



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

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Annual Report and Accounts 2022/23

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of the National Health Service Act 2006**

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Chair's Introduction

On the 14th of September I will have worked with, and for, the NHS for 54 years. On the 30th of September I will retire from my role as Chair. Being the Chair of the Trust since the 1st of February 2018 has been the greatest privilege of my working life. The NHS and the Trust are facing unprecedented challenges of demand, staffing and finance. I am very conscious of the pressures on service users, carers, colleagues, and partners. It is a very challenging time. However, I have often said that I would rather be facing these challenges with everyone at CNTW, than anywhere else.

When I had been Chair for just over a year, I wrote an article for the staff bulletin in which I said that I was clear that CNTW is the best organisation I have served. I asked colleagues to let me know if my understanding of what made CNTW special was correct. It seemed to me then, and it seems to me now, that there are ten things that make CNTW special;

1. No complacency – although people are very glad that CNTW has been rated “Outstanding” by the Care Quality Commission twice, they know from serious incidents, complaints, and from the staff survey, that we don’t always get things right and that we do our best to learn from what goes wrong.
2. Values are lived – service users and carers are at the centre of all we do. This has been reinforced in recent years by the growth of our Involvement movement including the increase in Peer Supporters within our services.
3. There is a powerful circle of experience – high calibre and long serving staff and the respect and trust that exists between them, supported by a vast array of opportunities for training and education including the work of our wonderful Academy.
4. Curiosity and Innovation – there is a strong desire to do better, to learn from the best to develop and adopt best practice, exemplified in the work of the Trust Innovations Team.
5. Research and Development – a long history of distinguished people including the founding Professor of Psychiatry, Alexander Kennedy, and the second Professor, and First President of the Royal College of Psychiatrists, Martin Roth. CNTW is one of the most research active mental health Trusts and colleagues of many professions are involved.
6. Generations of distinguished clinical and managerial leaders.
7. Many outstanding leaders and managers at all levels and in all occupations and professions.
8. Information and IT – is amongst the best in the NHS.
9. Excellent support services and estates services – imbued with NHS values.
10. Excellent internal communications – including a wide range of bulletins.

I will hold the Trust and its service users, carers, colleagues and partners in the light for the rest of my life as I continue to take an interest in the Trust as a Member and live locally.

Thank you for the opportunity to serve you and to serve with you.

All good wishes.

Ken

A handwritten signature in black ink, appearing to read 'Ken Jarrold', enclosed within a thin yellow rectangular border.

Ken Jarrold CBE
Chairman
29 June 2023

Chief Executive's Introduction

As Ken writes his introduction to this Annual Report on his last full year as Chairman, I write this following my first full year as Chief Executive. I would like to build on his message about what makes CNTW special.

As ever, the dedication, commitment and care that our people show every day gives me huge cause for optimism and hope and I feel that all the more now that I am Chief Executive and I have the task, and the duty to nurture that dedication and to install that sense of optimism and faith in our future.

The year described in this annual report has been challenging as we have emerged from Covid, with changes across our communities, in the network of support around us, in our own behaviours and ways of working, and with emerging and significant financial challenges. But through this year we have delivered on our core quality deliverables and have maintained financial balance, although both have been considerably strained.

We have continued to develop our engagement and involvement of service users and carers, and our involvement bank is a great example of this, as is our expansion of peer support roles across the organisation. This is the cornerstone that must hold up everything that we do, and we will ensure that we go further, involving our service users, carers and our communities in everything we do as we look to change the way we work. We need to respond to the needs of the people and communities we serve and meet the challenges that they, we, the NHS and our partners face.

We have continued to develop our CEDAR Programme with our new secure hospital at Northgate, Sycamore, opening in the summer of 2023. This is a testimony to a huge amount of work and 2023 will also see us complete the work on our inpatients facilities for Children and Young People at Ferndene and the start the work at St Nicholas Hospital that will see us replace inpatient facilities across Newcastle. We have started our work with our partners across our communities to develop a joined up, accessible approach to delivering our community services, and we have worked tirelessly within the organisation and with the Care Quality Commission to continually improve our offer across our in-patient services. We have introduced the HOPEs model across our wards, as we look to ensure that we protect the rights of those that need inpatient support and look to end the need for long term segregation.

Thanks to the commitment of our teams across the Trust we have delivered much, but we know we have so much more to do. As the financial challenges facing us and the NHS grow, we know we will have to respond radically, with people and communities at the heart of everything we do. I know we will succeed, because we have so much to build on.



James Duncan
Chief Executive
29th June 2023

1. The Performance Report

1.1 Overview of Performance

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

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

This overview will provide an understanding of the CNTW Group, including the services we provide, our organisational vision and values, strategic direction and potential risks as well as a summary of our performance during 2022/2023.

Our History

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

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

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

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

Our Services

CNTW provides a wide range of mental health, learning disability, Autism and neuro-rehabilitation services to a population of 1.7 million people across North Cumbria and the North East of England as well as providing specialist services nationally. We are one of the largest mental health and disability organisations in the country with an income of approximately £583 million. We employ over 9,000 staff, operate from over 70 sites and provide a range of services including many regional and national services.

We support people in the communities of North Cumbria, Northumberland, Newcastle, North Tyneside, Gateshead, South Tyneside and Sunderland working with a range of

partners to deliver care and support to people in their own homes and from community and hospital based premises. Our main hospital sites are:

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

Chief Executive's Statement on the Performance of the Trust

2022/23 was another successful, but extremely challenging year for the Trust. We broadly delivered on all aspects of performance, achieved our financial objectives for the year, and played a significant role in developing partnerships across health and social care. More importantly, despite the impact the pandemic, we were able to maintain safe services throughout the year for those who need us most.

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

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

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

Despite the challenges over the past 12 months, the Trust has continued to move forward with the major change programmes of work which significantly underpin our strategic ambitions. These are:

Care Environment Development and Re-provision Programme (CEDAR)

Construction continues on our CEDAR scheme, which will provide state of the art secure in-patient facilities for both adults and children and young people, and adult acute in-patient facilities for the people of Newcastle and Gateshead. It was announced in October 2020 as one of the 40 schemes to be developed under the Health Infrastructure Plan, which commits £3.7bn to deliver 40 hospitals by 2030. This will enable the new facilities to be completed and operational by March 2024.

Provider Collaboratives

The Trust continues to work in partnership with Tees, Esk and Wear Valleys NHS FT on commissioning Adult Secure Services, Children and Young People Tier 4 Services and Adult Eating Disorders services. The aim of this partnership is to develop and improve services for the population of North East and North Cumbria, ensuring long term stability in full collaboration with partners, service users and carers. The Trust is working in partnership with the Integrated Care Board to develop plans during 2023/24 for a Perinatal Mental Health provider collaborative.

Supporting and enabling the development of the North East and North Cumbria Integrated Care System

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

As a key partner in the NENC ICS Mental Health and Learning Disabilities workstreams over the past year the Trust has supported the delivery of key objectives for the transformation of mental health and learning disabilities services in our region. We are an active member of the newly established Mental Health and Learning Disabilities ICB sub-committee. We look forward continuing to work in partnership with colleagues across the system and with people with lived experience of mental illness and learning disabilities over the coming year as our Integrated Care System continues to develop.

Our key programmes of work

Over the years we know our health and care systems have become disjointed and we have seen funding levels slow and in some sectors decline. During 2022/23, the Trust embarked on the development of key programmes of work to address the gaps in care, recognising that we need to review and change how we deliver services within some of

our key patient pathways. This year, we worked with, and listened to our service users, carers, staff and key partners across the system to refresh our vision and strategic ambitions and these key programmes of work will be fundamental in our ability to deliver our commitment to working together, with compassion and care, to keep people well over their whole life and ensure our services support the most vulnerable in our communities.

Children and Young People

Across the North East and North Cumbria, our children and young people are not receiving the best start in life. Our most vulnerable, marginalised children and young people are at higher risk of poor mental health, exploitation and offending. The Northern regions have higher levels of child poverty which can have a devastating impact on wellbeing and life chances. Many children and young people do not receive the help they need, and there are long waiting times to access Trust services. This programme of work will seek to work in close collaboration with GPs, paediatrics, schools, colleges and community groups to wrap around families and improve services for children and young people who need a stay in hospital. It is also important to ensure that help and support is available for children and young people while waiting for a diagnosis and work with other organisations to offer better support for children and young people with complex needs, and their families, so they can live well in their own communities.

Inpatient Care for adults and older people with mental ill-health

Sometimes, people need specialist treatment in hospital because they cannot be safely supported in their communities, yet we know our inpatient wards are busy, stressful environments, demand is high, meaning that people are sometimes cared for far away from their homes and support networks. There are often delays in discharging people out of hospital care because there is nowhere appropriate for them to return to, and people with learning disabilities or autistic people are often admitted to services that don't meet their needs. This programme of work will look to make significant changes to inpatient services for adults and older people with mental ill-health. We will work with social care, housing providers, GPs and primary care to help and support people to stay well after their hospital stay. This will involve re-designing services to avoid hospital stays where appropriate and people will only be admitted to inpatient care if and when they need it. As part of this work, we will continue our focus on unavoidable long term segregation or seclusion.

Community based care for adults and older people with mental ill-health

This key programme of work will seek to enable people to access the support they need when they need it. GPs, primary care and community organisations are at the heart of supporting people all through their lives. Each community has its own support and care networks, which we want to work alongside to wrap care around the person that needs it. At any given time, people should have access to care and support that is right for their needs, provided by the organisation that is best placed to meet those needs. We will work with our partners to create new models of care and support which are simple, easy to access and built on strong, trusted relationships.

We have started our journey to look at how we deliver community based care which will consist of services and teams working together and rooted in our communities, move away from a confusing system of referrals, assessments and treatment, to one of constant support and easy access to the right support at the right time. This work will include ensuring expert advice, support and skilled clinical help is available from our teams when needed including the provision of intensive wrap around support for people who need it most. The programme of work will look to develop real alternatives to inpatient care with our partners across our places so that where possible, we can support people in crisis within their own communities.

People with a learning disability and/or neurodevelopmental conditions

People with a learning disability and/or neurodevelopmental condition should receive access to health and care services as everyone else, this includes access to extra support to stay well and have a good life. We will seek to ensure all services are able to support someone with a learning disability and/or neurodevelopmental condition, ensuring staff the relevant training, and we will work with other organisations so people with a learning disability or neurodevelopmental condition stay healthy and live well in their communities.

Primary Care Mental Health workforce development

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

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

Improving care for people with autism and learning disabilities

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

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

HOPEs is the recommended national model for working with individuals in Long Term Segregation. Individuals with learning disability and autistic individuals are more likely to be subject to highly restrictive practices such as Long Term Segregation. The Trust is committed to reducing its use and has invested in a HOPEs role to lead the implementation of the model in CNTW and support the work of the National HOPEs team.

All individuals in the Trust who are in Long Term Segregation are supported using the model that addresses their human rights and works to improve their quality of life and end Long Term Segregation. Staff supporting these individuals are being trained in the model and to use a tool to support them in setting intervention targets to change the situation.

To date four individuals have been referred to the National HOPEs team and have received support, another six teams are receiving support internally. In the last year, Long Term Segregation use has decreased in the Trust, although it continues to be initiated at times.

Over 500 members of staff have received HOPEs awareness training that supports teams to understand the traumatic impact Long Term Segregation can have, 50 staff have received the two-day HOPEs training and we have a team of 20 staff who have completed the five-day training.

Tackling Health Inequalities

A lack of representation and diversity in research has resulted in a lack of evidence about the impact of inequalities as they relate to mental health. Guidance published by NHS Digital in April 2022 set out a framework for improving the quality of data submitted by providers to the Mental Health Services Dataset and Improving Access to Psychological Therapies (IAPT) Dataset and explained why a focus on improving data quality is a crucial step towards tackling inequalities related to mental health, learning disabilities and autism. Over the past year the Trust's work to address health inequalities has focused on improving the quality of the data we collect and developing our approach to analysing this data so that we can better understand and tackle inequalities in the populations we serve.

The Trust currently collects demographic data for all service users including home address, age, gender, ethnicity and any relevant physical or mental health diagnoses. We have developed additional metrics which enable us to monitor the level of completeness of this key demographic data across our patient records. Prioritising the collection and completeness of this demographic data enables the Trust to monitor referrals, admissions and waiting times by protected characteristic and by other key indicators of inequality including deprivation decile, and internal dashboards have been developed to support this. We also analyse feedback from Points of You by patient demographic to support our understanding of differences in patient experience of our

services between different groups. The Trust has delivered a series of awareness-raising sessions for staff across the organisation to increase understanding of the importance of collecting patients' demographic data and the benefits of doing this. For example, high-quality patient data can help us understand and, in collaboration with system partners, address the significant gap in life expectancy between people with learning disabilities and/or severe mental illness and those without.

Our work on improving data quality over the past year provides a foundation for the development of a Trustwide approach to understanding and tackling inequalities which is data-driven, while recognising the importance of understanding inequalities data alongside feedback from patients, families, carers and communities about their lived experiences.

Trust Business Model and Structure

The Trust structures its operational services geographically into 'Locality Care Groups' (Localities). This is to support a collective leadership approach, and to ensure a devolved decision making model where decisions are made as close to the patient as possible. The Trust's operational services are arranged across four localities:

North – Northumberland and North Tyneside

Central – Newcastle and Gateshead

South – South Tyneside and Sunderland

North Cumbria

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

The Central and South localities consist of four clinical business units (CBUs), the North and North Cumbria localities consist of three CBUs (14 CBUs in total across the Trust). Each CBU is led by a collective leadership team including an Associate Director, Associate Nurse Director, Associate Medical Director, Associate Director for Allied Health Professionals and Associate Director for Psychological Services.

