to congratulate the Trust on some good results.

We have identified below areas where we believe the Trust has performed well –

- Improved response rate to the 'Friends and Family' test result with 87% of responders saying that they would recommend the service.

- Introduction of the e-referral procedure for Northumberland GPs

- 87.2% rate of applicable staff receiving "Risk of Harm to Others training as this was noted in our response last year.

- The increase in the response rate to the staff survey.

- Reduction in the overall size of the waiting list in the Children and Young People's Service (but see comment below).

- Reduction in incidents of self-harm against the rise reported last year.

- The review and actions taken around the Duty of Candour

Mental health and services which support good mental health are a concern to the people of Northumberland. Healthwatch Northumberland conduct an annual survey to hear the people of Northumberland's views and experiences of health and social care.   This year's survey reached a record 579 people from a wide range of backgrounds and gave Healthwatch a wealth of information about how health and social care services feel from the users' perspective. There were nine questions about the types of services used, frequency of visits and hundreds of comments which have been read and recorded to help Healthwatch to understand what is happening in the county.

Throughout the survey responses comments around mental health services focused on the lack of provision and the suitability of services. Comments centred on long waiting times to access the few services available. Particular comments also related to the lack of mental health services available in the North Northumberland area.

As part of the survey, people were asked to rate the priorities that Healthwatch Northumberland should focus on in 2018-19. The five priorities were mental health services, dementia care services, home care, GP services and access to services.

Mental health services were identified as the top priority and Healthwatch Northumberland are currently planning work around mental health provision and in particular what is happening for children and young people. We anticipate, and would appreciate, working with both Northumberland, Tyne & Wear NHS Foundation Trust, commissioners and stakeholders in taking this forward.

 With this in mind we have identified below areas for improvements –

- Ongoing issues in relation to waiting times for services. Of particular concern are the waits experienced for the Children's and Young People's services and the worsening position of people in Northumberland waiting at least 18 weeks for other services.

- Complaints – these have increased by 25% compared to 2016/2017. The theme of waiting times in community services for children and young people and the reported reflects the feedback given to Healthwatch Northumberland

We note that the Patient Advice and Liaison Service (PALS) is rightly mentioned as source of advice and support to service users, families and carers. We would suggest that the Healthwatch function (across all of the Trust's area) is also highlighted as a way of communicating experiences both good and less good.

Regarding the Trust's priorities for 2018/19, the plans to improve performance for appear positive and achievable.

We agree with the Trust's priorities /Quality Goals for 2018/19. We particularly welcome the emphasis on monitoring feedback from service users and carers as they clearly link with the Healthwatch Northumberland Strategic Priority that "the views, knowledge and experiences of health service users and their carers are listened to and influence developments in health services in Northumberland."

Overall we considered that the report gives a fair reflection of the service provided by the Trust. We felt that the document despite being very detailed is in general, easy to read and understand. We found the glossary and the explanation boxes to be useful and the report, on the whole, to be clear and concise.

We look forward to working with NTW in the coming year and continuing to build on the positive working relationship we have established.

Gateshead Council Overview and Scrutiny Committee's statement:

Based on Gateshead Care, Health and Wellbeing OSC's knowledge of the work of the Trust during 2017-18 we feel able to comment as follows:-

Quality Priorities for Improvement 2018 -19

Safety – Improving the Inpatient Experience

The OSC has previously raised concerns with the Trust regarding the availability of inpatient beds and the fact that some service users are having to be admitted to beds outside their home locality / go out of area and is therefore very supportive of this as a priority area for improvement and the proposed actions identified.

Improving Waiting Times

OSC has previously raised concerns with the Trust regarding waiting times for the children and young people service and in light of this and a) the performance issues identified by the Trust during 2017-18 regarding waiting times for children and young people and adult and older people's services and b) that a theme identified from Complaints received by the Trust has been waiting times in community services for children and young people, OSC is very supportive of improving waiting times as a priority area for improvement and the specific actions identified.

Progress against Quality Priorities in 2017-18

The OSC congratulated the Trust on achieving an overall rating of Outstanding from CQC and being one of only two mental health provider Trusts nationally to have achieved this rating.

The OSC was very pleased to note that all the Trust's core services have been rated as either good or outstanding. However, the OSC was concerned to note that the Trusts Children and Adolescent Mental Health Wards have been rated as "Requires Improvement" in terms of the category of Safety and sought reassurances around actions being taken by the Trust to address this situation. OSC was advised that the rating had been given as a result of issues related to one facility and recent initial feedback from CQC was that it was acknowledged that significant improvements have now been made. The OSC also noted that 87% of children and young people's wards have been accredited by the Quality Network for Inpatient and Adolescent Mental Health Services (CAMHS).

Embedding the Positive and Safe Strategy

OSC was pleased to note that there has been a 13% decrease in patient safety incidents overall compared to the previous year and that 92.5% of reported patient safety incidents related to no harm or minor harm with a shift from minor harm to no harm.

OSC was also pleased to note the significant reductions achieved in relation to the use of restraint.

OSC also congratulated the Trust on being awarded the prestigious "Provider of the Year" Award by the Health Service Journal.

Healthwatch South Tyneside's Statement:

Last year Healthwatch South Tyneside (HWST) appreciated the Quality Goals and Priorities for the coming year, particularly Quality Goal Two around Service User and Carer Experience in terms of waiting times, Triangle of Care and co-production. The main areas of concern for HWST for the 2017/18 Quality Account relate to waiting times.

HWST has noted the 1% improvement in waiting times for adult mental health services with 98% of referrals being contacted within 18 weeks. However HWST is concerned that people in South Tyneside waiting over 18 weeks to be seen by the Adult   Attention Deficit Hyperactivity Disorder (Adult ADHD) and the Adult Autistic Spectrum Disorder (Adult ASD) diagnosis service has increased by 8% and 16% respectively. HWST acknowledges that "improving waiting times" continues to be a quality priority for 2018/19; and would like to see reduced waiting times for South Tyneside residents over the coming year.

HWST is hugely disappointed for the people of South Tyneside that waiting times for children and young people are significantly longer than last year with 56% waiting longer than 18 weeks as at 31st March 2018. This is reflected in intelligence that HWST has heard and the impact on individuals and families cannot be discounted. HWST has noted that this is reflected in the quality priorities for 2018/19 and wants to see improved waiting times for CYP mental health services for local people.

HWST appreciates that the Trust generally performs better than the national average as was reflected in their 2016 Care Quality Commission inspection report.

Jan Pyrke
Operations Manager

South Tyneside Council Overview and Scrutiny Committee's statement:

Thank you for the opportunity to comment on your 17/18 Quality Report.

We have not asked representatives of NTW to attend any of our scrutiny committees this year as our programme has been very much focussed on Primary Care and the "Path to Excellence" consultation.

However, we do intent to include the Learning Disability Transformation Programme in our schedule for next year.

As regards the report itself, we acknowledge what a high performing Trust NTW has become in many areas. However, we have continued concerns over the waiting times for Child and Adolescent Mental Health Services. You will note that a number of years ago we recommended that no child should wait more than 9 weeks for services (when 12 weeks was then the stated target). It is therefore alarming that children and young people waiting to access services have not been maintained and waits have significantly lengthened, with 56% waiting more than 18 weeks.

This is something that we would like to see some progress on and are pleased that it is quite rightly remaining in your priorities for 18/19.

I hope these comments are helpful.

Cllr Rob Dix
Chair
South Tyneside Council Overview and Scrutiny Coordinating and Call-in Committee

Sunderland City Council Overview and Scrutiny Committee's statement:

Sunderland City Council's Health and Wellbeing Scrutiny Committee are pleased to able to comment on this year's Northumberland Tyne and Wear NHS Foundation Trust Quality Report 2017/18. The report provides a detailed overview of the quality of care and key priorities for the year ahead.

The Health and Wellbeing Scrutiny Committee are pleased to acknowledge the high performance rating that the trust has achieved from the Care Quality Commission following inspection in 2016. The committee is particularly pleased to see achievements against the quality priorities set for 2017/18. In particular the progress made in the 'Positive & Safe' priority to actively reduce the violence and aggression across the organisation.

However it is concerning that within community services for adults and older people, the longest waiting times for these services are in Northumberland and Sunderland. The increased demand for community services for adults and older people remains an issue to ensure access to timely care comparable to that of other health services. The Committee would like to see improvements in this particular area and will look to monitor this issue in going forward.

A similar concern remains in terms of Child and Adolescent Mental Health Services where times for children and young people have significantly lengthened, with 42% waiting more than 18 weeks as at 31 March 2018. Again this would be an area where the Committee would like to see improvements and this will be a further issue that will be monitored in 2018/19.

Sunderland City Council's Scrutiny function values its relationship with the NTW NHS Foundation Trust and will continue to challenge and engage with the Trust over key issues and priorities for the city. The Health and Wellbeing Scrutiny Committee are therefore satisfied in endorsing this quality report for 2017/18.

Councillor Darryl Dixon
Chair of the Health and Wellbeing Scrutiny Committee

CQC Registered locations

The following tables outline the Trust's primary locations for healthcare services as at 31 March 2018.

Table 32: CQC registered locations

Location	Treatment of Disease, Disorder or Injury	Diagnostic and Screening Procedures	Assessment or medical treatment for persons detained under the Mental Health Act 1983	CHC	LDC	LTC	MHC	MLS	PHS	RHS	SMC
Brooke House	●	●	●							●	
Elm House	●	●	●					●			
Ferndene	●	●	●			●		●		●	
Hopewood Park	●	●	●			●		●		●	
Monkwearmouth Hospital	●	●	●			●		●		●	
Campus for Ageing and Vitality	●	●	●					●		●	
Northgate Hospital	●	●	●				●	●		●	
Queen Elizabeth Hospital	●	●	●					●			
Rose Lodge	●	●	●					●			
Royal Victoria Infirmary	●	●	●					●			
St George's Park	●	●	●			●		●		●	
St Nicholas Hospital	●	●	●	●	●	●	●	●	●	●	●
Walkergate Park	●	●	●					●		●	

Service Types:

CHC – Community health care services

LDC – Community based services for people with a learning disability

LTC – Long-term conditions services

MHC – Community based services for people with mental health needs

MLS – Hospital services for people with mental health needs, and/or learning disabilities, and/or problems with substance misuse

PHS – Prison healthcare services

RHS – Rehabilitation services

SMC – Community based services for people who misuse substances

Table 33: CQC Registered Locations for social and residential activities

Registered Home/Service	Regulated Activity Accommodation for persons who require nursing or personal care	Service Type Care home service without nursing
Easterfield Court	●	●

Data source (Table 32 and Table 33): CQC

Appendix 2
Local Clinical Audits undertaken in 2017/18

Board Assurance (6)		
1	CA-16-0023	Clinical Supervision
2	CA-16-0037	Medicines Management: Safe & Secure Medicines Handling
3	CA-16-0088	Learning Disabilities (Transforming Services)
4	CA-17-0001	Medicines Management: Audit of Prescribing Standards, Prescription Accuracy Checking and Drug Administration (Take 5 approach)
5	CA-17-0004	Seclusion 16-17
6	CA-17-0006	Care Co-ordination: Inpatient
Trust Programme (6)		
7	CA-16-0013	Re-audit of S136 suites and acute hospital emergency department psychiatric interview rooms within NTW area against quality and safety standards
8	CA-16-0048	Administration of Electroconvulsive Therapy (ECT)
9	CA-16-0079	Audit of Transition between Inpatient and Community Services
10	CA-17-0010	Domestic Abuse (MARAC) Audit
11	CA-17-0014	Evidencing Person Centred Care through Collaborative Care Planning within Older People's Inpatient Services
12	CA-17-0021	Evidencing Person Centred Care through Collaborative Care Planning within Older People's Inpatient Services
NICE Audits (3)		
13	CA-15-0092	NICE (Implementation) CG103: Audit of Clinical Practice Against Quality Delirium Standards
14	CA-16-0090	NICE (Implementation) GC161: Falls Post Baseline Audit
15	CA-15-0120	NICE (Baseline) CG128: Autism in Children & Young People
Medicines Management Audits (3)		
16	CA-15-0062	Audit of pharmacological therapies policy practice guidance note 17- Melatonin in paediatric sleep disorders
17	CA-16-0062	Controlled Drugs
18	CA-16-0073	Audit on the management of diabetes and hypoglycaemia
North Locality Care Group Audits (26)		
19	CA-14-0136	Advice on driving given to patients on psychotropic medication
20	CA-15-0031	Young person and parental involvement in clinical team meetings
21	CA-15-0032	Young person and parental involvement in Care Co-ordination reviews
22	CA-15-0112	Physical health monitoring in antipsychotic medication according to Trust Guidelines
23	CA-16-0014	Diagnosis and advice on non-pharmacological management of delirium in the acute hospital setting: Audit of adherence to NICE Quality Standards within the Northumberland Psychiatric Liaison Team

24	CA-16-0019	NICE CG72: Audit of transition of young people with ADHD to adult services against NICE Guidelines
25	CA-16-0021	Audit of team meeting documentation on RiO to ensure contemporaneousness of entries, actions following decisions or documented new decisions and changes to risk are recorded in the risk assessment document
26	CA-16-0027	Are patients with Alzheimer's disease in the Tynedale CMHT locality prescribed Memantine according to NICE guidelines?
27	CA-16-0051	Compliance with national agreed standard of completing a comprehensive MDT summary within 5 working days of discharge
28	CA-16-0055	Assessment of capacity in informal admission to WAA Inpatient Wards at St George's Hospital
29	CA-16-0061	An audit looking at benzodiazepine prescribing patterns in Crisis Services within NTW
30	CA-16-0065	An audit of annual physical health monitoring of children and adolescents on antipsychotic medication attending ADHD Clinics in Northumberland
31	CA-16-0066	Clozapine monitoring: are annual plasma tough levels being completed for patients who are prescribed clozapine in the community?
32	CA-16-0075	Are Complex Neurodevelopmental Disorders Service (CNDS) systematically assessing for comorbid mental health disorder as part of ASD second opinion assessments
33	CA-16-0081	Audit of borderline personality disorder: treatment and management, second cycle, Alnwood, St Nicholas Hospital
34	LLCA-99-0014	Audit of Benzodiazepine and Z-drug Prescribing
35	LLCA-99-0015	Do 72-hour meetings really occur within 72-hours of admission?
36	LLCA-99-0018	Re-Audit of physical health monitoring of patients with severe mental illness in a general adult community mental health team
37	LLCA-99-0022	Monitoring requirements for children and young people (<18) years) prescribed antipsychotics (except Clozapine) - an audit on adherence to Trust guidelines in the CYPS/LD population.
38	LLCA-17-0014	Retrospective audit of police disclosure requests and follow-up in acute adult inpatient ward (Embleton)
39	LLCA-17-0017	Vitamin D deficiency – monitoring and treatment in patients within the Medium Secure Unit (NICE PH56)
40	LLCA-17-0020	Re-audit of monitoring of side effects in patients taking depot antipsychotics using GASS or LUNSERS forms
41	LLCA-17-0021	Re-audit of ADHD medication height and weight monitoring on growth charts in CAMHS Inpatients (Ferndene & Alnwood)
42	LLCA-17-0037	The activity of CRHT Northumberland, focusing on facilitated and delayed admissions to acute wards due to bed availability measured against standards within the Crisis Care Concordat
43	LLCA-17-0041	Assessment of the frequency that staff assault is reported to the police in line with promoted Zero Tolerance for staff in the NHS
44	LLCA-17-0053	MDT Seclusion Review in RiO
South Locality Care Group Audits (26)		
45	CA-16-0041	Cardio-metabolic Monitoring of In-patients at Rose Lodge