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

Wholly Owned Subsidiary Company

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

NTWS provides the Trust's estates and facilities management services and a range of other services including: workforce recruitment; staff records; procurement; materials management; some financial services; car leasing and other staff benefit schemes;

digital dictation; and outpatient pharmacy dispensing. It employed 739 staff (physical number of staff not full time equivalents) as at 31st March 2023, the majority of whom were transferred from the Trust to the company under TUPE regulations, thereby protecting their NHS terms and conditions. New company staff appointed since April 2017 are employed on company terms and conditions of service.

AuditOne

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

CNTW Charity

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

Our Vision, Values, Quality Goals and Strategic Objectives

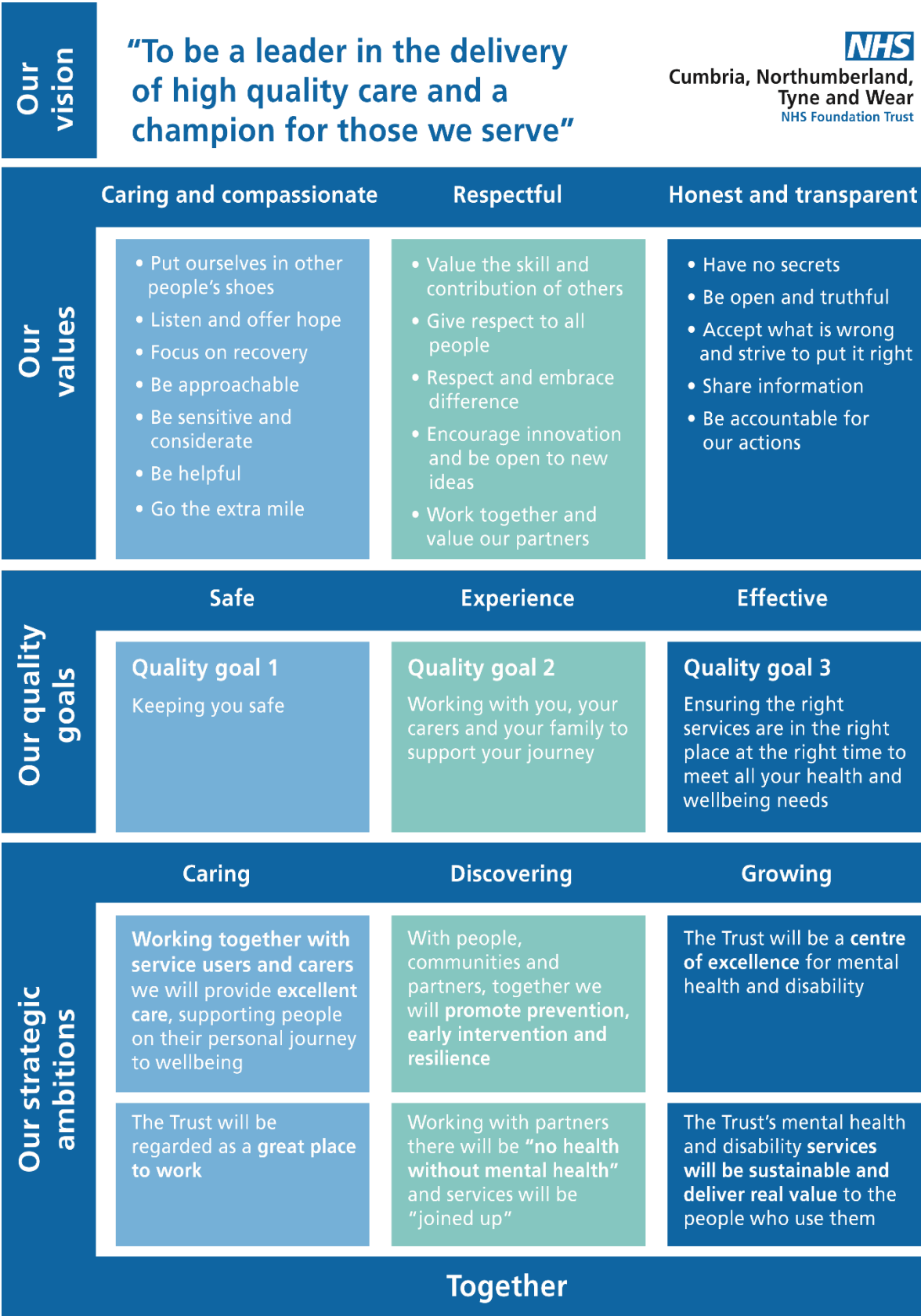
The Trust implemented the 'Caring, Discovering, Growing: Together' strategy in April 2017 following an engagement process that sought the views of service users, carers, staff, Governors and other stakeholders on the Trust's vision, values and strategy. The Trust's values, that were originally established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

During 2022/23, continued to review and refresh our strategy, taking into consideration the national, regional and local challenges for health and care services, the establishment of North East and North Cumbria Integrated Care Boards and Place-based arrangements, and learning from the pandemic.

Following extensive engagement with service users and carers, our workforce, our partners and local communities, the new strategy, 'With You in Mind' will be launched in May 2023.

The diagram in figure 1 sets out the current Trust vision, values, quality goals and our current six strategic ambitions, as at 31st March 2023.

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



Caring | Discovering | Growing | **Together**

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

The Group faces a number of risks to the delivery of its strategy. A full analysis of the principal strategic risks, together with the controls and mitigation, are included in our Board Assurance Framework. The Group’s principal risks are set out within the Annual Governance Statement (section 2.8).

NTW Solutions Limited Strategy

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

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



Going Concern Disclosure

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

Summary of Performance 2022/23 (April 2022 – March 2023)

Here at CNTW there is always much to be proud of, and this year was no exception. Here are some of the highlights from this financial year.

In April our Regional Communication Aid Service received accreditation from Communication Access UK, an organisation which aims for inclusive communication for everyone, for supporting people with communication difficulties.

Our charity, SHINE, also announced a partnership with Starbucks to both raise money for the charity and to raise mental health awareness. This partnership was established thanks to NHS Charities Together, which aims to provide extra supported needed to care for NHS staff, patients and communities.

In May, a new intranet was launched at the Trust, replacing a system which was around 16 years old. This investment supports the dissemination of information and knowledge across the organisation and has proved to be a game changer for our staff, supporting communication and sharing.

The month of May also saw the Trust team up with North East Young Dads and Lads (NEYDL), a charity which supports young dads under the age of 26 to look at how to better engage with dads to provide better support for the whole family.

In June we celebrated our first ever graduates of our Registered Nurse Degree Apprenticeship. The group, who began their training in January 2019 were presented with certificates and pin badges. The badges, designed by one of the graduates, Rhian Spencer, were a fitting tribute to a tradition where nurses received a badge on qualifying. All who graduated were internal staff, many of whom were working in clinical support worker roles and wanted to progress to become registered nurses. This forms part of the Trust's nursing strategy which puts an emphasis on 'growing our own' and allowing staff to develop.

In July one of our specialist mental health nurses, Lisa Furnevel, along with Police Officer, Andy Simpson, were awarded a Chief Superintendents Commendation for their efforts in protecting a vulnerable person during the course of their work from the North of Tyne Street Triage Team. Lisa said that "this highlights the importance of our partnership working with Northumbria Police and the innovative changes this has allowed us to make with the care and support we can provide to vulnerable people who access our services."

July was a month of recognition as the Trust also gained an award in recognition of its support to the Armed Forces. CNTW was one of 10 organisations to receive a Gold Award from the Ministry of Defence's Employer Recognition Scheme, praising the Trust for its support of the Armed Forces and aligning with the values of the Armed Forces Covenant.

In August, with funding from CNTW, a freephone line, ran by North East Counselling Services (NECS) was set up for parents and carers who may be struggling with their mental health. Manned by qualified counsellors, the service was set up after recognising when parents were bringing their children to counselling sessions, they were seeking support too.

September saw the signing of the Equally Well UK Charter. The Charter is a group of over 70 organisations who are working together to improve the physical health of people with mental illness, with the aim of reducing the life expectancy gap between people living with mental illness and the general population. By signing the pledge, the Trust pledges its commitment to improving access to good physical health support for our patients accessing our services.

October saw another pledge signing where our executive team signed a pledge agreeing to be part of the solution to stop hate and create change. Created by our LGBT+ staff network, the pledge sets out that everyone, regardless of sexual orientation, gender identity or expression, deserves respect and to feel safe and supported.

In November we celebrated our patients' success in the annual Koestler awards, a national arts competition which celebrates all forms of art created by prisoners and secure patients, challenging negative stereotypes and helping people to lead more positive lives. The artworks included a mix of textiles, drawings, paintings, portraits, sculpture, digital art and musical compositions. 25 artworks received an award, including an award for Outstanding Debut. Two paintings received Platinum Awards, the highest award available.

Also, in November our Mental Health and Deafness Service produced two videos with members of the Deaf community to highlight the support available in a crisis. Deaf people are around twice as likely to experience mental health issues compared to the general population, making it even more important that information is provided to the Deaf community in our region in an accessible format about what support is available if they find themselves in a mental health crisis.

At the end of the year in December the Trust joined the 'Think Ahead' graduate social worker programme, which is a charity working with both the NHS and Local Authorities adult mental health services to strengthen the contribution of social work. The innovative graduate programme aims to widen the pool of talent entering mental health social work by attracting outstanding individuals and raising the status of social work as a career of choice. The programme focuses on on-the-job training and teaching provided by Middlesex University.

In the New Year the focus was very much on providing improved access to recruitment with the Trust creating an application support hub designed to support candidates from a diverse range of backgrounds through their recruitment process. This includes people from ethnic minority backgrounds and people with learning disabilities, but the resources are useful for anyone in applying for a role at the Trust. Freely available on the CNTW website, the hub takes applicants through the recruitment process, sharing advice and detailed explanations at each stage. It includes a detailed explanation of what to include on the application form and how to present the information; tips on how to prepare for an interview; examples of common interview questions; and suggestions for follow up questions to ask at the end of an interview.

And continuing on the theme of recruitment in February mental health nurse Monica Silviya Dsouza, based at St George's Park, featured as part of an NHS England campaign highlighting the support and opportunities available for internationally

recruited nurses to progress in their NHS career. The national campaign promotes resources to help internationally recruited nurses to maximise their personal and professional growth in the NHS, including advice for career planning, NHS Leadership Academy courses and support groups.

February also saw the Trust receive a Stonewell Silver Award for LGBTQ+ inclusive employers, climbing 193 places in employer rankings.

And finally, in March the Trust celebrated again when Sunderland University announced the Trust as the winner of the Employer of the Year Award at their Apprenticeship Awards 2023. Several nominating apprentices praised the work of the Trust's Academy, which provides access to training for staff and has a team dedicated to recruiting and supporting apprentices.

This is just a snapshot of the things our staff have achieved in a short space of time and we will continue to strive to provide the best possible care for those who need us and continue in our ambition to be an employer of choice.

1.2 Performance Analysis

Performance relating to the quality of NHS services provided

The CNTW Quality Account provides comprehensive information on performance in terms of the provision of quality services, including performance against mandated Core Indicators, Quality Indicators and the Trust's Quality Goals. Copies of the Quality Account can be obtained from the Trust's website www.cntw.nhs.uk or the NHS website www.nhs.uk.

Registration with the Care Quality Commission (CQC)

The Trust is required to register with the CQC and its current registration status is registered without conditions and therefore licensed to provide services. The CQC has not taken enforcement action against the Trust during 2022/2023.

In 2018, the Care Quality Commission (CQC) conducted an inspection of our services and once again rated us as "Outstanding". We are one of only seven Mental Health and Disability Trusts in the country to be rated as such, as at 31 March 2023.

During 2022/23, the CQC conducted two focused inspections to Rose Lodge and all wards for people with a learning disability or autism. We are addressing all areas for improvement identified from the focused inspections, which included:

- The service must ensure that the ward has enough suitably trained and qualified staff on each shift. This action relates to the focused inspection of Rose Lodge.
- One patient's care plan did not contain information about communication with their responsible clinician in their care plan.
- People in seclusion on Lindisfarne did not have privacy and dignity because staff who were not providing direct care entered the seclusion area regularly.
- There was no nurse call alarm system on Cheviot, Lindisfarne, Tyne or Tweed wards. There was a high use of prone restraint.
- One person had restrictions in place including long term seclusion and no access to their personal belongings which was not based on current risks. There were no plans to end the restrictions.
- Three seclusion rooms did not meet the requirements which meant they were not fit for purpose. There were issues with the environments on some of the wards.
- Cheviot ward did not have enough staff on shifts to meet the staffing requirements for enhanced observations. Staff did not receive training in learning disabilities or autism.

In December 2022, the CQC conducted a focused inspection of three acute wards for adults of working age and psychiatric intensive care units on the Campus for Ageing and Vitality hospital site (Fellside, Lamesley and Lowry). At the time of writing this report the Trust had received the draft inspection report and was in the process of checking this report for factual accuracy.

Mental health and learning disability services from North Cumbria transferred to the Trust on 1 October 2019 and with those services accepted 38 areas of improvement that had been identified by CQC at previous inspections. 24 areas of improvement have since been actioned and we are looking to address all remaining areas of improvement.

NHS Oversight Framework

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

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

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

Segmentation

NHS Improvement have assessed Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust as segment 1 – maximum autonomy. There are no enforcement actions placed upon the Trust by NHS Improvement and no actions are being taken or proposed by the organisation. At Month 12 the Trust has agreed with the Trust Board and ICS to revise the financial outturn for the year end to breakeven from a 5.6m surplus. This may impact on the level of autonomy in future quarters.

This segmentation information is the Trust's position as at 31 March 2023. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

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

Finance and Use of Resources

Organisations have been managing within an exceptional finance regime, which was being underpinned by nationally determined block allocations for each organisation based upon adjusted levels of expenditure from 2019/20. This has developed during 22/23, but has essentially remained as a block allocation regime as the NHS payment regime transitions to new mechanisms post pandemic. The Trust committed to delivering financial break-even as part of the North East and North Cumbria Integrated Care System. The Trust delivered a breakeven position in 2022/23. The adjusted financial performance for the CNTW Group for the period ending 31st March 2023 was £92,000 (2021/22 £171,000). The adjusted financial performance is after exceptional items such as impairments and full details are reported within note 1.26 of the annual accounts.

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

The Trust has committed to updating the internal dashboards that contain a clear set of key performance indicators reflecting not only national targets, but local targets linked to

the Trust's strategic and annual objectives balanced across clinical, operational, financial and staff dimensions. The updates will provide staff with more data that is joined up and will aid planning. This ensures that our strategy, objectives and targets are linked to ensure delivery, with strengthened accountability for performance using key metrics.

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

The Trust provides services to a broad range of commissioners. The main commissioners for the Trust in 2022/23 were as follows:

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

During 2022/23, there were no contracts in place with CCG's due to the on-going pressures whilst managing through the pandemic. The Trust continued to fulfil usual contractual requirements of submitting routine commissioner data however which has allowed us to maintain our positive relationship with commissioners. The Trust has also been developing and maintaining these positive relationships as the ICB/ICS takes shape. We continue to be a New Care Model for adult secure and children's inpatient services, working in partnership with NHS England and Tees, Esk and Wear Valley NHS Foundation Trust. Commissioners monitor our performance through monthly monitoring reports and regular contract review meetings.

NTW Solutions Limited Performance

Service Level Agreements and Key Performance Indicators (KPIs)

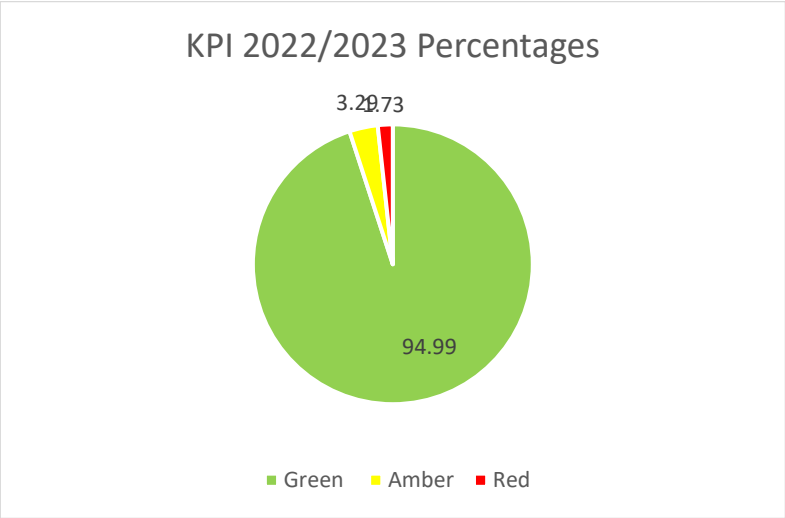
The Trust's subsidiary company is included within the financial performance for the group. All profits generated by NTW Solutions are retained and reinvested by the Trust as part of the CNTW Group. In March 2023 the company declared an interim dividend in favour of its sole shareholder, the Trust, of just over £1m. The annual accounts for NTW Solutions will not be formally approved until November 2023.

The Trust monitors the service and financial performance of NTW Solutions on a monthly basis. There are three main contracts between CNTW and NTW Solutions under which individual Service Level Agreements are in place for all of the main services. Both parties monitor service performance at corporate level through agreed Key Performance Indicators (KPIs) and at a monthly Informed Client Meeting.

At the end of 2022/23 NTW Solutions had 118 KPIs in place with CNTW, (an increase from 115 the previous year). Any KPI recorded as “amber” or “red” i.e. not meeting agreed target levels, requires NTW Solutions to provide CNTW with an explanation or an action plan setting out how performance will be improved. The KPIs are also reviewed twice per year by the company and the Trust to ensure they remain relevant, with appropriate target levels.

Across the full year NTW Solutions reported on 1,252 KPI measurements, with 94.99% of these meeting the mutually agreed target, as shown in the chart below.

In addition, NTW Solutions paused 25 results across the year by mutual agreement due to recovering to previous standards following the Coronavirus pandemic or as a result of reporting issues.



Social, Community, anti-bribery and Human Rights issues

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

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

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

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

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

Important Post Year End Events

The directors have confirmed that there are no expected post balance sheet events which will materially affect the disclosures made within the Accounts 2022/23.

Overseas Operations

The Trust does not engage in any commercial overseas operations.



James Duncan
Chief Executive
29 June 2023

2. Accountability Report

2.1 Directors report 2022/23

The Board of Directors

The Trust's Board of Directors keeps its performance and effectiveness under constant review and undertakes an annual self-assessment of effectiveness. The Board also have 'away day' meetings, a development programme and regularly review governance arrangements. A regular review of the terms of reference and an annual self-assessment exercise is also conducted on all committees'. The Board also uses the outcome of the annual Care Quality Commission Well Led Review as a means to measure Board effectiveness, and identify areas for further development. The Trust undertook an independent Well Led review of Leadership and Governance using the Good Governance Institute during 2021/22.

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

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

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

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

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

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

Chair and Non-Executive Director (NED) appointments

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

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

The Trust Chair

The role of Chair of the Board of Directors and Council of Governors is held by Ken Jarrold, who commenced his role with the Trust on 1 February 2018 and was re-appointed for a second term of office on 1 February 2021. The Chair is responsible for providing leadership to the Board of Directors and the Council of Governors, ensuring governance principles and processes of the Board and Council are maintained whilst encouraging debate and discussion. The Chair is also responsible for ensuring the integrity and effectiveness of the relationships between Governors and Directors. The Chair leads the performance appraisals of the Council of Governors, NEDs and the Chief Executive.

The Trust Vice Chair

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

The Trust Senior Independent Non-Executive Director

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

The Chief Executive

The role of Chief Executive has been held by James Duncan since 1st February 2022. The Chief Executive's principal responsibility is the effective running and operation of the Foundation Trust's business. The Chief Executive is also responsible for proposing and developing the Trust's strategy and business plan objectives in close consultation with the Chair of the Board of Directors. The Chief Executive is responsible for preparing forward planning information, which forms part of the Annual Plan, taking into consideration the views expressed by the Board of Directors and Council of Governors. The Chief Executive is responsible, with the executive team, for implementing the

decisions of the Board of Directors and its committees, and leads the performance appraisals of the Executive Directors.

Directors' skills, expertise and experience – CNTW Group

The Board of Directors believes the Trust is led by an effective Board. The Board of Directors keeps the size, composition and succession of directors under review, in line with the Trust's business objectives, and makes recommendations as appropriate to the Council of Governors and the Governors' Nomination Committee via the Chairman and Chief Executive. As a result of the work of the Nominations Committee and the Council of Governors relating to the Chair and NED appointment and reappointment process, the Trust formally acknowledged and accepted the recommendation that appointments to the Board should seek to ensure consideration of gender, equality and diversity balance with the Board of Directors.

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

The qualifications, skills, expertise and experience of the Trust's directors as at 31 March 2023 are shown below.

Ken Jarrold CBE, Chair

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

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

Darren Best, Non-Executive Director and Vice-Chair

Experience and skills / expertise:

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

David Arthur, Non-Executive Director and Senior Independent Director

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

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

Alexis Cleveland, Non-Executive Director (*until 30th June 2022*)

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

- Director General for Transformational Government and Cabinet Office Management at the Cabinet Office;
- Chief Executive The Pension Service; Department for Work and Pensions;
- Chief Executive Benefits Agency, Department for Work and Pensions;
- Head of Analytical Services Division Department for Social Security;
- Experience at Board level in both executive and non-executive roles with major government departments/agencies, non-departmental public bodies and in the voluntary sector;
- Member of County Durham and Darlington NHS Foundation Trust.
- Non-Executive Director and Vice-Chair of Karbon Homes.

Michael Robinson, Non-Executive Director

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

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

Paula Breen, Non-Executive Director

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

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

Brendan Hill, Non-Executive Director

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

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

- Chair of Mental Health Northeast (Regional infrastructure organisation)
- NED/Trustee for Chairty – Ways to Wellness
- Coaching and mentoring
- RSA fellow

Louise Nelson, Non-Executive

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

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

James Duncan, Chief Executive

James has a degree in Politics and History and a Professional Accountancy qualification (Chartered Institute of Public Finance and Accountancy). Experience, skills and expertise:

- Extensive financial experience in the NHS
- Experience in managing mergers, FT application process, PFI and significant capital investment, transformation leadership, public, service user and carer involvement, and development of shared system solutions
- 21 years experience as Director of Finance and Deputy Chief Executive
- Has undertaken national leadership roles in financial and system development
- Senior responsible officer for capital and estate development for the Integrated Care System Provider Collaborative

Dr Rajesh Nadkarni, Deputy Chief Executive / Executive Medical Director

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:

- 23 years' experience as a forensic psychiatrist with extensive expertise in the clinical assessment and management of people with mental health difficulties and involvement in criminal or court pathways.
- Continues to provide clinical expertise to the Newcastle Crown Court Mental Health Team.
- Provider Partner Board Member of the Integrated Care Board North East and North Cumbria.
- Member of GMC Advisory Forum on GMC procedures and doctors health .
- Member of the Mental Health Economics Collaborative, Mental Health Confederation;
- Member of the National Health and Justice Clinical Reference Group.

Gary O'Hare, Chief Nurse (*until 31st March 2023*)

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

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

Lisa Quinn, Executive Director of Finance, Commissioning and Quality Assurance (*until 31st December 2022*)

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

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

Ramona Duguid, Chief Operating Officer

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

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

Lynne Shaw, Executive Director of Workforce and Organisational Development

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

- Member of Chartered Institute of Personnel and Development (CIPD);
- 30 years' experience in the field of HR, including over 20 years in the NHS;
- Extensive experience of generalist HR, change management, transformational leadership, workforce development, training, [wellbeing](#), [equality](#), [diversity and inclusion](#), transactional HR processes;
- National NHS Aspirant HR Director's Programme;
- Non-Executive Director/Governor Newcastle College;
- Member of the National Healthcare People Management Association and Regional Vice President for the North East and Cumbria

Kevin Scollay, Executive Director of Finance (*from 31st October 2022*)

Qualifications include: degree in Economics and a professional accountancy qualification (Chartered Institute of Management Accountants). Experience and skills/expertise:

- Range of experience across NHS sectors;
 - Acute (11 years)
 - Ambulance (3 years)
 - Commissioning (3 years)
- Previously Director of Finance at an Foundation Trust
- Experience in contracting, financial management and financial recovery.

Sarah Rushbrook, Executive Director of Nursing, Therapies and Quality Assurance (*from 27th February 2023*)

Qualifications include: Registered General Nurse, Diploma in Professional Studies in Nursing, BSc (Hons) Nursing Science, Post Graduate Diploma with Commendation in Academic and Professional Learning, Msc Academic and Professional Learning, Nye Bevan Executive Leadership Programme. Experience & Skills:

- Extensive Nursing experience in NHS (37years)
- Experience of implementing large scale change through quality improvement methodologies and qualifications
- Extensive Experience in a wide range of nursing specialities and organisations including oncology, urology, elderly care, mental health & learning disabilities, surgery and emergency care
- Director of Quality, Patient Safety, Innovation & Improvement at North East Ambulance Service
- Director of Community Services & Deputy Chief Nurse at Royal Marsden NHS FT
- Group Director South Locality at CNTW
- Director of Quality & Patient safety at North of England Cancer Network
- Deputy Director of Nursing, Quality & Safety at NHS England Cumbria, Northumberland, Tyne & Wear Area Team
- Qualified Virginia Mason Production System Coach
- Insights Discovery Facilitator

Number of meetings and attendance

The Trust's Board of Directors met formally 10 times during 2022/23. Table 2 below shows the members of the Board of Directors including their titles, attendance at Board meetings, the date of appointment and the expiry date of the current tenure of the Chair and each Non-Executive Director.