46	CA-16-0053	Audit of Professional Standards Record Keeping and Consent (2016)
47	CA-16-0076	Audit of Record Keeping 2016
48	CA-14-0100	Prolactin level monitoring in patients receiving antipsychotics
49	CA-16-0042	Physical health monitoring in patients on High Dose Antipsychotic Therapy (HDAT)
50	CA-16-0025	NICE NG10: Are we adhering to NICE Guidance surrounding management violence and aggression in patients in seclusion in PICU at Hopewood Park?
51	CA-16-0052	An audit of the vocational rehabilitation assessment process at Northumberland Head Injuries Service against the British Society of Rehabilitation Medicine recommendations
52	CA-16-0032	Audit of Implementation of Trust's Risk Assessment Record-Keeping Policy within MS Rehabilitation Outpatient Clinics
53	LLCA-99-0003	An audit of timeframe of notifying GPs about patients who present with self-harm
54	LLCA-99-0004	Audit of compliance with NICE and Maudsley guidelines on psychotropic prescribing in delirium
55	LLCA-99-0010	Clozapine related side effects monitoring and management practices audit
56	LLCA-99-0011	Concordance with NICE Guidelines on pharmacologic management of depression and recommended therapeutic monitoring with Liaison Psychiatry
57	LLCA-99-0019	Clinical Record Keeping Standards in patients under 65: referral to Memory Assessment and Management Service (MAMS)
58	LLCA-99-0020	Are we providing a Neuro Rehabilitation MS Service responsive to the needs of people with cognitive impairment?
59	LLCA-99-0024	Physical health monitoring for patients on Clozapine
60	LLCA-99-0025	Audit of cardiovascular monitoring with the use of AChEI's within the Memory Protection Service
61	LLCA-99-0026	Triage documentation audit for the measurement and recording of documentation standards quality and processes
62	LLCA-99-0027	Are 72-hour meetings being completed within the recommended time limit on organic inpatient wards (Mowbray & Roker)?
63	LLCA-99-0028	Family / Carer involvement including Getting to Know You
64	LLCA-17-0006	Re-audit of the use of Psychotropic Medication Patients with Brain Injury
65	LLCA-17-0007	Clinical audit of South Tyneside Old Age Psychiatry Community Consultant telephone case discussions recording in RiO
66	LLCA-17-0010	Long term medicines management – are community depot prescriptions being reviewed?
67	LLCA-17-0011	Audit of discharge summary process and accuracy
68	LLCA-17-0028	Q-Risk scores and statins in secondary (community) and tertiary (in-patient) mental health services
69	LLCA-17-0034	Re-audit of the transition of young people with ADHD to Adult services
70	LLCA-17-0059	Audit of uptake of planned CTERs in the LD CYPS Team, South of Tyne

		Central Locality Care Group Audits (35)
71	CA-15-0042	Antipsychotic Use in Patients with Dementia at Castleside Day Unit
72	CA-16-0063	Evidencing Person Centred Care through collaborative Care Planning within Older People's in-patient services
73	CA-15-0121	NICE NO 205 Clinical Audit on Use of ECT as a Quality Monitoring Tool
74	CA-16-0049	CG 178: ECG monitoring and recording practice on acute admission service
75	CA-16-0054	Assessment of compliance with standards of physical health monitoring: Pregnancy as a crucial aspect of Physical Health Monitoring amongst women of reproductive age group (15-44) in an in-patient psychiatry setting
76	CA-16-0068	Baseline monitoring on initiation of antipsychotics in the elderly (>65 years) in concordance with NICE Guidelines
77	CA-15-0117	Audit of secondary care prescribing through GP letters and Outpatient Recommendation Forms issued by the North Tyneside West CMHT (Longbenton)
78	CA-16-0056	Re-audit of side effect monitoring of patients receiving depot antipsychotics in North Tyneside West CMHT (Longbenton)
79	CA-16-0069	Melatonin Prescribing Practices in Newcastle/Gateshead Tier 3 CYPS Team
80	CA-16-0085	Management of Weight Loss in ADHD Patients in Newcastle CYPS
81	CA-16-0091	Assessment of compliance with standards of physical health monitoring: Pregnancy as a crucial aspect of Physical Health Monitoring amongst women of reproductive age group (15-44) in an in-patient psychiatry setting
82	CA-16-0064	Discharge Summaries for Older People's In-Patient Services
83	CA-16-0074	Re-audit of assessment of the quality of smoking cessation provision and documentation in a forensic inpatient unit
84	LLCA-99-0006	Improving physical healthcare to reduce premature mortality in people with serious mental illness
85	LLCA-99-0008	Documentation of risk management plan in Liaison Psychiatry in accordance with NICE CG16 & 133
86	LLCA-99-0009	Audit of compliance with prescribing guidelines for depot antipsychotics (UHM-PGN-02 Prescribing Medications V01)
87	LLCA-99-0016	The discussion of naloxone provision in the treatment of newly-released prisoners with opiate addiction
88	LLCA-99-0017	Audit of take home naloxone prescribing within Newcastle Addictions Services
89	LLCA-17-0001	To assess the implementation of the Share Care Plan in Children with Learning Disabilities and ADHD and their general practitioner in accordance with NICE Guidance
90	LLCA-17-0002	Re-audit of practice in Adult ADHD patients with comorbid substance use disorder against relevant NICE guidelines and BAP guidelines
91	LLCA-17-0003	High Dose Antipsychotic Therapy Monitoring re-audit
92	LLCA-17-0004	An audit of referral guidelines in the Oswin Unit, Medium Secure Personality Disorder Unit

93	LLCA-17-0016	ECG Monitoring & Recording Practice on Acute Admission Service (Re-audit of CA-16-0049).
94	LLCA-17-0022	Are moderate NE referrals to the Older Persons CTT Single Point Access processed and seen face to face with a clinician within 28 day target
95	LLCA-17-0024	Monitoring of lithium levels at Castleside Day Hospital
96	LLCA-17-0029	Antipsychotic medication for first episode psychosis: an audit of NICE clinical guideline recommendations for psychosis and schizophrenia an children and young people (CG 155)
97	LLCA-17-0030	NICE NO205 Clinical Audit on Use of ECT as a Quality Monitoring Tool
98	LLCA-17-0032	Consultant - Consultant Handover
99	LLCA-17-0033	An Audit against Trust Standards for VTE assessments in Forensic Inpatients
100	LLCA-17-0035	Audit of the database at Plummer Court
101	LLCA-17-0044	Evaluation of NICE Guidance on the Review of Antipsychotic Prescribing in people with Dementia
102	LLCA-17-0050	NICE CG28: Retrospective review of patients who were initiated on medication beginning of August 2017 until end December 2017
103	LLCA-17-0052	Has overestimation of QTc on ECG led to a change in choice of medication?
104	LLCA-17-0056	Driving & Dementia Audit
105	LLCA-17-0058	Completion of FACE Risk Forms on same day as assessment by the Crisis Team

Data source: NTW

Appendix 3

Statement of Directors' Responsibilities in respect of the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that foundation trust boards should put in place to support the data quality for the preparation of the quality report.

In preparing the Quality Report, directors are required to take steps to satisfy themselves that:
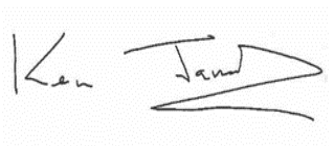
- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017-18 and supporting guidance

- the content of the Quality Report is not inconsistent with internal and external sources of information including:

  - Board minutes and papers for the period April 2017 to May 2018

  - papers relating to quality reported to the Board over the period April 2017 to May 2018

  - feedback from Commissioners dated May 2018

  - feedback from governors dated May 2018

  - feedback from Local Healthwatch organisations dated May 2018

  - feedback from Overview and Scrutiny Committees dated May 2018

  - the Trusts Annual review of complaints information which was presented to the Board within the Safer Care (Quarter 4) report published under regulation 18 of the Local Authority, Social Services and NHS Complaints Regulations 2009, dated April 2018

  - the 2017 national patient survey

  - the 2017 national staff survey

  - the Head of Internal Audit's annual opinion over the trust's control environment dated May 2018

  - CQC inspection report dated 1 September 2016

- The Quality Report presents a balanced picture of the NHS foundation trust's performance over the period covered;

- the performance information in the Quality Report is reliable and accurate;

- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report; and these controls are subject to review to confirm that they are working effectively in practice

- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review; and

- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts Regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief that they have complied with the above requirements in preparing the Quality Report.

By order of the Board

23rd May 2018   Ken Jarrold   Chair

23rd May 2018   John Lawlor   Chief Executive

Appendix 4

Limited Assurance Report on the content of the Quality Report

We have been engaged by the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust to perform an independent assurance engagement in respect of Northumberland, Tyne and Wear NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the "Quality Report") and certain performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance consist of the national priority indicators as mandated by NHS Improvement:

- Early intervention in psychosis (EIP): people experiencing a first episode of psychosis treated with a National Institute for Health and Care Excellence (NICE)-approved care package within two weeks of referral; and

- Inappropriate out-of-area placements for adult mental health services.

We refer to these national priority indicators collectively as the "indicators".

Respective responsibilities of the Directors and auditors

The Directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the NHS Foundation Trust Annual Reporting Manual issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;

- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvement's Detailed Requirements for External Assurance for Quality Reports 2017/18; and

- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance and the six dimensions of data quality set out in the Detailed Requirements for External Assurance for Quality Reports.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and supporting guidance, and consider the implications for our report if we became aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- Board minutes for the period April 2017 to April 2018;

- Papers relating to quality reported to the Board over the period April 2017 to April 2018;

- Feedback from Commissioners: Northumberland, North Tyneside, Newcastle Gateshead, Sunderland and South Tyneside Clinical Commissioning Groups (undated);

- Feedback from Governors;

- Feedback from local Healthwatch organisations: Healthwatch Newcastle, Healthwatch Gateshead and Healthwatch North Tyneside (undated), and Healthwatch South Tyneside (dated 11 May 2018) and Healthwatch Northumberland (dated 15 May 2018);

- Feedback from the Overview and Scrutiny Committee: Newcastle City Council (dated 9 May 2018), Northumberland County Council (dated 11 May 2018), South Tyneside Council (dated 30 April 2018), Sunderland City Council (dated 14 May 2018), and Gateshead Council (dated 22 May 2018);

- The Trust's complaints information that will inform its complaints report to be published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009;

- The national patient survey (dated 2017);

- The national NHS staff survey (dated 2017);

- Care Quality Commission inspection report (dated 1 September 2016);

- The Head of Internal Audit's annual opinion over the trust's control environment for the period April 2017 to March 2018 (dated 16 May 2018); and

- Any other information included in our review.

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively the "documents"). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts. We apply International Standard on Quality Control (UK & Ireland) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

This report, including the conclusion, has been prepared solely for the Council of Governors of Northumberland, Tyne and Wear NHS Foundation Trust as a body, in reporting Northumberland, Tyne and Wear NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Council of Governors to demonstrate that it has discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest

extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Northumberland, Tyne and Wear NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

Assurance work performed

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicators;

- making enquiries of management;

- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;

- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and

- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the Quality Report in the context of the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

The scope of our assurance work has not included governance over quality or non-mandated indicators which have been determined locally by Northumberland, Tyne and Wear NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2018:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in NHS Improvements' Detailed Requirements for External Assurance on Quality Reports 2017/18; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and supporting guidance.

Signed: *Gareth Davies*

Date: 23 May 2018

Gareth Davies

Partner, for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

Salvus House, Aykley Heads, Durham, DH1 5TS

Appendix 5
Glossary

ADHD	Attention Deficit Hyperactivity Disorder – a group of behavioural symptoms that include inattentiveness, hyperactivity and impulsiveness
AIMS	Accreditation for Inpatient Mental health Services
ASD	Autism Spectrum Disorder – a term used to describe a number of symptoms and behaviours which affect the way in which a group of people understand and react to the world around them
CAMHS	Children and Adolescent Mental Health Services
CCG	Clinical Commissioning Group – a type of NHS organisation that commissions primary, community and secondary care from providers
CAS alert	The Central Alerting System is a web-based cascading system for issuing patient safety alerts, important public health messages and other safety critical information and guidance to the NHS.
CCQI	College Centre for Quality Improvement – part of the Royal College of Psychiatrists, working with services to assess and increase the quality of care they provide.
CMHT	Community Mental Health Team – supports people living in the community who have complex or serious mental health problems
Commissioner	Members of Clinical Commissioning Groups (CCGs), regional and national commissioning groups responsible for purchasing health and social care services from NHS Trusts.
Coram Voice	A charity that enables and equips children and young people to hold to account the services that are responsible for their care.
CQUIN	Commissioning for Quality and Innovation – a scheme whereby part of our income is dependent upon improving quality
CMHT	Community Mental Health Team
CRHT	Crisis Resolution Home Treatment – a service provided to service users in crisis.
Clinician	A healthcare professional working directly with service users. Clinicians come from a number of healthcare professions such as psychiatrists, psychologists, nurses and occupational therapists.
Cluster / Clustering	Mental health clusters are used to describe groups of service users with similar types of characteristics.
CQC	Care Quality Commission – the independent regulator of health and adult social care in England. The CQC registers (licenses) providers of care services if they meet essential standards of quality and safety and monitor them to make sure they continue to meet those standards.
CPA	Care Programme Approach – a package of care for some service users, including a care coordinator and a care plan.
CTO	Community Treatment Order

CYPS	Children and Young Peoples Services – also known as CAMHS
Dashboard	An electronic system that presents relevant information to staff, service users and the public
DOLS	Deprivation Of Liberty Safeguards – a set of rules within the Mental Capacity Act for where service users can't make decisions about how they are cared for.
Dual Diagnosis	Service users who have a mental health need combined with alcohol or drug usage
ECT	Electroconvulsive therapy
EIP	Early Intervention in Psychosis
Forensic	Forensic teams provide services to service users who have committed serious offences or who may be at risk of doing so
GP	General Practitioner – a primary care doctor
HMP	Her Majesty's Prison
HoNOS / HoNOS 4-factor model	Health of the Nation Outcome Scales. A clinical outcome measuring tool.
IAPT	Improving Access to Psychological Therapies – a national programme to implement National Institute for Health and Clinical Excellence (NICE) guidelines for people suffering from depression and anxiety disorders.
LD	Learning Disabilities
LeDeR	The Learning Disabilities Mortality Review Programme aims to make improvements in the quality of health and social care for people with learning disabilities, and to reduce premature deaths in this population.
Lester Tool	The Lester Positive Cardiometabolic Health Resource provides a simple framework for identifying and treating cardiovascular and type 2 diabetes risks in service users with psychosis receiving antipsychotic medication.
MARAC	Multi-Agency Risk Assessment Conference – a risk management meeting for high risk cases of domestic violence and abuse
MDT	Multi-Disciplinary Team – a group of professionals from several disciplines who come together to provide care such as Psychiatrists, Clinical Psychologists, Community Psychiatric Nurses and, Occupational Therapists.
MHA	Mental Health Act
MHCT	Mental Health Clustering Tool – a computerised system used in clustering
NHS Improvement	The independent regulator of NHS Foundation Trusts, ensuring they are well led and financially robust.