Table 2: Membership of the Board of Directors and Attendance			
Name	Date of Appointment/ Term of office	Meetings	
		Total	Attended
Ken Jarrold Chairman	01.02.18 (2)	10	10
David Arthur Non-Executive Director/Audit Committee Chair Senior Independent Director from 1/7/21	14.01.19 (2)	10	9
Darren Best Non-Executive Director/Quality and Performance Committee Chair/ Vice-Chair from 1/7/21	01.10.19 (2)	10	9
Paula Breen Non-Executive Director/Resource and Business Assurance Committee Chair	01.10.19 (2)	10	8
Michael Robinson Non-Executive Director/Mental Health Legislation Committee Chair/Provider Collaborative Committee Chair	16.01.19 (2)	10	8
Brendan Hill Non-Executive Director/People Committee Chair	01.10.21 (1)	10	8
Louise Nelson Non-Executive Director/Chairitable Funds Committee Chair	01.10.21 (1)	10	9
Alexis Cleveland (until 30th June 2022) <i>Non-Executive Director</i>	01.07.15 (2)	3	3
James Duncan Chief Executive	01.02.22	10	10
Dr Rajesh Nadkarni Executive Medical Director/Deputy Chief Executive	16.01.16	10	10

Gary O'Hare (until 31st March 2023) Chief Nurse	01.12.09	10	7
Lisa Quinn (until 31st December 2022) Executive Director of Finance, Commissioning and Quality Assurance	01.12.09	8	6
Ramona Duguid Chief Operating Officer	06.04.21	10	9
Lynne Shaw Executive Director of Workforce and Organisational Development	01.10.20	10	9
Kevin Scollay Executive Director of Finance	31.10.22	4	4
Sarah Rushbrooke Executive Director of Nursing, Therapies and Quality Assurance	27.02.23	1	1

Independent Non-Executive Directors (NEDs)

The Board of Directors is satisfied that the NEDs, who served on the Board of Directors for the period under review, 1 April 2022 to 31 March 2023, were independent. The Board of Directors is satisfied that there were no relationships or circumstances likely to affect independence, and the criteria at B1.1 of the NHS Foundation Trust Code of Governance was taken into account in arriving at their view. This continues to be reinforced through the appointments/re-appointments process applied by the Governors' Nominations Committee.

NTW Solutions Limited Board of Directors

The qualifications, skills, expertise and experience of NTW Solutions Limited directors as at 31 March 2023 are shown below.

Malcolm Aiston, Interim Chair (from 1st August 2022) and Managing Director (31st July 2022)

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

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

Stewart Davies, Chair (until 31st July 2022)

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

- Extensive experience across a range of industries including businesses which provide support services.
- Experience in the petrochemicals industry before moving into leadership roles in steel and building products.

- Managing Director/Chief Executive roles leading support service businesses – including facilities management and environmental services companies.
- Extensive experience leading sustainable development, having served on the government's Sustainable Development Commission
- Board member of the Environment Agency

Andrew Buckley, Non-Executive Director

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

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

Tracey Sopp, Director of Finance and Deputy Managing Director (*until 31st July 2022*), Interim Managing Director (*from 1st August 2022*), Managing Director (*from October 2022*)

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

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

Paul McCabe, Director of Estates and Facilities

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

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

James Duncan, Shareholder representative

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

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

The NTW Solutions Board of Directors met 11 times in the year. Table 3 below shows the members of the Board during 2022/23, date of appointment and attendance at Board meetings.

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

Name & Title	Date of Appointment	Meetings 2022/23	
		Total meetings	Attendance
Malcolm Aiston Managing Director until 31 July 2022 Chair from August 2022	2 November 2016	11	11
Dr Stewart Davies Chair 1 January 2022 to 12 July 2022	1 January 2022	3	3
Andrew Buckley – Non Executive Director	1 March 2019	11	10
Tracy Sopp – Director of Finance until July 2022 and then Managing Director	2 November 2016	11	10
Paul McCabe – Director of Estates & Facilities	1 April 2019	11	9

CNTW Board Committees

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

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

Trust undertook a review of the Terms of Reference of the Board and Sub-committees in December 2022.

As part of its last comprehensive inspection by the CQC, the Trust governance was reviewed through the Well Led Domain, gaining an 'Outstanding' outcome in this area, as well as being rated as 'Outstanding' overall in both 2016 and 2018 following the CQC Well Led review and comprehensive review of services.

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

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

The Board have received regular updates on progress on the actions and recommendations following the review throughout the year. In February 2023, the Trust commenced a review of the Trust's Governance Framework which is due for completion and implementation in June 2023.

In addition to the Remuneration Committee and Audit Committee reporting to the Board, there are also five other standing committees delivering a statutory and assurance function. These are, the Mental Health Legislation Committee (MHLC), the Resource and Business Assurance Committee (RABAC), the Quality and Performance Committee (Q&P), the Provider Collaborative and Lead Provider Committee (PCLP) and the People Committee.

Each committee is chaired by a Non-Executive Director, supported by other Non-Executive Directors, as well as Executive Directors and subject experts to ensure receipt of appropriate assurance. The delegated responsibilities of each committee in relation to risk management is reviewed by the Audit Committee. Each committee self-assesses its effectiveness annually against its terms of reference.

In relation to NTW Solutions, a Scheme of Reservation and Delegation between the Trust and NTW Solutions reserves the company's audit and director remuneration functions to be overseen by the Trust's Audit Committee and Remuneration Committee. This includes the reporting of the company's risk management arrangements to the Trust's Audit Committee. A full review of the NTW Solutions Limited's Scheme of Delegation was undertaken and approved by the Trust Board in October 2022 and a full review of the Trust's Standing Financial Instructions and Scheme of Reservation and Delegation was undertaken and approved by the Trust Board in December 2022.

NTWS has a Board of Directors which has established one Board committee, the Health, Safety and Security (HSS) Committee, which meets quarterly and which is chaired by the Executive Director of Estates & Facilities. The HSS Committee self-

assesses its effectiveness annually and the NTWS Board of Directors reviews and approves any changes to its terms of reference.

During 2022/23 the NTWS Board also has four sub-groups to the Board; the Workforce Group, the Commercial Governance Group, the Senior Management Team and the Innovation and Commercial Engagement (ICE) Group. All sub-groups had Terms of Reference agreed by the NTWS Board and met on a monthly basis. From September 2022 the decision was taken to merge the business of all of the above sub-groups into one Board sub-group, the Leadership Team, which takes place on a monthly basis covering the management of the business of the company across all departments and sectors.

In March 2022 the NTWS Board decided that the Leadership Team would not continue to be a sub-group of the NTWS board on the basis that it is a management group which has the remit of managing the company's business under the direction of the Managing Director who attends and reports into the Board at each meeting.

The company's Scheme of Reservation and Delegation (SORAD) was reviewed and refreshed in October 2022 to reflect the changes to Board membership and to ensure the levels of approval of expenditure are correct so as to create additional resilience within the company given the reduction from three to two Executive Directors and the Director of Estates & Facilities now being a part time officer. Certain matters continue to be reserved to the Trust including oversight of the company's audit and remuneration functions, through the Trust's Group Audit Committee and its Remuneration Committee.

The Trust's Executive Director of Finance attends the NTWS board as the Shareholder Representative.

Register of Directors' Interests

The Trust maintains a formal Register of Directors' Interests. The Register is available for inspection on the internet at www.cntw.nhs.uk or on request, from Kirsty Allan, Corporate Governance Manager, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT (corporateaffairs@cntw.nhs.uk). The Board of Directors do not consider any of the interests declared to conflict with their management responsibilities and therefore they do not compromise the directors' independence.

NTW Solutions Ltd maintains a formal Register of Directors' Interests. The Register is available on request to Sarah Jones, Director of Legal and Commercial Services/Company Secretary, Arran House, St Nicholas Hospital, Jubilee Road, Gosforth, Newcastle Upon Tyne, NE3 3XT.

HM Treasury, cost allocation and charging guidance

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

Political Donations

The Group and Trust did not make any political donations during 2022/23. Some Directors do have personal membership/donation payments in place to political parties and these are declared and available on the Trust website.

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 table 4 below.

Table 4: Payment of Trade Invoices (Group)

Better Payment Practice Code	2022/23 Number of invoices paid within target	2022/23 Value of invoices paid within target	2021/22 Number of invoices paid within target	2021/22 Value of invoices paid within target
Non-NHS Trade Invoices	95.10%	96.40%	96.70%	98.30%
NHS Trade Invoices	100.00%	100.00%	99.90%	100.00%

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 2023 (31st March 2022 : £nil). The Trust reported 328 late payment fees totalling £34k.

NHS Improvement’s well-led framework

The Trust’s Annual Governance Statement 2022/23 (section 2.8) outlines how the Trust has regard to NHS Improvements well-led framework, in arriving at its overall evaluation of the organisation’s performance, internal control and Board Assurance Framework.

The CQC undertook a well led review and inspection of core services in April 2018, and found the Trust to be ‘Outstanding’ overall, and in the Well Led, Responsive, Caring and Effective domains and ‘Good’ in the Safe domain. The Trust commissioned an external review of its governance arrangements against the Well Led Framework, using the Good Governance Institute during quarter 4 2021/22.

The Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. The Trust confirms that there are no material inconsistencies between:

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

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

Service User and Carer Involvement

Service user and carer representation is becoming commonplace within the Trust’s governance framework, with membership in committees, networks, and steering groups.

Sharing personal lived experience ‘A personal story’ from the service user and carer perspective can influence the design and delivery of future services. Trust Board, Trustwide Involvement and Experience Oversight Group and the Service User and Carer Reference Group all include a person’s own lived experience presentation (as do many other forums). This is one of the most powerful activities the Involvement Service supports our Contributors with.

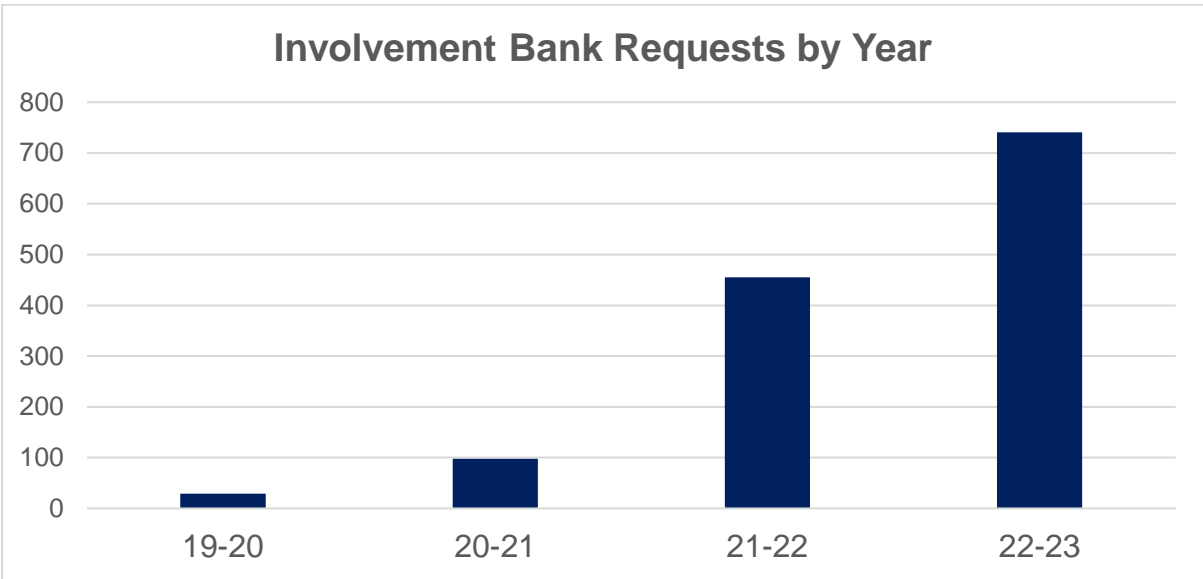
The Involvement Bank continues to provide an effective platform for the meaningful involvement of service users and carers, who wish to share their experience, to support the transformation and development of Trust services. The system is designed to be a supportive process which ensures the needs of individual Contributors are met and, delivers a safe environment for them to influence practices through a wide range of activities, programmes, and initiatives such as the development of new Trust Strategy ‘With you in Mind’.

Membership of the Involvement Bank continued to grow during 2022-23, increasing from 115 Contributors in April 2022 to 198 active Contributors at the end of March 2023. This year also saw the development of the Youth Involvement Bank for 16 and 17 year olds, which we are hoping to implement more fully in 2023-24.

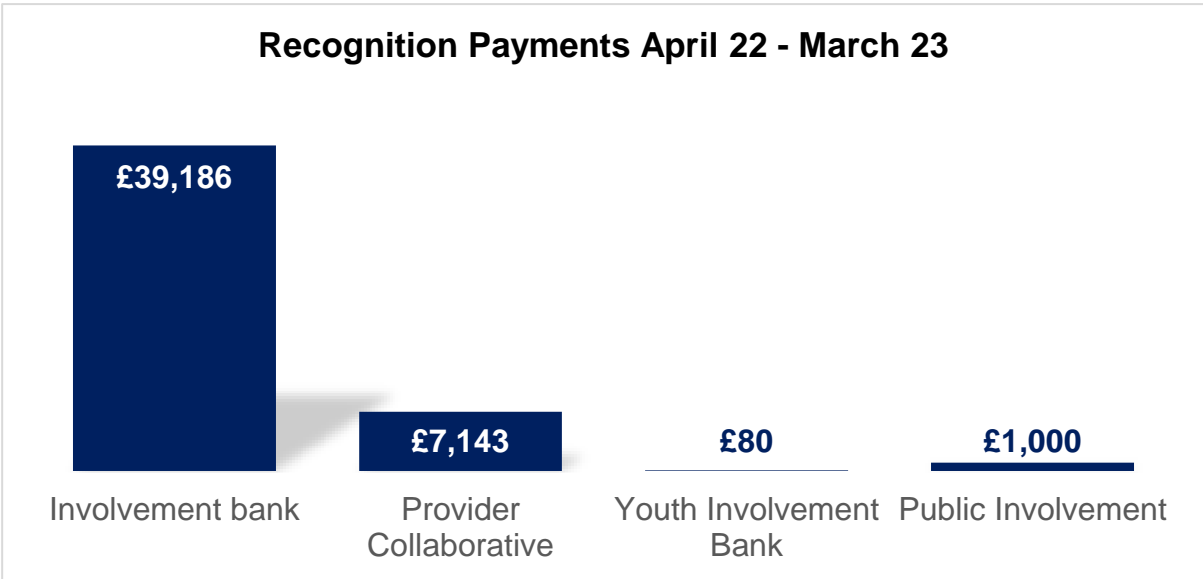
Involvement Bank - Contributors (198 in total)



Involvement activities demonstrate real cultural change in how services and senior managers involve Contributors (service users and carers) in making decisions. During financial year 2020-2021, 98 involvement activity requests were received by the service and in 2021-2022, 455 requests were received for service users and carers to be involved in activities across the Trust. In year 2022-23 the Involvement Service received 741 requests, which equates to more than the previous 3 years combined.







Recognition payments have increased in line with the growth of the involvement activities being supported:

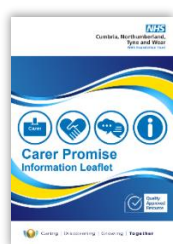


Carers Together Advisory Group

The Trust has been working closely with carers, staff who are carers, staff in carer roles and voluntary carer organisations to improve how we engage and support carers. A new co-designed Carer Promise, to replace the Carers’ Charter was launched at a regional Carers Conference hosted by the Trust. The Carer Promise is defined by four key pledges:

-  You will be recognised, valued and involved.
-  We will work together with you to ensure we are all aware of your needs as a carer.
-  We will listen to you, share information with you and be honest with you when there is information we cannot share.
-  We will talk with you about where you can get further help and information and what you can expect from us.

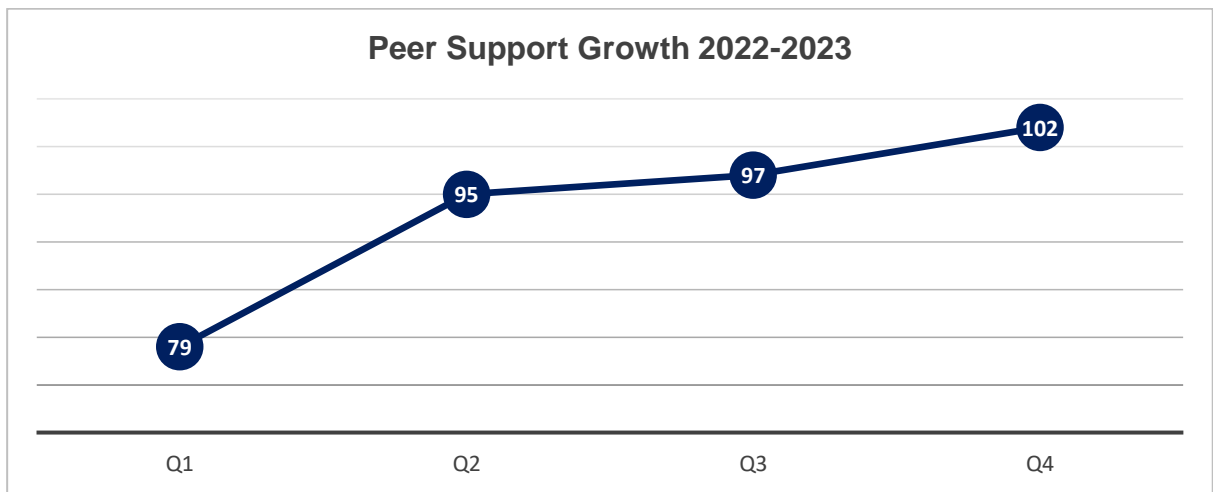
Carers in the Carers Together Advisory Group also co-designed a new set of information leaflets (and posters) to introduce the Carer Promise and Carer Card. Staff in clinical services will now offer a Carer Card to carers, to ensure that they are fully recognised and valued for their involvement in the care of people who have accessed services within the Trust.



Lived Experience

Lived experience positions in the Trust are steadily increasing, an example being the introduction of the co-produced Family Ambassador role, designed to improve the support given to families and carers when faced with their child being admitted into Children and Young People's services.

Clinical services across the organisation are increasingly providing specialist peer support to our service users and carers with 102 Peer Supporters in post at the end of March 2023. This growing employed peer support workforce demonstrates real change in clinical practice.



The career pathway for Peer Supporters allows them to stay within their specialism with Senior Peer Supporter and Peer Support Supervisor positions embedded into Trust clinical services.

Peer Supporters in Post				
Locality	Band 3	Band 4	Band 5	Total
North Cumbria	24	7	2	33
North	15	3	1	19
Central	10	7	2	19
South	24	6	1	31
Total	73	23	6	102

Service User and Carer Reference Group

The Trust's Service User and Carer Reference Group has taken place bi-monthly throughout 2022/23, providing an engagement platform for information sharing on current initiatives and involving people to influence decisions. Reference Group meetings during 2022-23 took place as follows:

- April: Older People's Services
- June: Community Transformation
- August: Families
- October: Is CNTW an Autism Friendly Organisation?
- December: Feedback
- February: Secure Services
- March: The Together Strategy

Recovery College Collaborative

The Trust works in partnership with Recovery Colleges across its geographical footprint. They deliver comprehensive, peer-led education and training programmes and are run like any other college, providing education as a route to recovery, not as a form of therapy with courses co-devised and co-delivered by people with lived experience of mental illness. Coproduced educational and well-being programmes such as the ADHD

FOCUS programme, designed by Trust Peer Supporters, can revolutionise services and help people to fulfil their potential.

Service user Feedback

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

The Points of You Survey

The reporting of the Friends and Family Test (FFT) to NHSE/I recommenced following suspension due to the pandemic as per guidance however the Trust continued to make Points of You (PoY) available to service users and carers, which includes the FFT question throughout this period.

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

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

Friends and Family Test

This is now incorporated into our standard feedback form and levels of feedback have increased. Other methods of engagement to ensure service user and carer feedback is fed into service development work include:

- The Service User and Carer Network
- Essence of Care
- Complaints, Incidents and Service user Advice and Liaison Service (PALS) Reports
- Service visits by Executive and Non-Executive Directors
- Peer review visits
- Service user and carer groups for particular wards and services
- Review of feedback to the CQC regarding the Trust's services
- Royal College of Psychiatry Quality Network peer reviews
- Consultation and involvement regarding proposed service changes/developments
- The Short Warwick and Edinburgh Mental Wellbeing Scale (SWEMWEBS)
- Local and national surveys
- Healthwatch feedback
- Feedback offered through the NHSuk and Care Opinion websites

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

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

Quality priorities

The Trust committed to the following Quality Priorities for 2023/24:

Safety	<ul style="list-style-type: none">• Reducing restrictive practice
Effectiveness	<ul style="list-style-type: none">• Therapeutic engagement and observation
Experience	<ul style="list-style-type: none">• Waiting times for children and young people
Well led	<ul style="list-style-type: none">• Implementation of PSIRF• Closed cultures• Implement governance review
Use of resources	<ul style="list-style-type: none">• Reduce reliance on unregistered agency staff

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

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

Service improvements following staff or service user surveys or CQC reports

During 2022/23 there has been a significant amount of work undertaken to continue to deliver the Quality Priorities identified, here are some highlights from this work;

Quality Priority 1: Safety - Improving the inpatient experience

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

The pie chart below shows the numbers of patients travelling east to west and west to east in excess of 50 miles to an inpatient bed showing that the trend to March 2023 continues from that reported in Quarter 3 with approximately 70% of the journeys being made from west to east.

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

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

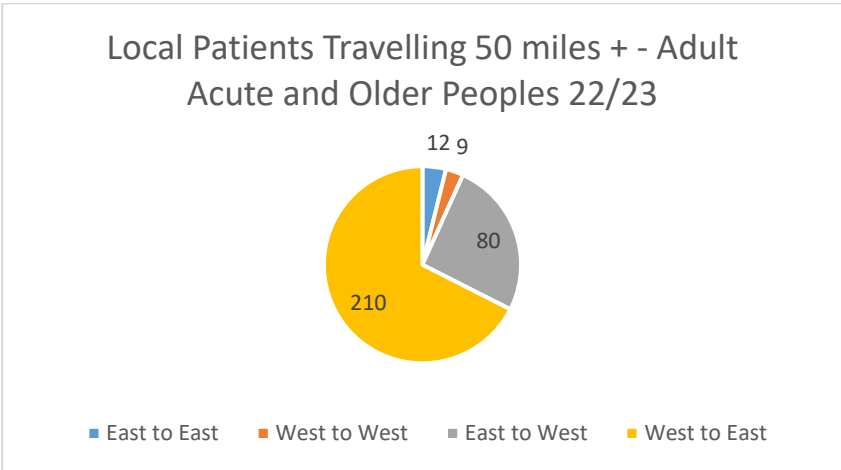
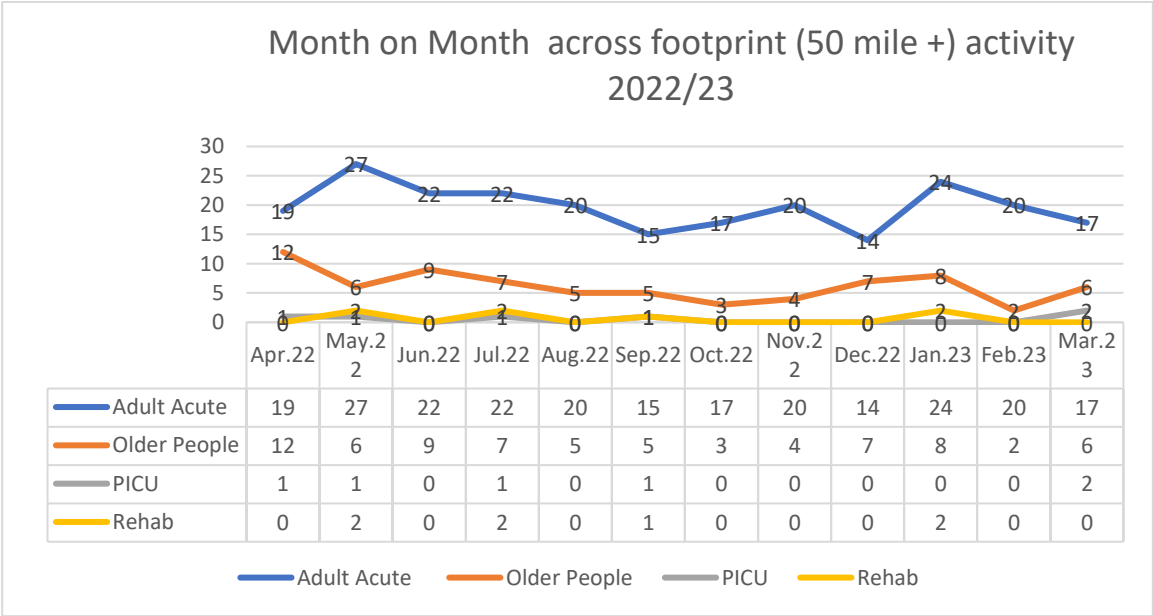


Table 1. Monthly activity by service type

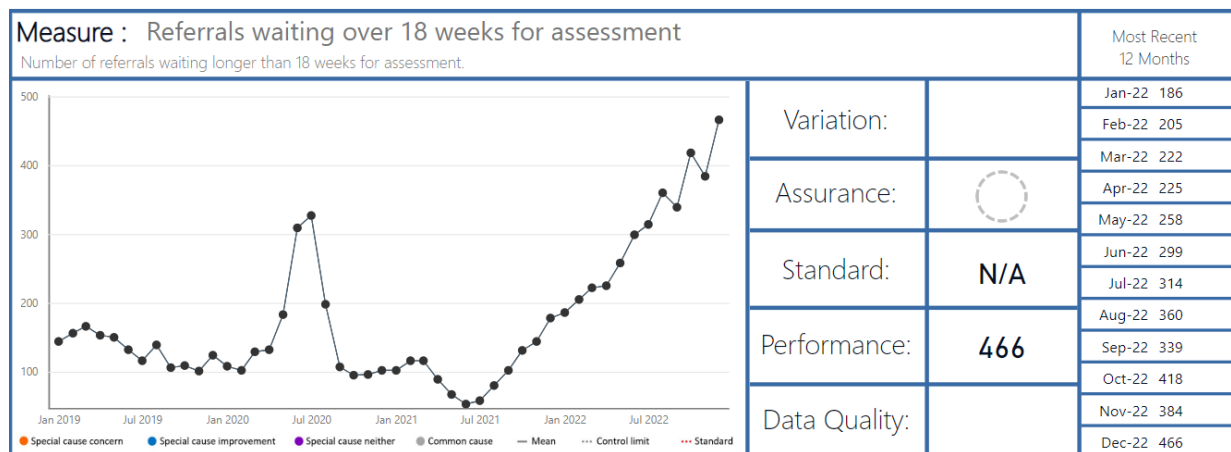


Quality Priority 2: Improving Waiting Times

Nobody should wait more than 18 weeks for their first contact with a community service. In line with nationally reported 18 weeks data, we measure progress against this by looking at the waiting list at the end of the year, by calculating how many of those service users waiting had been waiting for more or less than 18 weeks at that point.