Single Oversight Framework	An NHS Improvement framework for assessing the performance of NHS Foundation Trusts (replacing the Monitor Risk Assessment Framework)
NEQOS	North East Quality Observatory System – an organisation that helps NHS Trusts to improve quality through data measurement
NICE	National Institute for Health and Clinical Excellence – a group who produce best practice guidance for clinicians
NIHR	National Institute of Health Research – an NHS organisation undertaking healthcare related research
NRLS	National Reporting and Learning System – a system for recording patient safety incidents, operated by NHS Improvement
NTW	Northumberland, Tyne and Wear NHS Foundation Trust
Out of area placements	Service users admitted inappropriately to an inpatient unit that does not usually receive admissions of people living in the catchment of the person's local community mental health team.
Pathway	A service user journey through the Trust, people may come into contact with many different services
PHSO	The Parliamentary And Health Service Ombudsman
PICU	Psychiatric Intensive Care Unit
Points of You	An NTW service user and carer feedback system that allows us to evaluate the quality of services provided
POMH-UK	Prescribing Observatory for Mental Health – a national organisation that helps mental health trusts to improve their prescribing practice.
PMVA	Prevention and Management of Violence and Aggression
Recovery College	Recovery Colleges take an educational approach to provide a safe space where people can connect, gain knowledge and develop skills.
RiO	NTW's electronic patient record
RTT	Referral To Treatment – used in many waiting times calculations
Serious Incident	An incident resulting in death, serious injury or harm to service users, staff or the public, significant loss or damage to property or the environment, or otherwise likely to be of significant public concern. This includes 'near misses' or low impact incidents which have the potential to cause serious harm.
Transition	When a service user moves from one service to another, for example from an inpatient unit to being cared for at home by a community team.

For other versions telephone 0191 246 6935 or email qualityassurance@ntw.nhs.uk

Copies of this Quality Account can be obtained from our website (www.ntw.nhs.uk) and the NHS Choices website (www.nhs.uk). If you have any feedback or suggestions on how we could improve our quality account, please do let us know by emailing qualityassurance@ntw.nhs.uk or calling 0191 246 6935.

Printed copies can be obtained by contacting:

Commissioning and Quality Assurance Department

St Nicholas Hospital
Jubilee Road, Gosforth
Newcastle upon Tyne
NE3 3XT

Tel: 0191 246 6935

Foreword to the Accounts

Northumberland, Tyne & Wear NHS Foundation Trust Group

These accounts for the period ended 31st March 2018 have been prepared by the Northumberland, Tyne & Wear NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by NHS Improvement, the Independent Regulator of Foundation Trusts, and have been prepared on a going concern basis.

John Lawlor
Chief Executive

23rd May 2018

Statement of Comprehensive Income

	Note	Group 2017/18 £000	Trust 2017/18 £000		Group 2016/17 £000	Trust 2016/17 £000
Operating income						
Operating income from patient care activities		**289,873**	289,873		**291,058**	291,058
Other operating income		**25,637**	28,543		**25,551**	25,484
Operating income from continuing operations	3	**315,510**	318,416		**316,609**	316,542
Operating expenses from continuing operations		**(295,792)**	(301,126)		**(327,547)**	(327,369)
Operating surplus/(deficit) from continuing operations	4	**19,718**	17,290		**(10,938)**	(10,827)
Finance costs						
Finance income	10	**54**	953	67		64
Finance expense	11	**(5,490)**	(5,490)		**(5,454)**	(5,454)
PDC dividends payable		**(520)**	(520)		**(406)**	(406)
Net finance costs		**(5,956)**	(5,057)		**(5,793)**	(5,796)
Asset disposals		**1,698**	1,698	**(7)**		(7)
Corporation tax expense		**(344)**	0	**0**		0
Share of surplus from joint ventures		**0**	0	39		39
Surplus/(deficit) from continuing operations		**15,116**	13,931		**(16,699)**	(16,591)
Surplus/(deficit) for the financial year		**15,116**	13,931		**(16,699)**	(16,591)
Other comprehensive income						
Impairments		**813**	813		**(1,944)**	(1,944)
Revaluations		**0**	0		**1,291**	1,291
Other reserve movements		**0**	0		**1,589**	0
Total comprehensive income/(expense) income for the year		**15,929**	14,744		**(15,763)**	(17,244)

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Statement of Financial Position

Note		Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 0	Trust 2016/17 0
Non-current assets					
Intangible assets	13	**1,050**	1,040	**589**	589
Property, plant and equipment	14	**128,958**	128,531	**121,660**	121,660
Investments in Subsidiaries	15	**0**	12,516	**0**	0
Loans to Subsidiaries	15	**0**	26,769	**0**	0
Investments in associates and joint ventures	15	**0**	0	**0**	0
Trade and other receivables	20	**470**	468	**476**	476
Total non-current assets		**130,478**	169,324	**122,725**	122,725
Current assets					
Inventories	19	**319**	236	**359**	359
Trade and other receivables	20	**21,321**	22,212	**19,911**	19,920
Non-current assets for sale and assets in disposal groups	16	**285**	285	**0**	0
Cash and cash equivalents	21	**24,465**	18,981	**18,962**	17,470
Total current assets		**46,390**	41,714	**39,232**	37,749
Current liabilities					
Trade and other payables	22	**(25,408)**	(24,273)	**(20,251)**	(20,249)
Borrowings	23	**(6,312)**	(6,312)	**(6,166)**	(6,166)
Provisions	26	**(600)**	(591)	**(1,171)**	(1,171)
Other liabilities	24	**(338)**	(3,367)	**(567)**	(567)
Liabilities in disposal groups		**0**	0	**0**	0
Total current liabilities		**(32,658)**	(34,543)	**(28,155)**	(28,153)
Total assets less current liabilities		**144,210**	176,495	**133,802**	132,321
Non-current liabilities					
Borrowings	23	**(89,825)**	(89,825)	**(96,136)**	(96,136)
Provisions	26	**(6,625)**	(6,625)	**(6,704)**	(6,704)
Other liabilities	24	**(250)**	(35,201)	**(256)**	(256)
Total non-current liabilities		**(96,700)**	(131,651)	**(103,096)**	(103,096)
Total assets employed		**47,510**	44,844	**30,706**	29,225
Financed by					
Taxpayers' equity:					
Public Dividend Capital		**203,486**	203,486	**202,611**	202,611
Revaluation reserve	28	**3,008**	3,008	**2,215**	2,215
Income and expenditure reserve		**(160,384)**	(161,650)	**(175,601)**	(175,601)
Total taxpayers' equity		**46,110**	44,844	**29,225**	29,225
Other's equity:					
Charitable fund reserves		**1,400**	0	**1,481**	0
Total taxpayers' and others' equity		**47,510**	44,844	**30,706**	29,225

The financial statements were approved by the Board on 23rd May 2018 and signed on its behalf by:

John Lawlor
Chief
Executive
23rd May
2018

Statement of Changes in Taxpayers' Equity: 1st April 2017 to 31st March 2018

	Group Taxpayers' Equity 2017/18					Trust Taxpayers' Equity 2017/18			
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000	Income & Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Others' and Taxpayers' equity at 1st April 2017	**30,706**	202,611	2,215	1,481	(175,601)	**29,225**	202,611	2,215	(175,601)
Surplus/(deficit) for the year	**15,116**	0	0	(81)	15,197	**13,931**	0	0	13,931
Net Impairments	**813**	0	813	0	0	813	0	813	0
Revaluations - property, plant and equipment	**0**	0	0	0	0	0	0	0	0
Transfer to retained earnings on disposal of assets	**0**	0	(20)	0	20	0	0	(20)	20
Public Dividend Capital received	**875**	875	0	0	0	875	875	0	0
Others' and Taxpayers' equity at 31st March 2018	**47,510**	**203,486**	**3,008**	**1,400**	**(160,384)**	**44,844**	203,486	3,008	(161,650)

Statement of Changes in Taxpayers' Equity: 1st April 2016 to 31st March 2017

	Group Taxpayers' Equity 2016/17					Trust Taxpayers' Equity 2016/17			
	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Charitable Fund Reserve £000	Income & Expenditure Reserve £000	Total £000	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000
Others' and Taxpayers' equity at 1st April 2016	**46,469**	202,611	2,982	0	(159,124)	**46,469**	202,611	2,982	(159,124)
Surplus/(deficit) for the year	**(16,699)**	0	0	(108)	(16,591)	**(16,591)**	0	0	(16,591)
Net Impairments	**(1,944)**	0	(1,944)	0	0	**(1,944)**	0	(1,944)	0
Revaluations - property, plant and equipment	**1,291**	0	1,291	0	0	**1,291**	0	1,291	0
Transfer to retained earnings on disposal of assets	**0**	0	(114)	0	114	0	0	(114)	114
Other reserves movements	**1,589**	0	0	1,589	0	0	0	0	0
Others' and Taxpayers' equity at 31st March 2017	**30,706**	**202,611**	**2,215**	**1,481**	**(175,601)**	**29,225**	202,611	2,215	(175,601)

Statement of Cash Flows

	Note	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Cash flows from operating activities:					
Operating surplus/(deficit) from continuing operations		**19,718**	17,290	**(10,938)**	(10,827)
Operating surplus/(deficit)		**19,718**	17,290	**(10,938)**	(10,827)
Non-cash income and expense:					
Depreciation and amortisation		**4,747**	4,614	**4,615**	4,615
Net impairments		**(6,197)**	(6,197)	**25,864**	25,864
Decrease/(increase) in trade and other receivables		**(32)**	(26,930)	**(6,295)**	(6,295)
Decrease/(increase) in inventories		**40**	123	**(56)**	(56)
Increase/(decrease) in trade and other payables		**4,767**	3,180	**(1,855)**	(1,855)
(Decrease)/increase in other liabilities		**(235)**	37,745	**(670)**	(670)
(Decrease)/increase in provisions		**(659)**	(668)	**834**	834
Movements in charitable fund working capital		**19**	(751)	**11**	0
NHS charitable funds other movements in operating cash flows		**8**	0	**1,592**	0
Tax (paid)/received		**(344)**	0	**0**	0
Other movements in operating cash flows		**0**	(149)	**77**	77
Net cash generated from operations		**21,832**	28,257	**13,179**	11,687
Cash flows from investing activities:					
Interest received		**45**	952	**64**	64
Purchase of shares in Subsidiary		**0**	(12,516)	**0**	0
Purchase of intangible assets		**(533)**	(522)	**(83)**	(83)
Purchase of Property, Plant and Equipment and Investment Property		**(5,308)**	(4,717)	**(14,918)**	(14,918)
Sales of Property, Plant and Equipment and Investment Property		**357**	357	**1**	1
Sales of Property, Plant and Equipment and Inventory to Subsidiary		**0**	590	**0**	0
Net cash (used in) investing activities		**(5,439)**	(15,856)	**(14,936)**	(14,936)
Cash flows from financing activities:					
Public dividend capital received		**875**	875	**0**	0
Movement in loans from the Department of Health and Social Care		**(5,314)**	(5,314)	**238**	238
Capital element of finance lease rental payments		**(60)**	(60)	**(60)**	(60)
Capital element of PFI, LIFT and other service concession payments		**(791)**	(791)	**(707)**	(707)
Interest paid		**(1,307)**	(1,307)	**(1,382)**	(1,382)
Interest element of finance lease		**(38)**	(38)	**(40)**	(40)
Interest element of PFI, LIFT and other service concession obligations		**(4,146)**	(4,146)	**(4,024)**	(4,024)
PDC dividend paid		**(109)**	(109)	**(739)**	(739)
Net cash (used in) financing activities		**(10,890)**	(10,890)	**(6,714)**	(6,714)
(Decrease)/increase in cash and cash equivalents		**5,503**	1,511	**(8,471)**	(9,963)
Cash and cash equivalents at 1st April		**18,962**	17,470	**27,433**	27,433
Cash and cash equivalents at 31st March	21	**24,465**	18,981	**18,962**	17,470

Notes to the Accounts (Group)

1.   Accounting Policies and other Information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS Foundation Trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the Department of Health Group Accounting Manual 2017/18 issued by the Department of Health. The accounting policies contained in that manual follow International Financial Reporting Standards and HM Treasury's Financial Reporting Manual (FReM) to the extent that they are meaningful and appropriate to NHS Foundation Trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1   Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.1   Going Concern

These accounts have been prepared on a going concern basis. This is based on financial projections taking into account the working capital position, agreed 2018/19 contractual income and expenditure plans. After undertaking an assessment, the directors have a reasonable expectation that the Group and the Foundation Trust has adequate resources to continue in operational existence. The Trust has a history of profitable operations and will have access to adequate resources to continue in operational existence for the foreseeable future. Although the Trust is facing some particular challenges in 2018/19 there are no significant financial, operating or other risks that would jeopardise the Trust's continuing operation.

1.1.2   Consolidation

The group financial statements consolidate the financial statements of the Foundation Trust and entities controlled by the Foundation Trust (its subsidiaries) and incorporate its share of the results of wholly owned and jointly controlled entities and associates using the equity method of accounting. The financial statements of the subsidiaries are prepared for the same reporting year as the Foundation Trust. The materiality level of all of the entities controlled by the Foundation Trust was considered in the determination to prepare consolidated financial statements.

NHS Charitable Funds
The Northumberland Tyne and Wear NHS Foundation Trust is the corporate trustee to the Northumberland Tyne and Wear NHS Foundation Trust Charity. The NHS Foundation Trust has assessed its relationship with the Charity and determined it to be a subsidiary as the Foundation Trust is exposed to, or has rights to variable returns and other benefits for itself and patients from its involvement with the charity. Furthermore, it has the ability to affect those returns and other benefits through its power to govern the financial and operating policies of the charity.

The statutory accounts of the Charity are prepared as at 31st March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard FRS 102. On consolidation, adjustments are made where necessary to the assets, liabilities and transactions of the charity to:
- recognise and measure transactions in accordance with the accounting policies of the Foundation Trust;
- eliminate intra-group transactions, balances and gains and losses.

Other Subsidiaries
Subsidiary entities are those over which the Foundation Trust is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenditure, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate lines of the financial statements.

The amounts consolidated are drawn from the published financial statements of the subsidiaries for the year.

Where the accounting policies of the subsidiary are not aligned to those of the Foundation Trust (including where they report under FRS 102), amounts are adjusted during consolidation where the differences are material. Inter-entity transactions, gains and losses are eliminated in full on consolidation.

NTW Solutions Ltd was incorporated on 2nd November 2016 and is a wholly owned subsidiary of the Northumberland Tyne and Wear NHS Foundation Trust. The company commenced trading on 1st April 2017 and the primary purpose of the company is to provide managed healthcare facilities and provide estates management services, facilities management services and transactional services.

1.1.3   Investments in Associates and Joint Ventures and Joint Arrangements

Joint Ventures
Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Accounting as a joint venture generally applies where arrangements are structured through a separate vehicle, which confers a separation between the parties and the vehicle. As a result, the assets, liabilities, revenues and expenses held are those of the separate vehicle and the Trust only has an investment in the net assets of the vehicle. Joint ventures and investments in associates are accounted for using the equity method and reported in its separate financial statements in accordance with IAS 28. The joint venture is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses. It is also reduced when any distribution, e.g. share dividends, are received by the Trust from the joint venture.

The Foundation Trust also has a 50% share in a Limited Liability Partnership with independent healthcare providers Insight Ltd (formerly MHCO). The MHC/NTW LLP has been commissioned by NHS Newcastle Gateshead CCG to deliver a service aimed at 'Improving Access to Psychological Therapies - IAPT' for the people of Newcastle.

Joint Operations
Joint operations are arrangements in which the Trust has joint control with one or more other parties. Joint arrangements generally operate without the establishment of a separate formal entity and the Trust therefore has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses for joint operations.

The Trust has a joint operation with South Tees Foundation Trust for the provision of North East Quality Observatory System.