Referrals which are regarded as a priority or emergency by the clinical team would not be expected to wait 18 weeks for first contact. The definition of what constitutes a priority or emergency referral differs per service.

Table 2: People waiting more than 18 weeks for first contact for adult and older peoples community services*, 2022/23 (*excluding adult Autism Spectrum Disorder Diagnosis, Adult Attention Deficit Hyperactivity Disorder diagnosis and Adult Gender Dysphoria services)



Quality Priority 3: Patient Care – Support service users and carers to be heard

This quality priority supports service users and carers to be heard by improving processes and promoting person-centred approaches through:

- Promoting an inclusive approach to positive patient engagement and responsiveness.
- Co-production of refreshed digital enablers for patients and carers.
- Monitor and respond to feedback themes.

The following aims have been delivered through 2022/23

- ✓ Promoting an inclusive approach to positive patient engagement and responsiveness.
- ✓ Co-production of refreshed digital enablers for patients and carers.
- ✓ Monitor and respond to feedback themes.
- ✓ Develop communication strategy for 'You Said – We Did' roll out, including through The Bulletin and through discussion in locality meetings.
- ✓ Implementation of actions.
- ✓ Roll out 'You Said – We Did' poster process to all wards and teams.
- ✓ Evaluate roll out of 'You Said – We Did', identifying teams not using it and offering support.

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

- Making Recruitment/Progression More Inclusive

Work still needs to take place on establishing metrics to monitor the efficacy of the inclusive recruitment measures. It is also too soon to establish whether they have been effective or not. Some of the measures have only recently gone live. This action is carried forward into our 2023-24 Equality Diversity and Inclusion draft action plan.

- Tackling Discrimination - Part of the Respect Campaign

Regular respectful resolution training sessions are taking place. Further requests for bespoke sessions with Teams have been made. A training session for Freedom to Speak Up Champions took place in March 2023 and further introduction and exploration sessions.

- Training strategy for Trust-wide HOPEs plan of implementation in all areas.
- Trust-wide HOPEs awareness sessions are held monthly, with a lot of attendance and engagement. The dates are advertised in advance in the Bulletin and regular communications helps to promote these events.
- HOPEs continues to be part of the Long Term Segregation/Seclusion discussions.
- The Trust has appointed a HOPE(S) lead to provide strategic clinical leadership and innovation using the most up to date and evidence based theory and practice with a specific focus on the application of the HOPE(S) clinical model of care to reduce long term segregation and innovative strategies to improve clinical practice and reduce restrictive practices with children and young people, adults with autism and/or a learning disability across the Trust. A key part of their role is to co-ordinate HOPEs Education and training function in the Trust, this has started to roll out.
- Trauma Informed Care roll-out of training in pilot areas completed, with learning consolidated and shared to inform a Trust-wide strategy.

Patient Information

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

The services offered by the Centre are available to everyone. The Centre has established good working relationships with other statutory and voluntary organisations so that they can make referrals with confidence. 800+ service user and carer information leaflets, including 23 mental health self-help guides are available online in a range of formats, including British Sign Language (BSL), Easy Read, Large print and audio www.cntw.nhs.uk/selfhelp

Complaints and Compliments

The Trust acknowledges that it is important for patients and their families and carers to know how to raise a concern or complaint and that a robust system is in place to investigate complaints thoroughly to raise confidence in our services and improve the patient experience. Comments, compliments and complaints are valuable learning tools and provide information that enables services to improve. The Trust's complaints policy and accompanying Practice Guidance Notes provide the framework in which they can be managed effectively in line with the Local Authority, Social Services and National Health Service Complaints (England) Regulations 2009 (2009 Complaints Regulations) and the Ombudsman's good practice principles.

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

Complaints have increased during 2022-23 with a total of 686 received during the year. This is an overall increase of 57 complaints (8%) in comparison to 2021-22 and the highest number of complaints received per annum to date.

Central Locality Care Group accounted for 34% of the complaints received, followed by South with 23%, North with 21% and North Cumbria with 20%. The other 2% of complaints related to the non clinical directorates.

In comparison to 2021-22 figures, the number of complaints received has increased in three of the localities:

- Central there was a 26% increase (59)
- North Cumbria there was an increase of 10% (13)
- North there was a 5% increase (7)
- South Locality had a decrease in complaints of 13% (24).

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

- Complaints related to patient care decreased by 7%
- Complaints relating to communications increased by 14%
- Complaints relating to values and behaviours increased by 3%

Complaint categories which have significantly increased in comparison to 2021-22 are:

- Complaints relating to waiting times have increased by 71%.
- Complaints relating to admissions and discharges have increased by 21%.

Complaint categories which have significantly decreased in comparison to 2021-22 are:

- Complaints relating to Trust admin/policies/procedures have decreased by 51%.

The Patient Advice and Liaison Service (PALS) gives service users and carers an alternative to making a formal complaint. The service provides advice and support to service users, their families, carers and staff, providing information, signposting to appropriate agencies, listening to concerns. Complainants are also signposted to local advocacy services to support them in making a complaint.

In 2022/23 we responded to complaints in line with agreed timescales in 62% of cases which is a 25% decrease in comparison to 2021/22. This is in part due to long-term sickness and staff retention issues which meant the team ran for the last year on reduced staffing. The team has successfully recruited into two vacant posts and will soon be working at full capacity.

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

Stakeholder Relations

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

We have also continued to work in each locality to support the implementation of the five year forward view including through Health and Wellbeing Boards. The Trust's Chief Executive, James Duncan, acts as joint senior responsible officer for the ICS Mental Health Work Stream, a named Executive Director leads this work in each locality, supported by operational managers and clinicians.

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

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


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

The statutory limitation on private patient income in Section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources. This income has had no impact on the on the provision of goods and services for the purposes of the health service in England. The Private Patient Income for 2021/22 is shown in table 5 below.

Table 5: Private Patient Income

Private Patient Income	Group	Trust	Group	Trust
	2022/23	2022/23	2021/22	2021/22
	£000	£000	£000	£000
Private patient income	0	0	0	0
Total patient related income	546,236	545,709	497,022	496,470
Proportion (as percentage)	0.00%	0.00%	0.00%	0.00%

The statutory limitation on private patient income in section 44 of the 2006 Act was repealed with effect from 1 October 2012 by the Health and Social Care Act 2012. The Health and Social Care Act 2012 requires Foundation Trusts to make sure that the income they receive from providing goods and services for the NHS (their principle purpose) is greater than their income from other sources.



James Duncan
Chief Executive
29 June 2023

2.2 Remuneration Report

Annual statement on remuneration

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

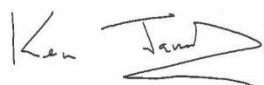
The Trust has a Remuneration Committee, whose role is to determine and review all aspects of the remuneration and terms and conditions of the Chief Executive and other Executive Directors and to agree associated processes and arrangements including appointments and Terms of Conditions. The Remuneration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

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

During 2017/18, the Remuneration Committee conducted an exercise to review the Executive Directors salaries against information provided by NHS Improvement and the NHS Providers survey of NHS Trusts' executive directors' salaries. This exercise showed that, with the exception of the Chief Executive, Executive Directors salaries were benchmarked well below the upper quartile in all cases. Acknowledging the size and complexity of the Trust at that time, it was agreed that the Trust's Executive Directors salaries should be benchmarked against the upper quartile of medium sized mental health trusts, based on the information from NHS Improvement. As a second factor, the upper quartile figures for medium sized acute trusts were also considered.

The Remuneration Committee agreed to a three year process to align the salaries of Executive Directors to the salaries of individuals in comparable positions working in Trusts of a similar size and complexity. In line with this process, the Remuneration Committee reviewed the salaries of Executive Directors during 2019/20. No reviews of Executive Director salaries have taken place during 2020/21 and 2021/22.

In October 2022, the Remuneration Committee considered the recommendations to government on the pay of health service-related public sector staff, including increases to reflect the cost of living. The proposals included consideration of an increase of 3.0% for all very senior managers to be applied and backdated to 1 April 2022. The Committee approved the recommended increase of 3% to Executive Directors and NTW Solutions Board members.



Ken Jarrold
Chairman

Senior Managers' Remuneration Policy

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

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

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

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

During 2022/23, the Trust has had two substantive Executive Directors paid more than £150,000, namely the Chief Executive Officer and the Executive Medical Director. The Trust is satisfied that both pay packages are reasonable.

The Executive Medical Director's package includes a sum for clinical duties as set out in table 7. Remuneration reflects the complexity of the role and its responsibility.

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

Performance related pay did not apply during 2022/23 and benefits in kind relate to lease cars and salary sacrifice schemes.

No non-contractual payments were made during 2022/23.

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

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

Policy on payment for loss of office

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

Statement of consideration of employment conditions elsewhere in the Foundation Trust

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

Policy on diversity and inclusion used by the remuneration committee.

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

Future policy table

Component of Pay	Link to Strategic Objectives	How the Trust Operates this in practice	Maximum Limit	Performance Measures
Basic Salary	To enable the Trust to attract and retain the highest calibre of senior leaders in a competitive market place through offering appropriate but attractive salary packages.	Executive Directors salaries are monitored using national benchmarking. Non-Executive Director salaries are also benchmarked to provide assurance that salaries remain appropriate.	No prescribed maximum limit, however, salaries over £150,000 are subject to external opinion.	Annual appraisal of performance against agreed personal and corporate objectives.
Taxable Benefits	N/A	N/A	N/A	N/A
Pension	N/A	Via the NHS Pension Scheme	Standard NHS Pension Scheme	N/A
Bonus	N/A	N/A	N/A	N/A
Earn-Back	N/A	N/A	N/A	N/A

Annual Report on Remuneration

Service Contracts obligations

The date of service contracts, unexpired term and details of the notice period of Executive Directors who have served during the year are disclosed below and within the Accountability Report.

Remuneration Committee and Disclosures required by Health and Social Care Act

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

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

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

The Remuneration Committee is chaired by the Trust Chair and its membership is made up of all NEDs. The Remuneration Committee met three times during 2022/23. Table 6 below shows the membership of the Remuneration Committee during 2022/23.

Table 6: Membership of the Remuneration Committee and Attendance

Name	Meetings	
	Total	Attended
Ken Jarrold (Chair)	3	3
David Arthur	3	3
Darren Best	3	3
Paula Breen	3	3
Michael Robinson	3	3
Louise Nelson	3	3
Brendan Hill	3	3

The Remuneration Committee has received advice from James Duncan, Chief Executive, Lynne Shaw, Executive Director of Workforce and Organisational Development and Debbie Henderson, Director of Communications and Corporate

Affairs/Company Secretary to assist their considerations. Members of the Trust in attendance at meetings in an advisory capacity only are not in attendance during discussions of their own remuneration and/or Terms and Conditions.

In 2017, the Remuneration Committee agreed an approach to increasing the salaries for Executive Directors as part of a three year strategy to benchmark salaries against the upper quartile of directors of medium-sized NHS Mental Health providers and the upper quartile salaries of medium-sized acute NHS providers. During 2022/23, the Trust has had two substantive Executive Directors paid more than £150,000, namely the Chief Executive Officer and the Executive Medical Director. The Remuneration Committee was satisfied that both pay packages were reasonable and commensurate with the role.

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

Following the appointment of James Duncan as Chief Executive Officer on 1st February 2022, a decision was also made to transfer the portfolio for the Director of Finance to the Executive Director of Commissioning and Quality Assurance until her departure on 31st December 2022.

Following the departure of the Executive Director of Finance, Commissioning and Quality Assurance on 31st December 2022 and the departure of the Chief Nurse on 31st March 2023, a recruitment process took place for the posts of Executive Director of Finance and Chief Nurse during 2022/23.

Following a robust recruitment process, the appointment of the Executive Director of Finance (Kevin Scollay) was made from 31st October 2022 and the appointment of the Chief Nurse was made from 27th February 2023. The salary, terms and conditions for both posts were reviewed and approved by the Remuneration Committee and are detailed in table 7.

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

During 2022/23, there were 14 individuals fulfilling the role as director in the Trust, five of them receiving expenses in the reporting period totalling £2,248.37. The equivalent for 2021/22 for the Trust was 17 individuals, with six receiving expenses totalling £550.01.

During 2022/23, there were five individuals fulfilling the role as director in the Trust subsidiary company NTW Solutions, three of them receiving expenses in the period

totalling £308.72. The equivalent for 2021/22 for the Trust subsidiary company NTW Solutions was seven individuals, with one receiving expenses totalling £234.45.

During 2022/23, there were 41 individuals in Governor roles. Eight Governors received expenses during the year which totalled £919.16. The equivalent for 2021/22 was 39 individuals in Governor roles. Two Governors during 2021/22 received expenses totalling £38.90.

Table 7: CNTW Board of Directors Remuneration – Salaries and Pension entitlements for Board members who served during 2022/23 along with prior year comparatives.