Notes to the Accounts (Group - continued)

1.2   Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

1.2.1   Critical judgements in applying accounting policies

The following are critical judgements, apart from those involving estimations (see 1.2.2) that management has made in the process of applying the Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

The Trust has made critical judgements, based on accounting standards, in the classification of leases and arrangements containing a lease.

The Trust has made critical judgements in relation to the Modern Equivalent Asset (MEA) revaluation as at the 31st March 2018. Cushman & Wakefield as the Trust's valuer carries out a professional valuation of the modern equivalent asset required to have the same productive capacity and service potential as existing Trust assets. Judgements have been made by the Trust in relation to floor space, bed space, garden space, car parking areas and all areas associated with the capacity required to deliver the Trust's services as at 31st March 2018.

On 1st April 2017, NTW Solutions Ltd paid a premium to its shareholder for the leasehold interests of a number of properties and for furniture and equipment relating to those properties. A further leasehold premium was paid in November 2017 for more properties, furniture and equipment and the lease arrangements underpinning these transactions are for 25 years for the properties and approx 5 years for the equipment. These assets are provided back to the Northumberland Tyne and Wear NHS Foundation Trust as part of service contracts for the provision of operated healthcare facilities. A judgement has been made that substantially all of the risks and rewards incidental to ownership of the property and equipment assets were retained by Northumberland Tyne and Wear NHS Foundation Trust. These assets have therefore not been derecognised by the Foundation Trust and are accounted for as prepayments in the accounts of NTW Solutions Limited and the shareholder has recognised corresponding deferred income liabilities.

1.2.2   Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Under International Accounting Standard (IAS) 37, significant provisions totaling £243,000 were made for probable transfers of economic benefits in respect of employee claim and legal costs. Legal claims are based on professional assessments, which are uncertain to the extent that they are an estimate of the probable outcome of individual cases. Also, under IAS 19, accruals have been made for the value of carried forward annual leave owed totaling £871,000 and £40,000 receivable for leave taken in advance

The Trust's revaluations of land and buildings are based on professional valuations provided by Cushman & Wakefield on a Modern Equivalent Asset basis as per note 1.6. Impairments are recognised on the basis of these valuations.

1.3   Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the Trust is contracts with Commissioners in respect of health care services.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Notes to the Accounts (Group - continued)

1.4   Expenditure on Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs: NHS Pension Scheme

Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of Secretary of State, in England and Wales. It is not possible for the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore, the scheme is accounted for as a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.5   Expenditure on other Goods and Services

Expenditure on goods and services are recognised when and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.6   Property, Plant and Equipment

1.6.1   Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

1.6.2   Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at fair value. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5. An item of property, plant and equipment which is surplus with a clear plan to bring it back into use, is valued at current value in existing use.

(a) Property Assets

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their re-valued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

Notes to the Accounts (Group - continued)

  • Land and non-specialised buildings – market value for existing use
  • Specialised buildings – depreciated replacement cost

For non-operational properties including surplus land, the valuations are carried out at open market value.

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. The Trust has applied the modern equivalent asset approach to valuations since 1 April 2009. The Trust's appointed professionally qualified valuer is Cushman & Wakefield Newcastle Office. IAS 16 requires that the carrying value of property is not materially different to fair value at the balance sheet date. To reflect changes in the property market and building cost indexation since the last valuation as at 31 March 2017 by Cushman & Wakefield , a review of the values of land and buildings was undertaken as at 31st March 2018.

Additional alternative valuations of open market value or value in existing use have been obtained for non-operational assets held for sale or operational properties where disposal is planned and imminent.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are re-valued and depreciation commences when they are brought into operational use.

(b) Non-property Assets
NHS bodies may elect to adopt a depreciated historical cost basis as a proxy for fair value for assets that have short useful lives or low values (or both). For depreciated historical cost to be considered as a proxy for fair value, the useful life must be a realistic reflection of the life of the asset and the depreciation method used must provide a realistic reflection of the consumption of that asset class.

Assets that are not covered by the above paragraph should be carried at fair value and should be valued using the most appropriate valuation methodology available.

Until 31st March 2008, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1st April 2008 indexation has ceased. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Subsequent Expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment, which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment is depreciated on current cost evenly over the estimated life. The Trust adheres to standard lives for equipment assets except where it is clear that the standard lives are materially inappropriate. Standard equipment lives are:

  • Short life engineering plant and equipment   5 years
  • Medium life engineering plant and equipment   10 years
  • Long life engineering plant and equipment   15 years

Notes to the Accounts (Group - continued)

• Vehicles	7 years
• Furniture	10 years
• Office and IT equipment	5 years
• Soft furnishings	7 years

Revaluation Gains and Losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

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

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

Impairments
In accordance with the Department of Health Group Accounting Manual 2017-18, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition
Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:
   • the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
   • the sale must be highly probable i.e.:
      - management are committed to a plan to sell the asset;
      - an active programme has begun to find a buyer and complete the sale;
      - the asset is being actively marketed at a reasonable price;
      - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and

      - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

The revaluation surplus included in equity in respect of an item of property, plant and equipment is transferred in full to retained earnings at the point in time when an asset is derecognised. This applies when an asset is sold or when an asset is retired or disposed of.

Donated, government grant and other grant funded assets
Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Notes to the Accounts (Group - continued)

Private Finance Initiative (PFI) Transactions

PFI transactions which meet the International Financial Reporting Interpretations Committee (IFRIC) 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. The underlying assets are recognised as Property, Plant and Equipment at their fair value. An equivalent financial liability is recognised in accordance with IAS 17.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for the services. The finance cost is calculated using the implicit interest rate for the scheme, which is in accordance with guidance issued by the Department of Health: 'Accounting for PFI under IFRS'.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

For each year of the contract, an element of unitary payment is allocated to lifecycle replacement based on the capital costs that the operator expect, at financial close, to incur for that year. Life-cycle expenditure is capitalised in accordance with IAS 16 when the expenditure meets the Trust's recognition criteria as detailed above to the extent that the capital is funded by the unitary payment. Where all or part of the capital cost is unanticipated, or the cost of the asset is greater than planned, the Trust treats it as a free asset. Where the operator replaces lifecycle components earlier or later than planned but the cost of the replacement was anticipated in the operator's model, this is recognised as a temporary liability or temporary prepayment.

1.7 Intangible Assets

Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably and where the cost is at least £5,000.

Internally Generated Intangible Assets
Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:
* the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
* the Trust intends to complete the asset and sell or use it;
* the Trust has the ability to sell or use the asset;
* how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
* adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
* the Trust can measure reliably the expenses attributable to the asset during development.

Software
Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement
Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Software is amortised on current cost evenly over the estimated life. The Trust adheres to standard lives for software assets except where it is clear that the standard lives are materially inappropriate. The asset lives for standard software is 5 years.

Notes to the Accounts (Group - continued)

1.8   Government Grants

Government grants are grants from Government bodies other than income from Commissioners or NHS Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

1.9   Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

1.10   Cash and cash equivalents

Cash and cash equivalents include cash held in the Government Banking Service, cash with commercial banks and cash in hand. Cash and bank balances are recorded at the current values of these balances in the Trust's cash book. Interest earned on bank accounts is recorded as finance income in the period to which it relates. Bank charges are recorded as operating expenditure in the periods to which they relate.

As the Trust has no bank overdrafts, there is no difference between the amounts disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1.11   Financial Instruments and Financial Liabilities

Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described in note 1.12.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and Measurement
Financial assets are categorised as 'Fair Value through Income and Expenditure', Loans and receivables or 'Available-for-sale financial assets'.

Financial liabilities are classified as 'Fair Value through Income and expenditure' or as 'Other Financial Liabilities'.

Financial assets and financial liabilities at 'Fair Value through Income and Expenditure'
Financial assets and financial liabilities at 'Fair Value through Income and Expenditure' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not 'closely-related' to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.   211

Notes to the Accounts (Group -continued)

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables are calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Available for Sale Financial Assets

Available for sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available for sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'Finance Costs' in the Statement of Comprehensive Income.

Other Financial Liabilities

All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs. Interest on financial liabilities taken out to finance Property, Plant and Equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of Fair Value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate methods.

Impairment of Financial Assets

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through income and expenditure' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of a provision for irrecoverable debt. Irrecoverable debt provisions are made when debts are over three months old, unless there is a reason not to make the provision, such as an agreement to pay. In the case of disputes, provisions are made for debts less than three months old.

Notes to the Accounts (Group - continued)

1.12 Leases

1.12.1 Trust as Lessee

Finance Leases
Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

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

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating Leases
Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Contingent rentals are recognised in the period in which they are incurred.

Leases of Land and Buildings
Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

1.12.2 Trust as Lessor

Finance Leases
Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the lease. Income is allocated to accounting periods so as to reflect a constant periodic rate of return.

Operating Leases
Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.12.3 Disclosures

In accordance with IAS 17 the Trust will disclose a description of significant leasing arrangements including;
  (i) the basis on which contingent rent is determined;
  (ii) the existence and terms of renewal, purchase options and escalation clauses; and
  (iii) any restrictions imposed by lease arrangements.

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Clinical Negligence Costs
The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the Trust pays an annual contribution to the NHSLA, which, in return, settles all clinical negligence claims. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the Trust is disclosed in note 26.2 but is not recognised in the Trust's accounts.

Non-clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Litigation Authority and in return receives assistance with the costs of claims arising. The annual membership contributions and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

Notes to the Accounts (Group - continued)

1.14   Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 27 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 27, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:
   • possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
   • present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15   Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable and (iv) Sustainability and Transformation Fund Incentive and Bonus balance receivable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.16   Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

The activities of the Trust's subsidiary company NTW Solutions Limited are inside the scope of VAT and therefore output tax applies and input tax on purchases is recoverable.

1.17   Corporation Tax

NTW Solutions Ltd is a wholly owned subsidiary of Northumberland Tyne and Wear NHS Foundation Trust and is subject to corporation tax on its profits. Tax on the profit or loss for the year comprises current and any deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.
Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.
Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18   Foreign Exchange

The functional and presentational currencies of the Trust are sterling.

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

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:
   • monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
   • non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
   • non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Notes to the Accounts (Group - continued)

1.19   Third Party Assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the Trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

1.20   Losses and Special Payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However, the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.21   Transfers of Functions

For functions that have been transferred to the Trust from another NHS or Local Government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain/loss corresponding to the net assets/liabilities transferred is recognised within income/expenses, but not within operating activities.

For Property Plant and Equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.
For functions that the Trust has transferred to another NHS/Local Government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Adjustments to align the acquired function to the Foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

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

The standards or amendments which have been released but which are not yet adopted in HM Treasury's Financial Reporting Manual (FReM) 2017/18 and therefore do not apply to the 2017/18 annual accounts are set out below:

- IFRS 9 Financial Instruments
- IFRS 15 Revenue from Contracts with Customers
- IFRS 16 Leases
- IFRS 17 Insurance Contracts
- IFRIC 22 Foreign Currency Transactions and Advance Consideration
- IFRIC 23 Uncertainty over Income Tax Treatments

The Department of Health Government Accounting Manual 2017/18 does not require these Standards and interpretations to be applied in 2017/18. These Standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in accounting periods on or after 1st January 2018 and IFRS 16 in accounting periods on or after 1st January 2019.

There is not expected to be a material impact from the adoption of these standards in future periods with the exception of IFRS16 which may have a significant impact. This Standard will result in a significant amount of leases, which are currently classified as operating leases being reclassified as finance leases and being recorded as assets and liabilities onto the Statement of Financial Position.

1.23   Accounting Standards issued that have been adopted early

No new Accounting Standards or revisions to existing standards have been early adopted in 2017/18.

1.24   Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life and the sale or lease of assets at below market value.

2.   Segmental Analysis (Group and Trust)

The Foundation Trust operates within a single reportable segment, ie healthcare. The Foundation Trust is solely involved in health care activities and does not consider that its clinical services represent distinct operating segments.

Of the total income reported during the financial year, £270,112,000, 85% of total income, was received from Clinical Commissioning Groups (CCGs) and NHS England (2016/17: £273,475,000 and 86%). As CCGs and NHS England are under common control they are classed as a single customer for this purpose.

3.   Income (Group and Trust)

3.1   Operating Income (by nature)

	Group 2017/18 £000	Trust 2017/18 £000	Restated Group 2016/17 £000	Restated Trust 2016/17 £000
Income from activities				
Cost and volume contract income	**30,733**	30,733	**29,801**	29,801
Block contract income	**240,815**	240,815	**244,737**	244,737
Private patient income	**0**	0	**10**	10
Other clinical income	**18,325**	18,325	**16,510**	16,510
Total income from activities	**289,873**	289,873	**291,058**	291,058
Other operating income				
Research and development	**2,499**	2,499	**2,730**	2,730
Education and training	**8,580**	8,531	**8,790**	8,790
Non-patient care services to other bodies	**2,133**	1,966	**1,726**	1,726
Sustainability and Transformation Fund income	**3,784**	3,784	**4,151**	4,151
Income in respect of staff costs where accounted on gross basis	**2,852**	2,955	**2,455**	2,455
Rental revenue from operating leases - minimum lease receipts	**188**	179	**210**	210
Charitable fund incoming resources	**30**	0	**67**	0
Other*	**5,571**	8,629	**5,422**	5,422
Total other operating income	**25,637**	28,543	**25,551**	25,484
Total operating income	**315,510**	318,416	**316,609**	316,542
of which:				
Related to Continuing Operations	**315,510**	318,416	**316,609**	316,542
Related to Discontinued Operations	**0**	0	**0**	0

* Other operating income - Other is analysed in note 3.4

3.   Income (Group and Trust - continued)

3.2   Private Patient Income

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Private patient income	0	0	10	10
Total patient related income	289,873	289,873	291,058	291,058
Proportion (as percentage)	**0.00%**	0.00%	**0.00%**	0.00%

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources.

3.3   Operating Lease Income (Group and Trust)

The Trust leases land and buildings to a number of external bodies, mainly other NHS bodies.

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Operating lease income				
Rental revenue from operating leases - minimum lease receipts	188	179	210	210
Total operating lease income	188	179	210	210
Future minimum lease payments due:				
on leases of land expiring				
- not later than one year;	1	1	1	1
- later than one year and not later than five years;	4	4	4	4
- later than five years.	85	85	86	86
sub total	90	90	91	91
on leases of buildings expiring				
- not later than one year;	188	185	142	142
- later than one year and not later than five years;	510	510	524	524
- later than five years.	225	225	347	347
sub total	923	920	1,013	1,013
Total future minimum lease payments due	1,013	1,010	1,104	1,104

3.   Income (Group and Trust - continued)

3.4   Other operating income (by source)

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Income from activities				
NHS England	57,309	57,309	58,293	58,293
Clinical Commissioning Groups	212,803	212,802	215,183	215,182
NHS Foundation Trusts	1,436	1,436	1,060	1,060
NHS Trusts	0	0	3	3
Local Authorities	10,870	10,870	10,109	10,109
Non NHS:private patients	0	0	10	10
Non NHS:overseas patients (non-reciprocal - chargeable to patient)	92	92	0	0
Injury cost recovery scheme	46	46	46	46
Non NHS:other	7,318	7,318	6,355	6,355
Total income from patient care activities	**289,873**	289,873	**291,058**	291,058
Of which:				
Related to continuing operations	289,873	289,873	291,058	291,058
Related to discontinued operations	0	0	0	0
Other operating income				
Research and development	2,499	2,499	2,730	2,730
Education and training	8,580	8,531	8,790	8,790
Education and training - notional income from apprenticeship fund	0	0	0	0
Non-patient care services to other bodies	2,133	1,966	1,726	1,726
Sustainability and Transformation Fund income	3,784	3,784	4,151	4,151
Other*	5,571	8,629	5,422	5,422
Rental revenue from operating leases - minimum lease receipts	188	179	210	210
Income in respect of staff costs where accounted on gross basis	2,852	2,955	2,455	2,455
Charitable fund incoming resources	30	0	67	0
Total other operating income	**25,637**	28,543	**25,551**	25,484
Of which:				
Related to continuing operations	25,637	28,543	25,551	25,484
Related to discontinued operations	0	0	0	0
Analysis of "Other operating income - Other"				
Car parking	57	15	61	61
Estates recharges	106	33	124	124
IT recharges	72	401	104	104
Pharmacy sales	13	13	7	7
Clinical tests	41	41	92	92
Clinical excellence awards	218	218	259	259
Catering	801	1	878	878
Grossing up consortium arrangements	4,014	3,895	3,256	3,256
Other	249	4,012	641	641
Total	**5,571**	8,629	**5,422**	5,422

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

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Commissioner Requested Services	289,623	289,623	290,376	290,376
Non-Commissioner Requested Services	251	251	682	682
Total income from activities	**289,874**	289,874	**291,058**	291,058

4.   Operating Expenses (Group and Trust)

	Group 2017/18 £000	Trust 2017/18 £000	Restated Group 2016/17 £000	Restated Trust 2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	167	168	571	571
Purchase of healthcare from non-NHS and non-DHSC bodies	5,834	5,834	5,675	5,675
Staff and executive directors costs	247,319	233,137	242,252	242,252
Non-executive directors	168	157	172	172
Supplies and services - clinical (excluding drug costs)	3,742	3,590	3,674	3,674
Supplies and services - general	3,510	10,353	3,816	3,816
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	5,512	5,512	4,827	4,827
Inventories written down (net, including drugs)	5	4	11	11
Consultancy	289	236	694	694
Establishment	3,282	2,509	3,132	3,132
Premises - business rates collected by local authorities	1,325	1,325	1,324	1,324
Premises - other	9,612	24,486	9,177	9,177
Transport (business travel only)	2,292	2,222	2,442	2,442
Transport - other (including patient travel)	2,284	2,175	2,459	2,459
Depreciation	4,675	4,543	4,560	4,560
Amortisation	72	71	55	55
Impairments, net of (reversals)	(6,197)	(6,197)	25,864	25,864
(Decrease)/Increase in impairment of receivables	(663)	(667)	597	597
Provisions arising / released in year	0	0	0	0
Change in provisions discount rates	119	119	901	901
Audit services - Statutory audit	54	44	41	41
Other auditor remuneration - external auditor	12	12	13	13
Charitable fund audit	1	0	1	0
Internal audit - staff costs	159	149	150	150
Internal audit - non-staff costs	34	32	35	35
Clinical negligence	489	489	349	349
Legal fees	923	813	854	854
Insurance	591	422	559	559
Research and development - staff costs	1,312	1,312	1,418	1,418
Research and development - non-staff costs	739	735	798	798
Education and training - non staff	963	882	1,124	1,124
Operating lease expenditure (net)	2,413	2,071	6,074	6,074
Early retirements - (Not included in employee expenses)	25	25	152	152
Redundancy - (Not included in employee expenses)	(224)	(224)	585	585
Charges to operating expenditure for on-SOFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	3,025	3,025	2,480	2,480
Hospitality	22	20	16	16
Other losses, ex gratia & special payments - (Not included in employee expenses)	59	55	2	2
Other NHS charitable fund resources expended	118	0	177	0
Other	1,730	1,687	516	516
Total	**295,792**	301,126	**327,547**	327,369
of which:				
Related to Continuing Operations	295,792	301,126	327,547	327,369
Related to Discontinued Operations	0	0	0	0

The 2016/17 comparatives have been restated due to category changes mandated by NHS Improvement.

5.   Exit Packages (Group and Trust)

5.1   Exit Packages 2017/18

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

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Trust Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
Exit package cost band:								
< £10,000	0	0	32	162	**32**	**162**	**0**	**0**
£10,001 to £25,000	0	0	3	46	**3**	**46**	**0**	**0**
£25,001 to £50,000	0	0	7	303	**7**	**303**	**0**	**0**
£50,001 to £100,000	0	0	0	0	**0**	**0**	**0**	**0**
£100,001 to £150,000	0	0	0	0	**0**	**0**	**0**	**0**
£150,001 to £200,000	0	0	0	0	**0**	**0**	**0**	**0**
> £200,001	0	0	0	0	**0**	**0**	**0**	**0**
Total	**0**	**0**	**42**	**511**	**42**	**511**	**0**	**0**

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

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

5.2   Exit Packages 2016/17

	Compulsory Redundancies Number	Compulsory Redundancies £000	Other Departures Agreed Number	Group Other Departures Agreed £000	Total Exit Packages Number	Total Exit Packages £000	Special Payments Number	Special Payments £000
Exit package cost band:								
< £10,000	0	0	2	14	**2**	**14**	**0**	**0**
£10,001 to £25,000	0	0	4	68	**4**	**68**	**0**	**0**
£25,001 to £50,000	0	0	3	114	**3**	**114**	**0**	**0**
£50,001 to £100,000	0	0	2	129	**2**	**129**	**0**	**0**
£100,001 to £150,000	0	0	0	0	**0**	**0**	**0**	**0**
£150,001 to £200,000	0	0	0	0	**0**	**0**	**0**	**0**
> £200,001	0	0	0	0	**0**	**0**	**0**	**0**
Total	**0**	**0**	**11**	**325**	**11**	**325**	**0**	**0**

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

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

6. Employee Expenses (Group and Trust)

6.1 Employee Expenses

	Group						Trust					
	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000	Total 2016/17 £000	Permanently Employed 2016/17 £000	Other 2016/17 £000	Total 2017/18 £000	Permanently Employed 2017/18 £000	Other 2017/18 £000	Total 2016/17 £000	Permanently Employed 2016/17 £000	Other 2016/17 £000
Salaries and wages	197,439	196,641	798	190,105	188,872	1,233	185,208	184,410	798	190,105	188,872	1,233
Social security costs	18,290	18,290	0	17,762	17,762	0	17,456	17,456	0	17,762	17,762	0
Apprenticeship levy	919	919	0	0	0	0	876	876	0	0	0	0
Pension cost - defined contribution plans:												
Employer's contributions to NHS Pensions	24,808	24,808	0	25,087	25,087	0	23,743	23,743	0	25,087	25,087	0
Pension cost - other contributions	0	0	0	0	0	0	0	0	0	0	0	0
Temporary staff - agency/contract staff	7,663	0	7,663	11,311	0	11,311	7,323	0	7,323	11,311	0	11,311
Total staff costs	**249,119**	240,658	8,461	**244,265**	231,721	12,544	**234,606**	226,485	8,121	**244,265**	231,721	12,544
included within:												
Costs capitalised as part of assets	**329**	329	0	**445**	445	0	**8**	8	0	**445**	445	0
Analysed into operating expenditure												
Employee expenses - staff & executive directors	**247,319**	238,858	8,461	**242,252**	229,708	12,544	**233,137**	225,016	8,121	**242,252**	229,708	12,544
Research & Development	**1,312**	1,312	0	**1,418**	1,418	0	**1,312**	1,312	0	**1,418**	1,418	0
Internal audit costs	**159**	159	0	**150**	150	0	**149**	149	0	**150**	150	0
Total employee benefits excluding capitalised costs	**248,790**	240,329	8,461	**243,820**	231,276	12,544	**234,598**	226,477	8,121	**243,820**	231,276	12,544

6.2 Average Number of Employees (whole time equivalent basis)

	Group						Trust					
	Total 2017/18 Number	Permanently Employed 2017/18 Number	Other 2017/18 Number	Total 2016/17 Number	Restated Permanently Employed 2016/17 Number	Restated Other 2016/17 Number	Total 2017/18 Number	Permanently Employed 2017/18 Number	Other 2017/18 Number	Total 2016/17 Number	Restated Permanently Employed 2016/17 Number	Restated Other 2016/17 Number
Medical and dental	340	317	23	333	311	22	340	317	23	333	311	22
Administration and estates	1,414	1,359	55	1,302	1,226	76	1,099	1,056	43	1,302	1,226	76
Healthcare assistants and other support staff	306	306	0	269	269	0	95	95	0	269	269	0
Nursing, midwifery and health visiting staff	3,575	3,509	66	3,632	3,557	75	3,575	3,509	66	3,632	3,557	75
Scientific, therapeutic and technical staff	395	384	11	409	380	29	395	384	11	409	380	29
Healthcare science staff	256	256	0	374	374	0	256	256	0	374	374	0
Total average numbers	**6,286**	6,131	155	**6,319**	6,117	202	**5,760**	5,617	143	**6,319**	6,117	202
of which:												
Number of employees (WTE) engaged on capital projects	**10**	10	0	**10**	10	0	**10**	10	0	**10**	10	0

The 2016/17 comparatives have been restated due to changes in relation bank staff and category changes mandated by NHS Improvement.

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

	Group					Trust			
	Payments Agreed 2017/18 Number	Total Value of Agreements 2017/18 £000	Payments Agreed 2016/17 Number	Payments Agreed 2016/17 £000	2017/18	Payments Agreed 2017/18 Number	Total Value of Agreements 2017/18 £000	Payments Agreed 2016/17 Number	Payments Agreed 2016/17 £000
£000 Voluntary redundancies including early retirement contractual costs						46	520	11	325
	42	511	11		325				
Total Exit packages	**46**	**520**	**11**	**325**		**42**	**511**	**11**	**325**

6.   Employee Expenses (Group and Trust - continued)

6.4   Employee Benefits (Group and Trust)

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period. There were no other employee benefits during the year (2016/17 : £nil).

6.5   Early Retirements due to Ill Health (Group)

During the year there were 8 early retirements (2016/17 : 11) agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £659,000 (2016/17 : £731,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7.   Operating Miscellaneous (Group)

7.1   Operating Leases (Group)

The Group and Trust has operating lease arrangements for the use of land, buildings, vehicles and equipment. Within some of these arrangements contingent rent is paid based on an annual uplift for future price indices (RPI).

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Minimum lease payments	**2,354**	2,012	5,984	5,984
Contingent rents	**72**	66	103	103
Less sublease payments received	**(13)**	(7)	(13)	(13)
Total	**2,413**	2,071	**6,074**	6,074

In 2017/18 salary sacrifice vehicles have been removed from the minimum lease payments, as they are not recorded through expenditure.

Future minimum lease payments due:

- not later than one year;	**5,590**	4,938	6,031	6,031
- later than one year and not later than five years;	**5,097**	4,222	7,192	7,192
- later than five years.	**5,203**	2,367	3,639	3,639
Total	**15,890**	11,527	**16,862**	16,862
Total of future minimum sublease lease payments to be received	**(13)**	(7)	**(13)**	(13)

Future minimum lease payments includes amounts relating to staff salary sacrifice lease cars where the Trust and Company have a commitment to pay the leasing company and then these charges are recovered from individual staff. £3,316,000 is included within not later than one yea and £3,048,000 is included within later than one year and not later than five years.

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

There is no specified limitation on the auditor's liability for the year (2016/17 : no specified limitation).

7.   Operating Miscellaneous (Group - continued)

7.3   The Late Payment of Commercial Debts (Interest) Act 1998 (Group)

The Group and Trust had no interest on late payment of commercial debts or compensation paid to cover debt recovery costs as at 31st March 2018 (31st March 2017 : £nil).

7.4   Audit Remuneration (Trust)

The Group and Trust had other audit remuneration of £7,000 for audit of the Quality Accounts and £5,000 for clinical workshop sessions as at 31st March 2018 (31st March 2017 : £13,000). Auditor remuneration for the statutory audit is shown in note 4.

8.   Discontinued Operations (Group)

The Group and Trust had no discontinued operations as at 31st March 2018 (31st March 2017: £nil).

9.   Corporation Tax (Group)

	Group 2017/18 £000	Group 2016/17 £000
UK Corporation tax expense	**344**	0
Adjustment in respect of prior years	**0**	0
Current tax expense	**344**	0
Deferred tax credit	**0**	
Total tax expense in Statement of Comprehensive Income	**344**	0

The Trust has no corporation tax expense (2016/17 £nil).

10.   Finance Income (Group and Trust)

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Interest on bank accounts	46	46	64	64
Interest received on loans to Subsidiary	0	907	0	0
NHS charitable fund investment income	8	0	3	0
Total	**54**	953	67	64

11.   Finance Costs (Group and Trust)

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
Interest expense:				
Capital loans from the Department of Health	**1,297**	1,297	**1,373**	1,373
Finance leases	**38**	38	40	40
Finance Costs on PFI and other service concession arrangements (excluding LIFT)				
Main finance costs	**2,781**	2,781	**2,827**	2,827
Contingent finance costs	**1,365**	1,365	**1,197**	1,197
Unwinding of discount on provisions	**9**	9	17	17
Total	**5,490**	5,490	**5,454**	5,454

12.   Impairment of Assets (Group and Trust)

During the year, the Trust recognised net impairments of (£6,197,000 credited to operating expenses made up of impairments of £3,105,000 and reversal of impairments of £9,302,000) and net impairments totalling £813,000 being credited to the revaluation reserve.

The reversal of impairments recognised during the year of £9,302,000 are predominantly due an increase in market prices for buildings of approximately 8%. This increase was reflected in the valuations of land and buildings in the modern equivalent asset valuations carried out by Cushman & Wakefield as at 31st March 2018. There is also £3,105,000 charged to impairments in relation to construction schemes which resulted in impairments when the assets were brought into operational use and due to the closure of two buildings.

There were no impairment of assets during 2017/18 for NTW Solutions Ltd or for the Northumberland Tyne and Wear NHS Foundation Trust Chari ty.