Trust - Board of Directors Remuneration								
Name and Title	Salary Bands of £5,000		Taxable Benefits rounded to the nearest £100		Pension Related Benefits Annual Increase in Pension Entitlement Bands of £2,500		Total Bands of £5,000	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Ken Jarrold - Chair	50 - 55	50 - 55	0	0	0	0	50 - 55	50 - 55
Alexis Cleveland - Non-Executive Director	0 - 5	15 - 20	0	0	0	0	0 - 5	15 - 20
Dr Leslie Boobis - Non-Executive Director	0 - 0	0 - 5	0	0	0	0	0 - 0	0 - 5
Peter Studd - Non-Executive Director	0 - 0	5 - 10	0	59	0	0	0 - 0	10 - 15
David Arthur - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Michael Robinson - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Darren Best - Non-Executive Director	15 - 20	10 - 15	0	0	0	0	15 - 20	10 - 15
Paula Breen - Non-Executive Director	15 - 20	15 - 20	0	0	0	0	15 - 20	15 - 20
Brendan Hill - Non-Executive Director	10 - 15	5 - 10	0	0	0	0	10 - 15	5 - 10
Dr Louise Nelson - Non-Executive Director	15 - 20	5 - 10	0	0	0	0	15 - 20	5 - 10
John Lawlor - Chief Executive	0 - 0	170 - 175	0	0	0.0 - 0.0	0.0 - 0.0	0 - 0	170 - 175
James Duncan - Chief Executive *	170 - 175	130 - 135	42	12	7.5 - 10.0	42.5 - 45.0	185 - 190	175 - 180
Dr Rajesh Nadkarni - Executive Medical Director and Deputy Chief Executive*	225 - 230	210 - 215	46	66	275.0 - 277.5	47.5 - 50.0	505 - 510	265 - 270
Gary O'Hare - Chief Nurse *	95 - 100	60 - 65	37	36	0.0 - 0.0	0.0 - 0.0	100 - 105	65 - 70
Lisa Quinn - Executive Director of Finance, Commissioning and Quality Assurance	285 - 290	150 - 155	1	8	172.5 - 175.0	27.5 - 30.0	460 - 465	175 - 180
Kevin Scollay - Executive Director of Finance *	60 - 65	0 - 0	5	0	90.0 - 92.5	0.0 - 0.0	155 - 160	0 - 0
Ramona Duguid - Chief Operating Officer	145 - 150	140 - 145	0	0	45.0 - 47.5	42.5 - 45.0	190 - 195	180 - 185
Lynne Shaw - Executive Director of Workforce and Organisational Development *	105 - 110	110 - 115	30	24	20.0 - 22.5	55.0 - 57.5	130 - 135	165 - 170

For Dr Rajesh Nadkarni, £24,000 of the remuneration relates to clinical duties (2021/22 £31,000). The remuneration of all other Executive Directors relates to management posts.

Gary O'Hare has retired from the NHS Pensions Scheme and retired from his post of Chief Nurse on 31st March 2023.

Lisa Quinn left her post on 31st December 2022 following a formal decision to restructure the executive director posts and portfolios. The salary disclosed above includes pay in lieu of notice of £35,000 and redundancy pay of £160,000 . Kevin Scollay was appointed on 31st October 2022 and formally took on the responsibility of Executive Director of Finance from 1st January 2023.

*The Directors highlighted with * have salary sacrifice schemes during the year, which can result in increases/decreases in both salary and pension related benefits as salary sacrifice schemes are entered into and withdrawn from. All taxable benefit costs are met by the employee as part of the salary sacrifice scheme arrangements.

The termination benefits included in exit packages relate to redundancy and early retirement contractual costs. There were no non-contractual payments made during the year.

Table 8: NTW Solutions Board of Directors Remuneration - Remuneration for NTW Solutions Board members who served during 2022/23 along with prior year comparatives.

NTW Solutions - Board of Directors Remuneration								
Name and Title	Salary Bands of £5,000		Taxable Benefits rounded to the nearest £100		Pension Related Benefits Annual Increase in Pension Entitlement Bands of £2,500		Total Bands of £5,000	
	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22	2022/23	2021/22
Malcolm Aiston, Interim Chair NTW Solutions	5 – 10	0 – 0	0	0	0	0	5 - 10	0 – 0
Peter Studd - Chair NTW Solutions	0 – 0	5 - 10	0	0	0	0	0 – 0	5 - 10
Dr Stewart Davies - Chair NTW Solutions	0 – 5	0 – 5	0	0	0	0	0 – 5	0 – 5
James Duncan - Non-Executive Director NTW Solutions	0 – 0	5 – 10	0	0	0	0	0 – 0	5 - 10
Andrew Buckley - Non-Executive Director NTW Solutions	5 – 10	5 – 10	0	0	0	0	5 - 10	5 - 10
Malcolm Aiston - Managing Director NTW Solutions	35 – 40	105 – 110	2	1	0	0	35 – 40	105 - 110
Tracey Sopp - Managing Director/Director of Finance and Deputy Managing Director NTW Solutions	120 – 125	105 - 115	0	0	82.5 - 85.0	42.0 - 42.5	205 – 210	145 – 150
Paul McCabe - Director of Estates and Facilities NTW Solutions *	65 - 70	95 - 100	18	56	35.0 -37.5	70.0 -72.5	105 - 110	170 - 175

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.

Dr Stewart Davies resigned from his post as at 31st July 2022 and Malcolm Aiston stood down as Managing Director from 31st July 2022. Malcolm became Interim Chair from 1st August 2022 and Tracey Sopp was appointed as Interim Managing Director from 1st August 2022 and this appointment was formalised in October 2022.

Malcolm Aiston was a member of the NEST defined contribution scheme during his time as Managing Director.

Cash Equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

Fair Pay

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce. The banded remuneration of the highest paid director in the organisation in the financial year 2022/23 was £227,500 (2021/22 £212,500). This is a change between years of 7.1%.

The total remuneration includes salary, benefits in kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pension.

For employees of the trust as a whole, the range of remuneration in 2022/23 was from £6,750 to £225,466 (2021/22 £6,750 to £213,788). The percentage change in average employee remuneration (based on the total for all employees on an annualised basis divided by the full-time equivalent number of employees) between years is 7.9%. No employees received remuneration in excess of the highest paid director in 2022/23 (There were none in 2021/22).

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

Table 9: Median Remuneration

2022/23	25 th Percentile	Median	75 th Percentile
Salary component of pay	24,100	31,775	41,659
Total pay and benefits excluding pension benefits*	24,100	31,775	41,659
Pay and benefits excluding pension: Pay ration for the highest paid director	9.44	7.16	5.46

*CNTW do not pay performance bonus to managers

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

*CNTW do not pay performance bonus to managers

Table 10: Board of Director Pension Analysis 2022/23 provides further information on the pension benefits accruing to the individual.

Total pension entitlement

Table 10: Board of Director Pension Analysis 2022/2023 and 2021/22 (CNTW and NTW Solutions)

Trust - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-23	Lump sum at pension age related to accrued pension at 31-03-23	Cash Equivalent Transfer Value at 31-03-23	Cash Equivalent Transfer Value at 31-03-22	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k £000	Bands of £2.5k £000	Bands of £5k £000	Bands of £5k £000	£000	£000	£000
James Duncan * Chief Executive/Executive Director of Finance and Deputy Chief Executive	0.0 - 2.5	0.0 - 0.0	55 - 60	110 - 115	1064	1004	27
Dr Rajesh Nadkarmi * Executive Medical Director and Deputy Chief Executive	12.5 – 15.0	30.0 - 32.5	75 - 80	180 - 185	1564	1226	285
Gary O'Hare * Chief Nurse	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
Lisa Quinn Executive Director of Finance, Commissioning & Quality Assurance	5.0 - 7.5	7.5 - 10.0	70 - 75	150 - 155	1319	1110	115
Kevin Scollay * Executive Director of Finance	0.0 - 2.5	2.5 - 5.0	20 - 25	40 - 45	311	239	22
Ramona Duguid Chief Operating Officer	2.5 - 5.0	0.0 - 2.5	40 - 45	65 - 70	581	518	27
Lynne Shaw * Executive Director of Workforce & Organisational Development	0.0 - 2.5	0.0 - 0.0	30 - 35	55 - 60	579	529	19

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

Gary O'Hare retired from the NHS Pension Scheme on 31st March 2021 and has retired from his post of Chief Nurse on 31st March 2023. Lisa Quinn left her post on 31st December 2022 and Kevin Scollay was appointed from 31st October 2022 and took on responsibility as Executive Director of Finance from 1st January 2023.

NTW Solutions - Board of Directors	Real Increase in pension at pension age	Real Increase in lump sum at pension age	Total accrued pension at pension age at 31-03-23	Lump sum at pension age related to accrued pension at 31-03-23	Cash Equivalent Transfer Value at 31-03-23	Cash Equivalent Transfer Value at 31-03-22	Real Increase in Cash Equivalent Transfer Value
	Bands of £2.5k £000	Bands of £2.5k £000	Bands of £5k £000	Bands of £5k £000	£000	£000	£000
Malcolm Aiston Managing Director NTW Solutions	0.0 - 0.0	0.0 - 0.0	0 - 0	0 - 0	0	0	0
Tracey Sopp Director of Finance and Deputy Managing Director NTW Solutions	2.5 - 5.0	5.0 - 7.5	30 - 35	60 - 65	602	498	72
Paul McCabe * Director of Estates and Facilities	0.0 - 2.5	0.0 - 2.5	40 - 45	95 - 100	932	847	50

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

Malcolm Aiston retired from the NHS Pension Scheme on 30th March 2019. From 1st April 2019 Malcolm Aiston has been a member of the NEST defined contribution scheme. Malcolm stood down from his post as Managing Director on 31st July 2022.

Board of Directors Pension Analysis 2021/22

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

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

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

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

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

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

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.

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

The Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accumulated benefits and any contingent spouse's pension payable from the scheme. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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

Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement).

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

Payments for loss of office

During 2022/23, no payments have been made to senior managers for loss of office.

Payments to past senior managers

No payments have been made to past senior managers during 2022/23.



James Duncan
Chief Executive
29 June 2023

2.3 Staff Report

Employee Numbers

At the end of March 2023, the Board of Directors for Cumbria, Northumberland, Tyne and Wear Foundation Trust comprised of seven Executive Directors (three female and four male) and eight Non-Executive Directors (two female and six male).

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

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

The CNTW Group has 8637 employees including Non-Executive Directors (6599 female and 2038 male) of whom 27% work part-time.

1973 employees (1511 female and 462 male) are also registered with one or more of the Trust's staff banks. In addition, there are currently 580 'bank only' workers (418 female and 162 male) who do not hold substantive posts elsewhere in the Trust.

A total of 451 bank only staff worked shifts during 2022/2023.

Information on staff turnover can be found at [NHS Workforce Statistics](#).

Table 11: 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
	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	324,402	311,530	12,872	281,794	279,780	2,014	307,794	294,551	13,243	265,933	263,937	1,996
Social security costs	30,809	30,809	0	27,114	27,114	0	29,314	29,314	0	25,744	25,744	0
Apprenticeship levy	1,430	1,430	0	1,325	1,325	0	1,362	1,362	0	1,258	1,258	0
Pension cost - employer's contributions to NHS Pensions	35,126	35,126	0	32,291	32,291	0	33,928	33,928	0	31,036	31,036	0
Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)**	15,408	15,408	0	14,090	14,090	0	14,881	14,881	0	13,538	13,538	0
Pension cost - other contributions	505	505	0	393	393	0	152	152	0	118	118	0
Temporary staff - agency/contract staff	27,381	0	27,381	20,243	0	20,243	27,257	0	27,257	20,161	0	20,161
Total staff costs	435,061	394,808	40,253	377,250	354,993	22,257	414,688	374,188	40,500	357,788	335,631	22,157
included within:												
Costs capitalised as part of assets Analysed into operating expenditure	701	701	0	622	622	0	95	95	0	101	101	0
Employee expenses - staff & executive directors	432,036	391,783	40,253	374,556	352,299	22,257	412,266	371,766	40,500	355,615	333,458	22,157
Research & Development	2,102	2,102	0	1,862	1,862	0	2,105	2,105	0	1,862	1,862	0
Internal audit costs	222	222	0	210	210	0	222	222	0	210	210	0
Total employee benefits excluding capitalised costs	434,360	394,107	40,253	376,628	354,371	22,257	414,593	374,093	40,500	357,687	335,530	22,157

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

Average Number of Employees (whole time equivalent basis)

	Group						Trust					
	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other	Total	Permanently Employed	Other
	2022/23	2022/23	2022/23	2021/22	2021/22	2021/22	2022/32	2022/23	2022/23	2021/22	2021/22	2021/22
Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	Number	
Medical and dental	454	428	26	426	403	23	455	428	27	425	402	23
Administration and estates	2,099	2,086	13	1,987	1,962	25	1,512	1,503	9	1,394	1,373	21
Healthcare assistants and other support staff	2,512	2,152	360	2,345	2,063	282	2,512	2,152	360	2,345	2,063	282
Nursing, midwifery and health visiting staff	2,318	2,272	46	2,278	2,239	39	2,318	2,272	46	2,278	2,239	39
Scientific, therapeutic and technical staff	640	629	11	424	424	0	639	628	11	425	425	0
Healthcare science staff	426	425	1	545	530	15	426	425	1	545	530	15
Total average numbers	8,449	7,992	457	8,005	7,621	384	7,862	7,408	454	7,412	7,032	380
of which:												
Number of employees (WTE) engaged on capital projects	10	10	0	12	12	0	2	2	0	3	3	0

Health and Wellbeing of our Staff

The Trust continues to monitor sickness absence levels and reasons carefully, recognising the impact on service user care and wellbeing of our staff.