13. Intangible Assets (Group and Trust)

13.1 Intangible Assets 2017/18

	Group			Trust		
	Total	Software Licences purchased	Intangible Assets under Construction	**Total**	Software Licences purchased	Intangible Assets under Construction
	2017/18 £000	2017/18 £000	2017/18 £000	**2017/18 £000**	2017/18 £000	2017/18 £000
Valuation/gross cost at 1st April 2017	**716**	353	363	**716**	353	363
Additions - purchased	**533**	533	0	**522**	522	0
Valuation/gross cost at 31st March 2018	**1,249**	886	363	**1,238**	875	363
Amortisation at 1st April 2017	**127**	127	0	**127**	127	0
Provided during the year	**72**	72	0	**71**	71	0
Amortisation at 31st March 2018	**199**	199	0	**198**	198	0
Net book value by ownership:						
NBV - purchased at 31st March	**1,050**	**687**	**363**	**1,040**	**677**	**363**

13.2 Economic Life of Intangible Assets 2017/18

	Minimum Life	**Maximum Life**		**Minimum Life**	**Maximum Life**
	Years	**Years**		**Years**	**Years**
Software licences purchased	2	5		2	5

13.3 Intangible Assets 2016/17

	Group			Trust		
	Total	Software Licences purchased	Intangible Assets under Construction	**Total**	Software Licences purchased	Intangible Assets under Construction
	2016/17 £000	2016/17 £000	2016/17 £000	**2016/17 £000**	2016/17 £000	2016/17 £000
Valuation/gross cost at 1st April 2016	**633**	277	356	**633**	277	356
Additions - purchased	**83**	76	7	**83**	76	7
Valuation/gross cost at 31st March 2017	**716**	353	363	**716**	353	363
Amortisation at 1st April 2016	**72**	72	0	**72**	72	0
Provided during the year	**55**	55	0	**55**	55	0
Amortisation at 31st March 2017	**127**	127	0	**127**	127	0
Net book value by ownership:						
NBV - purchased at 31st March	**589**	**226**	**363**	**589**	**226**	**363**

13.4 Economic Life of Intangible Assets 2016/17

	Minimum Life	**Maximum Life**		**Minimum Life**	**Maximum Life**
	Years	**Years**		**Years**	**Years**
Software licences purchased	2	5		2	5

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

14.1 Property, Plant and Equipment 2017/18 - Group

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1st April 2017	**129,801**	5,391	105,018	105	1,869	4,128	72	9,749	3,469
Additions - purchased	**5,572**	45	2,088	0	1,288	217	0	1,825	109
Impairments charged to the revaluation reserve	**(151)**	(15)	(136)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	**964**	0	964	0	0	0	0	0	0
Reclassifications	**(1)**	0	1,134	0	(1,144)	9	0	0	0
Revaluations	**4,214**	(25)	4,221	18	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	**(609)**	(183)	(426)	0	0	0	0	0	0
Disposals	**(3,367)**	0	0	0	0	(922)	(13)	(2,254)	(178)
Valuation/gross cost at 31st March 2018	**136,423**	5,213	112,863	123	2,013	3,432	59	9,320	3,400
Accumulated depreciation at 1st April 2017	**8,141**	0	0	0	0	2,109	72	4,512	1,448
Provided during the year	**4,675**	0	1,982	2	0	387	0	1,952	352
Impairments charged to operating expenses	**3,105**	47	3,058	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	**(9,302)**	(22)	(9,260)	(20)	0	0	0	0	0
Revaluations	**4,214**	(25)	4,221	18	0	0	0	0	0
Reclassifiactions	**(1)**	0	(1)	0	0	0	0	0	0
Disposals	**(3,367)**	0	0	0	0	(922)	(13)	(2,254)	(178)
Accumulated depreciation at 31st March 2018	**7,465**	0	0	0	0	1,574	59	4,210	1,622
Net book value by ownership:									
Owned	**97,156**	5,163	81,111	123	2,013	1,858	0	5,110	1,778
Finance leased	**644**	50	594	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	**31,125**	0	31,125	0	0	0	0	0	0
Government granted	**33**	0	33	0	0	0	0	0	0
Net book value by ownership total at 31st March 2018	**128,958**	5,213	112,863	123	2,013	1,858	0	5,110	1,778

To ensure that asset values at 31st March 2018 reflect current market conditions valuations were carried out by Cushman & Wakefield.
Of the totals at 31 March 2018, £3,260,000 related to land, £105,144,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.
Of the totals at 31 March 2018, £95,000 related to land, £3,835,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements. Of the totals at 31 March 2018, £1,264,000 related to land, £2,998,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.
Of the totals at 31 March 2018, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets
Of the totals at 31st March 2018, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

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

14.2 Property, Plant and Equipment 2017/18 - Trust

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1st April 2017	**129,801**	5,391	105,018	105	1,869	4,128	72	9,749	3,469
Additions - purchased	**5,454**	45	2,088	0	1,288	208	0	1,825	0
Additions - leased	**0**	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	**(151)**	(15)	(136)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	**964**	0	964	0	0	0	0	0	0
Reclassifications	**0**	0	1,135	0	(1,144)	9	0	0	0
Revaluations	**4,214**	(25)	4,221	18	0	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	**(609)**	(183)	(426)	0	0	0	0	0	0
Disposals	**(3,799)**	0	0	0	0	(1,338)	(13)	(2,254)	(194)
Valuation/gross cost at 31st March 2018	**135,874**	5,213	112,864	123	2,013	3,007	59	9,320	3,275
Accumulated depreciation at 1st April 2017	**8,141**	0	0	0	0	2,109	72	4,512	1,448
Provided during the year	**4,543**	0	1,982	2	0	265	0	1,952	342
Impairments charged to operating expenses	**3,105**	47	3,058	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	**(9,302)**	(22)	(9,260)	(20)	0	0	0	0	0
Revaluations	**4,213**	(25)	4,220	18	0	0	0	0	0
Disposals	**(3,357)**	0	0	0	0	(911)	(13)	(2,254)	(179)
Accumulated depreciation at 31st March 2018	**7,343**	0	0	0	0	1,463	59	4,210	1,611
Net book value by ownership:									
Owned	**96,730**	5,163	81,113	123	2,013	1,544	0	5,110	1,664
Finance leased	**644**	50	594	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	**31,124**	0	31,124	0	0	0	0	0	0
Government granted	**33**	0	33	0	0	0	0	0	0
Donated	**0**	0	0	0	0	0	0	0	0
Net book value by ownership total at 31st March 2018	**128,531**	5,213	112,864	123	2,013	1,544	0	5,110	1,664

To ensure that asset values at 31st March 2018 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31 March 2018, £3,260,000 related to land, £105,144,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.
Of the totals at 31 March 2018, £95,000 related to land, £3,835,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements. Of the totals at 31 March 2018, £1,264,000 related to land, £2,998,000 related to buildings and £123,000 related to dwellings valued on a Market Value in Existing Use basis.
Of the totals at 31 March 2018, £594,000 related to land, £886,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets
Of the totals at 31st March 2018, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

14.3 Property, Plant and Equipment 2016/17 - Group and Trust

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1st April 2016	**148,880**	16,448	100,966	90	13,142	4,809	72	9,310	4,043
Additions - purchased	**12,559**	0	9,020	0	1,138	151	0	1,881	369
Additions - leased	**0**	0	0	0	0	0	0	0	0
Impairments charged to the revaluation reserve	**(1,944)**	(470)	(1,474)	0	0	0	0	0	0
Reclassifications	**0**	0	12,160	0	(12,160)	0	0	0	0
Revaluations	**(26,477)**	(10,587)	(15,654)	15	(251)	0	0	0	0
Transfers to/from assets held for sale & assets in disposal groups	**0**	0	0	0	0	0	0	0	0
Disposals	**(3,217)**	0	0	0	0	(832)	0	(1,442)	(943)
Valuation/gross cost at 31st March 2017	**129,801**	5,391	105,018	105	1,869	4,128	72	9,749	3,469
Accumulated depreciation at 1st April 2016	**8,694**	0	0	0	0	2,503	72	4,096	2,023
Provided during the year	**4,560**	0	1,902	2	0	438	0	1,858	360
Impairments charged to operating expenses	**44,875**	10,606	34,018	0	251	0	0	0	0
Reversal of impairments credited to operating expenses	**(19,011)**	(19)	(18,975)	(17)	0	0	0	0	0
Revaluations	**(27,768)**	(10,587)	(16,945)	15	(251)	0	0	0	0
Disposals	**(3,209)**	0	0	0	0	(832)	0	(1,442)	(935)
Accumulated depreciation at 31st March 2017	**8,141**	0	0	0	0	2,109	72	4,512	1,448
Net book value by ownership:									
Owned	**92,443**	5,341	75,851	105	1,869	2,019	0	5,237	2,021
Finance leased	**603**	50	553	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	**28,581**	0	28,581	0	0	0	0	0	0
Government granted	**33**	0	33	0	0	0	0	0	0
Donated	**0**	0	0	0	0	0	0	0	0
Net book value by ownership total at 31st March 2017	**121,660**	5,391	105,018	105	1,869	2,019	0	5,237	2,021

To ensure that asset values at 31st March 2017 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31 March 2017, £3,280,000 related to land, £96,996,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.
Of the totals at 31 March 2017, £50,000 related to land, £3,627,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to tenants improvements. Of the totals at 31 March 2017, £1,482,000 related to land, £3,548,000 related to buildings and £105,000 related to dwellings valued on a Market Value in Existing Use basis.
Of the totals at 31 March 2017, £579,000 related to land, £847,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets
Of the totals at 31st March 2017, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated replacement cost.

Note 14 (c)

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

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

Group & Trust	Minimum Life Years	Maximum Life Years
Land	Indefinite	Indefinite
Buildings excluding dwellings	1	88
Dwellings	51	51
Plant & machinery	0	15
Transport equipment	0	0
Information technology	0	5
Furniture & fittings	0	10

Note 14 (d)

15. Investments (Group and Trust)

15.1 Investments

	Group		Trust	
	2017/18	2016/17	**2017/18**	2016/17
	Investments in associates and joint ventures	Investments in associates and joint ventures	**Investments in associates and joint ventures**	Investments in associates and joint ventures
	£000	£000	**£000**	£000
Carrying value at 1st April	**0**	38	**0**	38
Share of profit	**0**	39	**0**	39
Disbursements/dividends received	**0**	(77)	**0**	(77)
Carrying value at 31st March	**0**	0	**0**	0

The Trust has a 50% share in a Limited Liability Partnership (LLP) established on 1st March 2011 with independent healthcare providers Insight Ltd (formerly MHCO). The Newcastle Talking Therapies LLP has been commissioned by NHS Newcastle Gateshead CCG to deliver a new service aimed at 'Improving Access to Psychological Therapies - IAPT' for the people of Newcastle.

15.2 Fair value of investments in associates and joint ventures

	Group		Trust	
	Value £000	Interest Held %	Value £000	Interest Held %
As at 31st March 2018				
MHC / NTW LLP	0	50%	0	50%
As at 31st March 2017				
MHC / NTW LLP	0	50%	0	50%

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

15.3 Non-Current Investments in Subsidiary Undertakings Trust

	2017/18 Investments in subsidiary undertakings £000	2016/17 Investments in subsidiary undertakings £000
Shares in subsidiary undertakings	12,516	0
Loans to subsidiary undertakings over 1 year	26,769	0
	39,285	0

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

16. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust)

16.1 Non-current Assets for Sale and Assets in Disposal Groups 2017/18

	Group			Trust		
	Total £000	Property, Plant & Equipment: Land £000	Property, Plant & Equipment: Buildings £000	Total £000	Property, Plant & Equipment: Land £000	Property, Plant & Equipment: Buildings £000
Net book value at 1st April 2017	0	0	0	0	0	0
Plus assets classified as available for sale in the year	609	183	426	609	183	426
Less assets sold in year	(324)	(97)	(227)	(324)	(97)	(227)
Less Impairment of assets held for sale	0	0	0	0	0	0
Net book value at 31st March 2018	285	86	199	285	86	199

At 1st April 2017, the Trust held no assets for sale in disposal groups. During the year, three properties were reclassified as held for sale and one property was sold during the year.

Note 15 & 16 (a)

16. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust - continued)

16.2 Non-current Assets for Sale and Assets in Disposal Groups 2016/17

	Total	Group Property, Plant & Equipment: Land	Group Property, Plant & Equipment: Buildings	Total	Trust Property, Plant & Equipment: Land	Trust Property, Plant & Equipment: Buildings
	£000	£000	£000	**£000**	£000	£000
Net book value at 1st April 2016	**0**	0	0	**0**	0	0
Plus assets classified as available for sale in the year	**0**	0	0	**0**	0	0
Less assets sold in year	**0**	0	0	**0**	0	0
Less Impairment of assets held for sale	**0**	0	0	**0**	0	0
Net book value at 31st March 2017	**0**	0	0	**0**	0	0

16.3 Liabilities in Disposal Groups (Group and Trust)

The Group and Trust has no liabilities in disposal groups as at 31st March 2018; (31st March 2017 : £nil).

17. Other Assets (Group and Trust)

The Group and Trust has no other assets as at 31st March 2018; (31st March 2017 : £nil).

18. Other Financial Assets (Group and Trust)

The Group and Trust has no other financial assets as at 31st March 2018; (31st March 2017 : £nil).

Note 16 (b), 17, 18

19.   Inventory (Group and Trust)

19.1 Inventory 2017/18

	Group					Trust				
	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
Carrying Value at 1st April 2017	**359**	271	4	13	70	**359**	271	4	13	70
Additions	**3,666**	3,505	15	2	144	**3,419**	3,505	(4)	(13)	(69)
Inventories consumed (recognised in expenses)	**(3,701)**	(3,535)	(15)	(1)	(150)	**(3,538)**	(3,538)	0	0	0
Write down of inventories recognised as an expense	**(5)**	(5)	0	0	0	**(4)**	(4)	0	0	0
Carrying Value at 31st March 2018	**319**	**236**	**4**	**14**	**64**	**236**	**234**	**0**	**0**	**1**

19.2 Inventory 2016/17

	Group					Trust				
	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000	Total £000	Drugs £000	Consumables £000	Energy £000	Other £000
Carrying Value at 1st April 2016	**303**	251	7	9	36	**303**	251	7	9	36
Additions	**3,756**	3,516	47	1	192	**3,756**	3,516	47	1	192
Inventories consumed (recognised in expenses)	**(3,689)**	(3,488)	(50)	3	(155)	**(3,689)**	(3,488)	(50)	3	(155)
Write down of inventories recognised as an expense	**(11)**	(8)	0	0	(3)	**(11)**	(8)	0	0	(3)
Carrying Value at 31st March 2017	**359**	**271**	**4**	**13**	**70**	**359**	**271**	**4**	**13**	**70**

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

20.1 Trade Receivables and Other Receivables

	Group	Trust	Restated Group	Restated Trust
	31st March 2018 £000	31st March 2018 £000	31st March 2017 £000	31st March 2017 £000
Current				
Trade receivables	**13,220**	13,081	**11,991**	11,991
Capital receivables	**1,665**	1,665	**0**	0
Accrued income	**1,961**	2,199	**2,942**	2,942
Provision for impaired receivables	**(513)**	(509)	**(1,221)**	(1,221)
Deposits and advances	**10**	5	**2**	2
Prepayments (non-PFI)	**3,657**	3,355	**3,569**	3,569
Interest receivable	**2**	2	**1**	1
PDC dividend receivable	**0**	0	**294**	294
VAT receivable	**943**	1,302	**558**	558
Loan receivable from subsidiary	**0**	751	**0**	0
Corporation and other taxes receivable	**13**	0	**0**	0
Other receivables - revenue	**363**	361	**1,775**	1,784
Total current trade and other receivables	**21,321**	22,212	**19,911**	19,920
Non-current				
Prepayments (non-PFI)	**470**	468	**476**	476
Loan receivable	**0**	26,769	**0**	0
Total non-current trade and other receivables	**470**	27,237	**476**	476
Total trade and other receivables	**21,791**	49,449	**20,387**	20,396

20.2 Provision for Impairment of Receivables

	Group 2017/18 £000	Trust 2017/18 £000	Group 2016/17 £000	Trust 2016/17 £000
At 1st April	**1,221**	1,221	**687**	687
Increase in provision	**494**	490	**1,131**	1,131
Amounts utilised	**(45)**	(45)	**(63)**	(63)
Unused amounts reversed	**(1,157)**	(1,157)	**(534)**	(534)
At 31st March	**513**	509	**1,221**	1,221

20.3 Analysis of Impaired Financial Assets (Group & Trust)

	Group Trade and Other Receivables	Group Investments and Other Financial assets	Group Trade and Other Receivables	Group Investments and Other Financial assets
	31st March 2018 £000	31st March 2018 £000	31st March 2017 £000	31st March 2017 £000
Ageing of impaired financial assets:				
0 to 30 days	**30**	**0**	256	0
30 to 60 days	**6**	**0**	39	0
60 to 90 days	**38**	**0**	31	0
90 to 180 days	**186**	**0**	177	0
over 180 days	**253**	**0**	718	0
Total	**513**	**0**	1,221	0
Ageing of non-impaired financial assets past their due date:				
0 to 30 days	**7,291**	**0**	3,258	0
30 to 60 days	**1,313**	**0**	583	0
60 to 90 days	**924**	**0**	220	0
90 to 180 days	**1,067**	**0**	797	0
over 180 days	**2,394**	**0**	875	0
Total	**12,989**	**0**	5,733	0

Impaired Financial Assets has been reported for Group and Trust on a combined basis as the difference between the Group and the Trust is immaterial.

20. Trade Receivables and Other Receivables (Group and Trust - continued)

20.4 Finance Lease Receivables (Group and Trust)

The Group and Trust had no finance lease receivables at 31st March 2018 (31st March 2017 : £nil).

21. Cash and Cash Equivalents (Group and Trust)

	Group 2017/18 Cash and cash Equivalents	Trust 2017/18 Cash and cash equivalents	Group 2016/17 Cash and cash equivalents	Trust 2016/17 Cash and cash equivalents
	£000	£000	**£000**	£000
At 1st April	**18,962**	17,470	**27,433**	27,433
Net change in year	**5,503**	1,511	**(8,471)**	(9,963)
At 31st March	**24,465**	18,981	**18,962**	17,470
Broken down into:				
Cash at commercial banks and in hand	**3,196**	137	**376**	376
Charitable funds cash and cash equivalents	**1,425**	0	**1,492**	0
Cash with the Government Banking Service (GBS)	**18,844**	18,844	**594**	594
Deposits with the National Loans Fund	**0**	0	**16,500**	16,500
Other current investments (short term deposits)	**1,000**	0	**0**	0
Cash and cash equivalents as per the Statement of Financial Position	**24,465**	18,981	**18,962**	17,470
Bank overdrafts - (GBS and commercial banks)	**0**	0	**0**	0
Drawdown in committed facility	**0**	0	**0**	0
Cash and cash equivalents as per the Statement of Cash Flows	**24,465**	18,981	**18,962**	17,470

The Trust held £1,177,000 cash and cash equivalents at 31st March 2018 (31st March 2017 : £1,355,000) which relates to monies held on behalf of patients. This has been excluded from the cash and cash equivalents figure reported in the accounts.

22. Trade and Other Payables (Group and Trust)

22.1 Trade and Other Payables

	Group 31st March 2018	Trust 31st March 2018	Restated Group 31st March 2017	Restated Trust 31st March 2017
	£000	£000	**£000**	£000
Current				
Trade payables	**4,095**	3,023	**3,020**	3,020
Other trade payables - capital	**1,203**	1,676	**939**	939
Accruals	**8,892**	9,396	**5,767**	5,767
Social Security costs	**2,730**	2,588	**2,667**	2,667
VAT payables	**89**	0	**0**	0
Other taxes payable	**2,761**	2,269	**2,388**	2,388
PDC dividend payable	**117**	117	**0**	0
Accrued interest on DHSC loans	**239**	239	**249**	249
Other payables	**5,261**	4,965	**5,219**	5,219
NHS Charitable funds trade and other payables	**21**	0	**2**	0
Total current trade and other payables	**25,408**	24,273	**20,251**	20,249

The Group and Trust had no non-current trade and other payables at 31st March 2018 (31st March 2017 : £nil).

22.2 Early Retirements included in NHS Payables above (Group and Trust)

The Group and Trust had no liabilities for early retirements payable over 5 years (31st March 2017 : £nil).

Note 20 (b), 21 & 22

23. Borrowings (Group and Trust)

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
Current				
Capital loans from Department of Health	5,315	5,314	5,315	5,315
Obligations under finance leases	60	60	60	60
Obligations under PFI contracts (excl. lifecycle)	937	938	791	791
Total current borrowings	6,312	6,312	6,166	6,166
Non-current				
Capital loans from Department of Health	50,767	50,767	56,082	56,082
Obligations under finance leases	953	953	1,013	1,013
Obligations under Private Finance Initiative contracts	38,105	38,105	39,041	39,041
Total non-current borrowings	89,825	89,825	96,136	96,136

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000

Note 23

24. Other Liabilities (Group and Trust)

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
Current				
Other deferred income	338	338	567	567
Other deferred income - properties and buildings	0	3,029	0	0
Total current other liabilities	**338**	3,367	**567**	567
Non-current				
Other deferred income	250	250	256	256
Other deferred income - properties and buildings	0	34,951	0	0
Total non-current other liabilities	**250**	35,201	**256**	256

25. Other Financial Liabilities (Group and Trust)

The Group and Trust had no other financial liabilities at 31st March 2018 (31st March 2017 : £nil).

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

26.1 Provisions for Liabilities and Charges

	Group Current 31st March 2018 £000	31st March 2017 £000	Group Non-current 31st March 2018 £000	31st March 2017 £000	Trust Current 31st March 2018 £000	31st March 2017 £000	Trust Non-current 31st March 2018 £000	31st March 2017 £000	
Pensions - early departure costs	114	116	1,276	1,346	114	116	1,276	1,346	
Other legal claims	116	147	0	0	107	147	0	0	
Redundancy	0	567	0	0	0	567	0	0	
Other	370	341	5,349	5,358	370	341	5,349	5,358	
Total	**600**	1,171	**6,625**	6,704	**591**	1,171	**6,625**	6,704	0

26.   Provisions for Liabilities and Charges (Group and Trust - continued)

26.2 Provisions for Liabilities and Charges Analysis - Group and Trust

	Group					**Trust**				
	Total	Pensions - early departure costs	Other Legal Claims	Redundancy	Other	**Total**	Pensions - early departure costs	Other Legal Claims	Redundancy	Other
	£000	£000	£000	£000	£000	**£000**	£000	£000	£000	£000
At 1st April 2017	**7,875**	1,462	147	567	5,699	**7,875**	1,462	147	567	5,699
Change in the discount rate	**119**	15	0	0	104	**119**	15	0	0	104
Arising during the year	**403**	46	72	0	285	**394**	46	63	0	285
Utilised during the year - accruals	**(90)**	(29)	0	0	(61)	**(90)**	(29)	0	0	(61)
Utilised during the year - cash	**(409)**	(85)	(18)	0	(306)	**(409)**	(85)	(18)	0	(306)
Reversed unused	**(682)**	(22)	(85)	(567)	(8)	**(682)**	(22)	(85)	(567)	(8)
Unwinding of discount	**9**	3	0	0	6	**9**	3	0	0	6
At 31st March 2018	**7,225**	1,390	116	0	5,719	**7,216**	1,390	107	0	5,719
Expected timing of cashflows:										
- not later than one year;	**600**	114	116	0	370	**591**	114	107	0	370
- later than one year and not later than five years;	**1,420**	452	0	0	968	**1,420**	452	0	0	968
- later than five years.	**5,205**	824	0	0	4,381	**5,205**	824	0	0	4,381
Total	**7,225**	1,390	116	0	5,719	**7,216**	1,390	107	0	5,719

The total value of clinical negligence provisions carried by the NHS Litigation Authority on behalf of the Trust is £5,746,000 at 31st March 2018 (31st March 2017 : £5,099,000) and these liabilities are not recognised in the Trust's accounts.

Pensions

The pension provisions are based on pension payments and average life expectancies of former employees. The value and timing of the provision would therefore not be expected to vary significantly.

Legal Claims

There are 36 provisions for employers and public liability claims against the Group. Information regarding the probability of success, values and timings of these claims has been provided by the NHS Litigation Authority and Royal Sun Alliance. All of the cases are subject to future change, in particular they may take longer to settle, due to the nature of legal cases.

Other

This represents provisions by the Trust for the following:
- future payments in respect of injury benefit claims. This provision is based on actual injury benefit payments and average life expectancies. The value and timing of the provision would therefore not be expected to vary significantly. This provision relates to 23 people and the value is based on current life expectancy data.
- provisions for employee litigation cases.

The Treasury Pension rate applied to the Pensions and Injury Benefits provision has changed to 0.10 % (previously 0.24%).

Note 26 (b)

27. Contingencies (Group and Trust)

	Group 31st March **2018** £000	Trust 31st March 2018 £000	Group 31st March **2017** £000	Trust 31st March 2017 £000
Value of contingent liabilities:				
NHS Litigation Authority Legal Cases	**(84)**	(84)	**(165)**	(165)
Other	**0**	0	**0**	0
Gross value of contingent liabilities	**(84)**	(84)	**(165)**	(165)
Amounts recoverable against liabilities	**0**	0	**0**	0
Net value of contingent liabilities	**(84)**	(84)	**(165)**	(165)
Net value of contingent assets	**0**	0	**0**	0

Contingent liabilities include:
- estimates provided by the NHSLA for public liability and employer liability cases.

28. Revaluation Reserve (Group & Trust)

28.1 Revaluation Reserve 2017/18 (Trust)

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1st April 2017	**2,215**	2,215	0
Net Impairments	**813**	813	0
Revaluations	**0**	0	0
Transfer to I&E reserve upon asset disposal	**(20)**	(20)	0
Revaluation reserve at 31st March 2018	**3,008**	3,008	0

All revaluation reserve balances are held by the Trust.

28.2 Revaluation Reserve 2016/17

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1st April 2016	**2,982**	2,982	0
Net Impairments	**(1,944)**	(1,944)	0
Revaluations	**1,291**	1,291	0
Transfer to I&E reserve upon asset disposal	**(114)**	(114)	0
Revaluation reserve at 31st March 2017	**2,215**	2,215	0

All revaluation reserve balances are held by the Trust.

29.   Related Parties (Group)

29.1 Related Party Transactions 2017/18

	Group Income £000	Group Expenditure £000
Transactions with parties related to board members:		
Ken Jarrold, Chair		
- Consultant: Dearden HR	0	5
- Director / Sole Share Holder: Other Peoples Shoes Ltd	0	1
Dr Les Boobis, Non-Executive		
- Daughter is Research and Evalution Lead for Changing Lives up to 24/01/2018	45	1,396
Paul McEldon - Non-Executive Director		
- Governor : City of Sunderland College. The Trust has paid purchase invoices.	0	6
Alexis Cleveland, Non-Executive (Acting Chairman: 01/04/2017 - 31/07/2018		
- Chair: University College Council Durham University	86	2
James Duncan, Executive Director of Finance and Deputy Chief Executive		
- brother in law is a partner at Bond Dickinson LLP. The Trust has paid/accrued for purchase invoices in respect of legal fees.	0 / 0	84 / 0
- Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	1
Lisa Crichton-Jones, Executive Director of Workforce and Organisational Development		
- Govenor: East Durham College	0	1
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the North of England Mental Health Development Unit which has been commissioned to support work to repatriate out of area placements and invoices have been paid in respect of professional services.	0	103
Value of transactions with parties related to board members	**131**	1,599
Value of transactions with key staff members	**0**	0
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	146	0
Other bodies or persons outside of the whole of government accounting boundary	13,839	44,799
Total value of transactions with related parties in 2017/18	**14,116**	46,398

29.   Related Parties Group (continued)

29.2 Related Party Balances at 31st March 2018

Receivables	Group £000	Group Payables £000
Balances (other than salary) with parties related to board members:		
Ken Jarrold, Chair		
- Director / Sole Share Holder: Other Peoples Shoes Ltd	0	1
Alexis Cleveland, Acting Chair		
- Vice Chair and Trustee : Durham University Council and Chair : University College Council Durham University. The Trust has raised invoices in relation to training	11	0
Dr Les Boobis, Non-Executive Director		
- Daughter was Research and Evaluation Lead for Changing Lives up to 24/01/18. The Trust has held purchase invoices in relation to a course and the Oaktrees recovery centre in relation to accommodation charges and councelling and care services for addictions	0	70
Paul McEldon, Non-Executive Director		
- Governor : City of Sunderland College. The Trust holds invoices in relation to tuition fees	3	2
James Duncan, Executive Director of Finance & Deputy Chief Executive		
- Brother in Law is a partner with Bond Dickinson LLP. The Trust held a purchase invoices in respect of legal fees	0	2
- Vice Chair of the HFMA Mental Health Faculty. The Trust held a purchase invoices in respect of fees.	0	0
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the Trust through a limited company JOH Associates to manage the return of Trust patients who have been in long-term out of area placements. The Trust held purchase invoices and has made accruals in relation to fees	0	11
Value of balances (other than salary) with parties related to board members	**14**	**85**
Value of balances (other than salary) with key staff members	**0**	**0**
Value of balances (other than salary) with related parties in relation to doubtful debts	**0**	**0**
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year	**0**	**0**
Value of balances with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	15	**0**
Other bodies or persons outside of the whole of government accounting boundary	3,096	**9,165**
Total balances with related parties at 31st March 2018	**3,125**	**9,250**

Note 29(b)

29.   Related Parties

29.3 Related Party Transactions 2016/17

	Trust Income £000	Trust Expenditure £000
Transactions with parties related to board members:		
Alexis Cleveland, Acting Chair		
- Vice Chair and Trustee : Durham University Council and Chair : University College Council		
Durham University. The Trust has raised and paid invoices in relation to training	60	4
- Trustee : Barnado's Children's Charity and Barnado's Pension Fund. The Trust has raised invoices in relation to funding and paid invoices in relation to training	19	4
Dr Les Boobis, Non-Executive Director		
- Daughter is Research and Evaluation Lead for Changing Lives. The Trust has raised and paid invoices in relation to a course and the Oaktrees recovery centre in relation to accommodation charges and counselling and care services for addictions	1	1,067
Paul McEldon, Non-Executive Director		
- Governor : City of Sunderland College. The Trust has paid purchase invoices in relation to tuition fees	0	10
James Duncan, Executive Director of Finance and Deputy Chief Executive		
- brother in law is a partner at Bond Dickinson LLP. The Trust has paid/accrued for purchase invoices in respect of legal fees.	0	27
- Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.	0	7
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the Trust through a limited company JOH Associates to manage the return of Trust patients who have been in long-term out of area placements. The Trust has paid purchase invoices in relation to fees.	0	35
Value of transactions with parties related to board members	**80**	**1,154**
Value of transactions with key staff members	**0**	**0**
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	209	0
Other bodies or persons outside of the whole of government accounting boundary	12,552	43,569
Total value of transactions with related parties in 2016/17	**12,841**	**44,723**

Note 29(c)

29. Related Parties (continued)

29.4 Related Party Balances at 31st March 2017

	Trust Receivables £000	Trust Payables £000
Balances (other than salary) with parties related to board members:		
Alexis Cleveland, Acting Chair		
- Vice Chair and Trustee : Durham University Council and Chair : University College Council	11	
Dr Les Boobis, Non-Executive Director		
- Daughter is Research and Evaluation Lead for Changing Lives. The Trust has held purchase invoices in relation to a course and the Oaktrees recovery centre in relation to accommodation charges and councelling and care services for addictions		5
Paul McEldon, Non-Executive Director		
- Governor : City of Sunderland College. The Trust holds invoices in relation to tuition fees		2
James Duncan, Executive Director of Finance & Deputy Chief Executive		
- Brother in Law is a partner with Bond Dickinson LLP. The Trust held a purchase invoices in respect of legal fees		17
- Vice Chair of the HFMA Mental Health Faculty. The Trust held a purchase invoices in respect of fees.		1
Gary O'Hare, Executive Director of Nursing and Operations		
- wife is engaged by the Trust through a limited company JOH Associates to manage the return of Trust patients who have been in long-term out of area placements. The Trust held purchase invoices and has made accruals in relation to fees		15
Value of balances (other than salary) with parties related to board members	**11**	**40**
Value of balances (other than salary) with key staff members	**0**	**0**
Value of balances (other than salary) with related parties in relation to doubtful debts	**0**	**0**
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year	**0**	**0**
Value of balances with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	11	0
Other bodies or persons outside of the whole of government accounting boundary	18,497	8,655

Related Parties (Group - continued)

Related Party Balances at 31st March 2018 (Group and Trust)

The Department of Health is regarded as a related party. During the period the 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 organisation. Details of collectively significant transactions and balances:

	Group Income 2017/18 £000	Group Expenditure 2017/18 £000	Group Receivables 2017/18 £000	Group Payables 2017/18 £000	Trust Income 2017/18 £000	Trust Expenditure 2017/18 £000	Trust Receivables 2017/18 £000	Trust Payables 2017/18 £000
NHS Foundation Trusts:								
Gateshead Health NHS Foundation Trust	1,864	0	0	1,054	1,864	0	0	1,054
Newcastle upon Tyne Hospitals NHS Foundation Trust	2,133	1,977	0	1,191	1,665	1,888	0	1,102
Northumbria Healthcare NHS Foundation Trust	0	1,685	0	0	0	1,599	0	0
NHS and DHSC								
NHS Durham Dales, Easington and Sedgefield CCG	1,221	0	0	0	1,221	0	0	0
NHS Mansfield and Ashfield CCG	0	0	1,940	0	0	0	1,940	0
NHS Newcastle Gateshead CCG	63,110	0	0	0	63,110	0	0	0
NHS North Durham CCG	1,531	0	0	0	1,531	0	0	0
NHS North Tyneside CCG	19,428	0	0	0	19,428	0	0	0
NHS Northumberland CCG	44,425	0	0	0	44,425	0	0	0
NHS South Tees CCG	1,309	0	0	0	1,309	0	0	0
NHS South Tyneside CCG	22,067	0	0	0	22,067	0	0	0
NHS Sunderland CCG	52,969	0	0	0	52,967	0	0	0
Health Education England	8,760	0	0	0	8,758	0	0	0
NHS England - Core (including 1718 sustainability & transformation fund)	4,867	0	3,305	0	4,867	0	3,305	0
NHS England - Cumbria and North East Local Office	2,526	0	0	0	2,526	0	0	0
NHS England - North East Specialised Commissioning Hub	50,334	0	0	0	50,334	0	0	0
NHS England - Yorkshire and the Humber Specialised Commissioning Hub	3,861	0	0	0	3,861	0	0	0
Local Government bodies:								
Newcastle upon Tyne City Council	2,295	0	0	0	2,295	0	0	0
North Tyneside Metropolitan Borough Council	1,934	0	0	0	1,934	0	0	0
Northumberland Unitary Authority	2,927	0	0	0	2,922	0	0	0
Sunderland City Metropolitan Borough Council	3,327	0	0	0	3,327	0	0	0
Central Government bodies:								
Belfast Health and Social Care Trust - Northern Ireland	1,826	0	0	0	1,826	0	0	0
HM Revenue & Customs	0	19,553	0	5,491	0	17,456	0	4,857
NHS Pension Scheme	0	24,808	0	3,160	0	23,743	0	3,003
HM Revenue & Customs - VAT	0	0	0	0	0	0	1,302	0

For the related parties listed they may also have balances other than those listed though these are under the £1m materiality limit.

In addition, the Group and Trust has had other material transactions (under £1,000,000) with other related parties including: City Hospitals Sunderland NHS Foundation Trust, County Durham and Darlington NHS Foundation Trust, Humber NHS Foundation Trust, North Tees and Hartlepool NHS Foundation Trust, South Tyneside NHS Foundation Trust, Southern Health NHS Foundation Trust, Tees, Esk and Wear Valleys NHS Foundation Trust, North East Ambulance Service NHS Foundation Trust, NHS Bassetlaw CCG, NHS Bradford Districts CCG, NHS North Cumbria CCG, NHS North Lincolnshire CCG, NHS Rotherham CCG, NHS Sheffield CCG, NHS Wakefield CCG, Department of Health and Social Care, NHS Property Services , Department for Transport, HM Revenue & Customs, Leeds City Council

The Trust has had transactions with MHC / NTW LLP (formerly known as Insight Ltd) as part of the Trust's joint venture.

29.   Related Parties (Group - continued)

29.5 Related Party Balances at 31st March 2018 (Group and Trust - continued)

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

	Trust Income 2017/18 £000	Trust Expenditure 2017/18 £000	Trust Receivables 2017/18 £000	Trust Payables 2017/18 £000
NTW Solutions Ltd	5,118	29,305	273	41,527

James Duncan, Executive Director of Finance and Deputy Chief Executive & Peter Studd, Non Executive Director of the Trsut are also members of NTW Solutions Ltd Board titles being;
   James Duncan, Non-Executive Director - NTW Solutions Ltd
   Peter Studd, Chair - NTW Solutions Ltd

	Trust Income 2017/18 £000	Trust Expenditure 2017/18 £000	Trust Receivables 2017/18 £000	Trust Payables 2017/18 £000
Northumberland Tyne and Wear NHS Foundation Trust Charity	90	0	4	0

30. Commitments (Group and Trust)

30.1 Contractual Capital Commitments (Group)

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
Commitments in respect of capital expenditure at 31st March:				
Property, plant and equipment	**716**	2	686	686
Total	**716**	2	686	686

30.2 Other Financial Commitments (Group)

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
The Group is committed to making the following annual payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangements) at 31 March 2018 as follows, analysed by the period during which the payment is made:				
not later than 1 year	**4,823**	2,903	4,310	4,310
after 1 year and not later than 5 years	**407**	363	353	353
paid thereafter	**0**	0	0	0
Total	**5,230**	3,266	4,663	4,663

31. Finance Lease Obligations (Group and Trust)

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
Gross lease liabilities	**1,330**	1,330	**1,428**	1,428
of which liabilities are due				
- not later than one year;	**95**	95	**98**	98
- later than one year and not later than five years;	**361**	361	**369**	369
- later than five years.	**874**	874	**961**	961
Finance charges allocated to future periods	**(317)**	(317)	**(355)**	(355)
Net lease liabilities	**1,013**	1,013	**1,073**	1,073
- not later than one year;	**60**	60	**60**	60
- later than one year and not later than five years;	**240**	240	**240**	240
- later than five years.	**713**	713	**773**	773

The finance lease obligations relate to building lease liabilities.

Note 30 & 31

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32.   Private Finance Initiative (PFI) Obligations deemed to be on the Statement of Financial Position (Group & Trust)

The Trust has two PFI schemes deemed to be on-Statement of Financial Position.

St Georges Park (hospital accommodation for the provision of mental health services):

Estimated Capital Value: £27.5m
Total Length of Project: 30 years
Contract Start Date: 10 May 2004
Number of Years to End of Project: 16 years

Walkergate Park (hospital accommodation providing specialised services for people with neurological and neuropsychiatric conditions):

Estimated Capital Value: £23.7m
Total Length of Project: 32 years
Contract Start Date: 21 July 2005
Number of Years to End of Project: 19 years

Both contracts contain payment mechanisms providing for deductions in the unitary payment made by the Trust for poor performance and unavailability.

The unitary charge for both schemes is subject to an annual uplift for future price indices (RPI).

The operators are responsible for providing a full service for the length of each contract, after such time these responsibilities revert to the Trust.

During the reporting period there were no changes to the contractual arrangements of either scheme. However, the Trust signed a contract variation in respect of buildings works at St Georges Park which came into effect during 2012/13 and results in a increase to the Unitary Charge going forward.

Both schemes are treated as an asset of the Trust and the substance of each contract is that the Trust has a finance lease. Payments comprise two elements; imputed finance lease charges and service charges.

32.1 Total Obligations for On-SoFP PFI obligations on the Statement of Financial Position

	Group & Trust 31st March 2018 £000	Group & Trust 31st March 2017 £000
Gross PFI liabilities	**68,934**	72,505
of which liabilities are due		
- not later than one year;	**3,667**	3,572
- later than one year and not later than five years;	**15,959**	15,191
- later than five years.	**49,308**	53,742
Finance charges allocated to future periods	**(29,892)**	(32,673)
Net PFI liabilities	**39,042**	39,832
- not later than one year;	**937**	791
- later than one year and not later than five years;	**5,749**	4,645
- later than five years.	**32,356**	34,396

Note 32 (a)

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32.   Private Finance Initiative (PFI) Obligations deemed to be on the Statement of Financial Position (Group and Trust - continued)

32.2 Total On-SoFP PFI Commitments

	Group & Trust 31st March 2018 £000	Group & Trust 31st March 2017 £000
Total future payments committed in respect of PFI arrangements	**176,378**	182,444
of which liabilities are due		
- not later than one year;	**8,250**	7,962
- later than one year and not later than five years;	**35,114**	33,890
- later than five years.	**133,014**	140,592
Total	**176,378**	182,444

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

	Group & Trust Total 31st March 2018 £000	Group & Trust Total 31st March 2017 £000
Commitments in respect of the service element of the PFI:		
not later than one year	**3,000**	3,025
later than one year and not later than five years	**10,733**	11,509
later than five years	**40,268**	41,911
Total	**54,001**	56,445

The commitments disclosed include future estimated indexation applied to service charges.

32.4 Analysis of amounts payable to service concession operator

	Group & Trust Total 31st March 2018 £000	Group & Trust Total 31st March 2017 £000
Unitary payment payable to service concession operator	**7,962**	7,211
Consisting of:		
- interest charge	**2,781**	2,827
- repayment of finance lease liability	**791**	707
- service element	**3,025**	2,480
- contingent rent	**1,365**	1,197
Total	**7,962**	7,211

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

There are no events after the reporting period to disclose which have not already been included in the accounts as adjusting events (31st March 2017 : £nil).

34. **Financial Instruments (Group and Trust)**

IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Due to the continuing service provider relationship that the Trust has with Clincal Commissioning Groups (CCGs) and NHS England and the way those NHS organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

The Group's treasury management operations operate within within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. Treasury activity is subject to review by the Group's internal auditors.

Currency Risk
The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Group and Trust has no overseas operations and therefore has low exposure to currency rate fluctuations.

Credit Risk
The Trust can borrow within affordable limits and NHS Improvement will assess the affordability of material borrowing. The Trust can invest surplus funds in accordance with NHS guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Group and Trust in undertaking its activities.

Liquidity Risk

The Trust's net operating income is received under legally binding contracts with local Clinical Commissioning Groups (CCGs) and NHS England, which are financed from resources voted annually by Parliament. The Trust has financed capital expenditure from internally generated resources, and net borrowing of £56,082,000 which is within its affordable limits. The Trust and Group is not, therefore, exposed to significant liquidity risks.

Market Risk
The main potential market risk to the Trust and Group is interest rate risk. The Group and Trust's financial liabilities carry nil or fixed rates of interest. Cash balances are held in interest bearing accounts for which the interest rate is linked to bank base rates and changes are notified to the Group and Trust in advance. The Trust is not, therefore, exposed to significant interest-rate risk.

34.1 Financial Assets by Category

	Group Loans & Receivables £000	Trust Loans & Receivables £000
Assets as per the Statement of Financial Position at 31st March 2018:		
Trade and other receivables excluding non financial assets	**9,822**	9,673
Trade and other receivables with other bodies	**5,923**	5,318
Other investments / financial assets	**0**	27,519
Cash and cash equivalents at bank and in hand	**23,040**	18,981
Consolidated NHS Charitable Fund assets	**1,425**	0
Total at 31st March 2018	**40,210**	61,491

	Restated Group Loans & Receivables £000	Restated Trust Loans & Receivables £000
Assets as per the Statement of Financial Position at 31st March 2017:		
Trade and other receivables with NHS and DH bodies	**4,717**	4,717
Trade and other receivables with other bodies	**10,780**	10,780
Cash and cash equivalents at bank and in hand	**17,470**	17,470
Consolidated NHS Charitable Fund assets	**1,492**	0
Total at 31st March 2017	**34,459**	32,967

Note 33 & 34 (a)

34.   Financial Instruments (Group and Trust - continued)

34.2 Financial Liabilities by Category

	Group Other Financial Liabilities £000	Trust Other Financial Liabilities £000
Liabilities as per the Statement of Financial Position at 31st March 2018:		
Borrowings excluding finance lease and PFI liabilities	**56,082**	56,081
Obligations under finance leases	**1,013**	1,013
Obligations under Private Finance Initiative contracts	**39,042**	39,043
Trade and other payables with NHS and DH bodies	**3,189**	3,094
Trade and other payables with other bodies	**16,933**	16,203
Total at 31st March 2018	**116,259**	115,434
Liabilities as per the Statement of Financial Position at 31st March 2017:		
Borrowings excluding finance lease and PFI liabilities	**61,397**	61,397
Obligations under finance leases	**1,073**	1,073
Obligations under Private Finance Initiative contracts	**39,832**	39,832
Trade and other payables with NHS and DH bodies	**436**	436
Trade and other payables with other bodies	**14,758**	14,758
Total at 31st March 2017	**117,496**	117,496

34.3 Maturity of Financial Liabilities

	Group 31st March 2018 £000	Trust 31st March 2018 £000	Group 31st March 2017 £000	Trust 31st March 2017 £000
In one year or less	**26,434**	25,609	**21,360**	21,360
In more than one year but not more than two years	**4,753**	4,753	**6,309**	6,309
In more than two years but not more than five years	**12,820**	12,820	**12,924**	12,924
In more than five years	**72,252**	72,252	**76,903**	76,903
Total at 31st March	**116,259**	115,434	**117,496**	117,496

34.4 Fair Values of Financial Assets at 31st March 2018

	Group Book Value £000	Group Fair Value £000	Trust Book Value £000	Trust Fair Value £000
Non-current trade and other receivables excluding non-financial assets	0	0	0	0
Total	**0**	**0**	**0**	**0**

34.5 Fair Values of Financial Liabilities at 31st March 2018

	Group Book Value £000	Group Fair Value £000	Trust Book Value £000	Trust Fair Value £000
Loans	0	0	0	0
Total	**0**	**0**	**0**	**0**

| **35.** | **Pensions (Group)** |

The majority of past and present employees are covered by the provisions of the two NHS Pension Schemes. The Group also operates a defined contribution workplace pension scheme for employees who are unable to access the NHS Pension Scheme. The defined contribution scheme is the National Employment Savings Trust Scheme (NEST) which is a scheme set up by the government and details can be accessed on the NEST website www.nestpensions.org.uk. Details of the benefits payable and rules of the NHS Pension Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both NHS Pensions Schemes are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period

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

a) Accounting valuation
A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data as 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

(b) Full actuarial (funding) valuation
The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

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

	Group	Group	Group	Group
	Total number of cases 2017/18 Number	Total value of cases 2017/18 £000	Total number of cases 2016/17 Number	Total value of cases 2016/17 £000
Losses of cash due to:				
- theft, fraud etc	4	0	7	0
- overpayment of salaries	8	38	15	9
Fruitless payments and constructive losses	6	1	48	14
Bad debts and claims abandoned	2	15	13	55
Stores losses	2	5	2	11
Total losses	22	59	85	89

Special Payments	Group	Group	Group	Group
	Total number of cases 2017/18 Number	Total value of cases 2017/18 £000	Total number of cases 2016/17 Number	Total value of cases 2016/17 £000
Ex gratia payments in respect of:				
- loss of personal effects	50	7	52	5
- clinical negligence with advice	0	0	1	1
- personal injury with advice	10	31	16	86
Total Special Payments	60	38	69	92
Total Losses and Special Payments	82	97	154	181

Losses and Special Payments has been reported for Group and Trust on a combined basis as the difference between the Group and the Trust is immaterial.

These amounts are reported on an accruals basis but exclude provisions for future losses.

36.2   Recovered Losses (Group and Trust)

The Group received no compensation payments in relation to losses as at 31st March 2018 (31st March 2017 : £nil).

37.   Gifts (Group and Trust)

The Group received no gifts in 2017/18 (2016/17 : £nil).

Note 36 & 37