The health and wellbeing offers available to our staff are centred around the strategic health and wellbeing approach, depicted as a Star which represents an inclusive, diverse and holistic health and wellbeing offer that is available to staff within the organisation. It is delivered in partnership with subject experts and in line with the vision set out within the NHS People Plan and People Promise. The wellbeing offer for staff has, and will continue to increase, and an ongoing calendar of health and wellbeing events has been developed based upon staff feedback and analytic data from various stakeholders.

In October 2022, the Trust's Employee Assistance Programme moved to VIVUP as the new provider. CNTW staff can access impartial, confidential advice from qualified counsellors 24/7, 365 days a year. VIVUP also provide a wide range of resources online including self-help workbooks, debt advice, mental health app and more.

The Thrive website for our staff, which launched in autumn 2021, continues to develop and is updated on a regular basis to respond to staff feedback based on what their needs are. Over the past 6 months work has been undertaken to review the Thrive website under each section to ensure staff are aware of the various initiatives that are available to them within the Trust that they have access to on a 24/7 basis. A number of promotional activities aimed at raising the profile of Thrive have taken place. The Thrive Twitter account has regular posts 7 days a week to signpost staff to where they can find resources and support across the website and on the Staff Intranet.

The Trust has retained the Better Health at Work, Maintaining Excellence Award for 2022 and has been awarded Ambassador Status for 2023. Ambassador Status is awarded to organisations who have gone 'above and beyond' to support staff with their health and wellbeing, recognising the consistent approach and great progress the Trust has made.

There is also Trust representation on the national network for health and wellbeing hosted by NHS Employers which enables our organisation to provide a national influence and presence in this area and to bring back knowledge and best practice to support with our internal priorities.

Looking ahead to 2023 a programme of campaigns and initiatives has been scoped on a month-by-month basis as well as incorporating reward and retention to provide a holistic approach. This sets out the priorities for the whole year and can be adapted depending upon emerging priorities and needs of our staff. This allows for initiatives and offers to be tailored on a regular basis to ensure it is current and relevant to staff. As a result a number of campaigns have already been recognised with a full calendar planned for the remainder of the year.

To support the wellbeing of our staff the Trust has 14 active Health and Wellbeing Champions who have undertaken training to carry out the role with further training planned for those staff who have shown an interest in late May. The Health and Wellbeing Champions will have a strategic link via the Health and Wellbeing Steering Group which continues to meet monthly.

Reward and Benefits continue to be reviewed on a regular basis with links to support staff with their health and wellbeing, especially during the cost-of-living crisis. The Trust uses data from our partners at VIVUP to understand what benefits staff are accessing to triangulate feedback and shape future offers of support. This data helps to provide an all-round holistic view of what staff are needing which can be supported with the data drawn from Thrive and the Wellness Support Team.

Sickness Absence

The Wellness Support team was created in October 2022 to support staff with their absence which has replaced the absence line which was set up during the pandemic. There are a mix of both call handlers and clinicians to support this function along with a team of workforce professionals to provide proactive support and signposting to appropriate pathways for managers when dealing with absence. Links between the Wellness Support Team and other teams in the Trust have been formed to ensure a proactive approach to support staff wellbeing with regular conversations taking place with the Health and Wellbeing Lead.

Management of sickness absence remains a key priority for the Trust. Table 12 below shows the Trust's sickness absence data for the period 1 Apr 2022 to 31 Mar 2023.

Table 12: Sickness absence data

Figures Converted by DH to Best Estimates of Required Data Items			Statistics Produced by NHS Digital from ESR Data Warehouse	
Average FTE 2022/23	Adjusted FTE days lost to Cabinet Office definitions	Average Sick Days per FTE	FTE-Days Available	FTE-Days Lost to Sickness Absence
7,575	120,444	15.9	2,764,860	195,388

Workforce Policies and Actions

Workforce Policies

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

Animations are currently being developed for the new flexible working guides which will sit alongside the flexible working policy. These are to be created to provide an alternative method of communicating with staff to provide a deepened visual understanding rather than traditional text documents. This allows us to communicate rich information quickly and sharply and will appeal to various members of staff who have different learning methods. Whilst looking ahead, the plan is to introduce more animations that will simultaneously link

with policies to provide a new fresh way of communicating key pieces of information within the trust.

Equality, Diversity and Inclusion (EDI) key developments

Equality Delivery System (EDS) 2022

EDS 2022 requires us to collect evidence for three key domains, commissioned or provided services, workforce health and wellbeing, and inclusive leadership.

For our provided services, we collected evidence for Gateshead, Newcastle West and North Cumbria Community Treatment Teams.

For Domain 1 (evidence for our services), we were assessed as 'Developing'. For Domain 2 (workforce health and wellbeing), and Domain 3 (inclusive leadership), we were assessed as 'Achieving'. The overall Trust score was calculated and assessed as 'Developing', however it should be noted that our points score is on the higher end of the 'Developing' scale, closer to 'Achieving' than 'Undeveloped'.

We know that the evidence shows we need to develop actions to address equality in service provision, and this is reflected in the EDI objectives for 2023-24.

Workforce Race & Disability Equality Standards (WRES / WDES)

The most recent CNTW WRES and WDES Annual Report (21/22) was published on 31 March 2022. The findings from these have previously been discussed and their associated actions approved by the Board. Work to address these findings is taking place as part of the Give Respect Get Respect campaign and the inclusive recruitment work. In addition, the roll-out of the Respectful Resolution work Trust-wide. We will be collecting our latest findings for the standards during May and June 2023 and will be reporting to Board as part of the submission process.

WDES 2022 Key Findings

- The recruitment of non-disabled staff to disabled staff when expressed as a ratio is 0.91:1. Disabled applicants are 1.09 times more likely to be appointed compared to non-disabled shortlisted candidates (the ratio was 0.39:1 in 2021)
- A disabled member of staff is 1.7 times more likely to enter into a formal capability process compared to non-disabled members of staff (the figure was 3.72 in 2021).
- 18% of disabled staff felt pressure from their line manager to come to work, compared to 13.5% of non-disabled staff.
- All figures for bullying and harassment by patients, staff or managers demonstrate a worse experience for disabled compared to non-disabled staff.
- 81.3% of disabled staff stated that there had been adequate adjustments for them, compared to 84.3% the previous year

WRES 2022 Key Findings

- 6.6% of staff in clinical (non-medical) roles were from BAME background and 68.6% were employed at band 5 or below, 43.5% of White staff were employed at band 5 or below.
- 45.5% of medical staff were from BAME background with 55.5% employed at Consultant Grade and 62.5% of White doctors employed at Consultant Grade.
- White job applicants are 2.5 times more likely to be appointed from shortlisting compared to BAME applicants (the figure was 3.5 in 2021).
- BAME members of staff are 2.69 times more likely to be in a formal disciplinary process compared to White staff (the figure was 1.5 in 2021).

Workforce Disability Equality Standard Innovation Fund

The NHS England WDES Innovation Fund supports NHS trusts to develop innovative programmes of work, to improve the working lives of NHS disabled staff, with bids aligned to one or more of the WDES metrics. The Trust made a bid in July 2022 which was successful, and work has commenced with our Disabled Staff Network and Difference North East to coproduce a piece of work which will improve disability awareness and equality within the Trust. The work will particularly support the delivery of the Central Fund for reasonable adjustments which was introduced this year. We look forward to reporting on the outcomes of this work in 2024.

Respectful Resolution

The Respect Campaign has been successfully rolled out across the Trust. Following 'Train the Trainer' workshops from A Kind Life in 2021, the Trust now have internal facilitators to deliver a Respectful Resolution Programme which underpins our Trust Values. The programme provides helpful tools and guides staff through the process of developing team values, reflecting on and identifying behaviours, initiating respectful conversations, and supporting resolution with colleagues. The goal is for teams to create a 'safe space' culture and to reduce the need for formal processes.

The Trust-wide sessions started in October 2022 and have been very successful in terms of attendance and teams are even requesting bespoke individual sessions from our facilitators.

A suite of resources are available on the Intranet page and can be accessed by all staff.

Staff Networks

All the networks have developed action plans and have been supported by budgets for activities, release time for network chairs and administrative support. Network chairs meet regularly with the Equality and Diversity Lead to talk about cross-cutting issues. The following sections provide highlights of some staff network activities that took place during 2022/23.

Cultural Diversity Staff Network

- Black History Month Event

This hybrid event took place on 28th October 2022 and was open to all staff and volunteers. Those who attended in person were welcomed by a Caribbean steel band and were able to sample a selection of cuisines which celebrate Black History. The theme for 2022 was 'Black Health and Wellness' and some influential and prestigious speakers attended.

- Race Equality Week

This took place 6-12 February 2023 and staff were encouraged to take part in five 5-minute challenges across five days. The important, reflective challenges came from the organisation Race Equality Matters and further resources were shared with staff via the Cultural Diversity Staff Network Intranet page.

Disabled Staff Network

- Disability History Month

This event was hosted virtually by the Trusts Co-Chair Disabled Staff Network, Exec Director of Workforce & OD)and Equality, Diversity & Inclusion Lead on 14th December 2022. The event was a celebration of the changes made and the progress society has made over the last 100 years.

- Disability Pride Month

Disability Pride Month took place in July 2022 and has been described as a month to 'accept and honour each person's uniqueness' and 'promote visibility and mainstream awareness' of positive pride felt by people with disabilities. Resources and information were shared with staff via the staff Bulletin.

LGBT+ Staff Network

- LGBTQ+ History Month Conference

This conference took place both in person and online on 24th February 2023. The aim this year was to spotlight those identities in our beautiful diverse rainbow whose voices we seldom hear, including a wide range of special guest speakers with lived experience from a variety of organisations.

- LGBT+ Network's Pledge Against Hate & Trans Ally Pledge

Created by the Trust's LGBT+ Staff Network in 2022, the pledges set out that everyone, regardless of sexual orientation, gender identity or expression, deserves respect and to feel safe and supported. The Trans Ally Pledge allows staff to be visible allies to Trans, Non-Binary, and Gender Diverse people, creating safe spaces for people to talk about

gender, the issues they are facing, and that the allies will help to ensure that the Trust is an inclusive workplace.

- Northumberland Pride on the Road

In 2022, the Trust sponsored Northumberland Pride on the Road taking Pride events into local community spaces, members of the Network attended events in Alnwick, Blyth, Bedlington and Hexham engaging with the communities alongside other organisations, signposting people to resources and information, as well as discussing wellbeing techniques, mindfulness and running laughing yoga sessions.

- LGBT+ Network Rounders Match

In August 2022 the Network hosted a rounders match at St Nicholas Hospital, LGBT+ Networks from North East Ambulance Service, Northumbria Police, Newcastle Hospitals and Northumbria NHS took part with the team from North East Ambulance Service narrowly winning the day.

Mind, Health and Wellbeing Network

The Mind, Health and Wellbeing Network is a safe space for people to come and talk about how wellbeing is affected by work and how our wellbeing affects us at work too. The network is open to all staff, students and apprentices within the Trust and runs regular 'Meditation Cafes' and Mindfulness sessions throughout the past year. On Friday 24th March 2023, the Network hosted an Away Day which focused on Kundalini yoga, nourishing vegan food, tarot cards, meditation, shakti dance and sound healing with reiki. Staff who attended the away day reported feeling relaxed, rejuvenated, and listened-to.

Veterans Network

The network aims to ensure the Trust provides support to staff who are connected with the armed forces and is open to staff who are part of the reserves or cadets, who have served within any branch of the armed forces, and those with family or partners who are currently serving or veterans. Some key events took place during 2022, including Armed Forces Day, Supporting Armed Forces Children Online Workshop, and the Veteran PTSD Loneliness Study Co-Production Event. The Trust has been awarded the Defence Employer recognition scheme Gold award during 2022/23.

Stonewall Diversity Champions

The Trust has secured Stonewall's Silver award for leading LGBTQ+ inclusive employers and climbed 193 places in their employer rankings. The award recognises exceptional employers who are committed to supporting the LGBTQ+ community. The award was announced as part of the release of Stonewall's Top 100 Employers List, the UK's leading ranking of employers from public, private and third sectors on how inclusive their workplaces are. This year CNTW is ranked at 164th in the list, since entering Stonewall's ranking at 357th on the list in 2020. Meetings are taking place with Stonewall to set out key actions for achieving a place in the top 100.

NHS Employers: Diversity in Health & Care Partnership Programme

This programme supports health and care organisations to create more inclusive workplace cultures, where difference is welcomed and celebrated. Forty-eight organisations from across health and care have joined the 2022/23 programme starting in September 2022 (including the Trust). The year-long programme includes four face-to-face interactive modules, specialist virtual masterclasses in partnership with our colleagues at the Employers Network for Equality and Inclusion (ENEI). It also includes access to leading industry experts, good practice, guidance and resources.

Gender Pay Gap (2021-22)

The most recent Gender Pay Gap Report (21-22) was taken to the Board of Directors in March 2023. A summary of the report is as follows:

- Mean gender pay gap is 12.4% - a decrease of 0.8% points on 2020-2021
- Median gender pay gap is 2.2% - a decrease of 1.2% points on 2020-2021
- Percentage of men and women receiving bonus pay is 2.0% men and 0.5% women (a reduction from 2.2% and 0.60% respectively on 2021-2021)
- Mean (average) gender pay gap using bonus pay is 9.6% - down from 22.3% in 2020-21
- Median gender pay gap using bonus pay is 31.3% - down from 55.9% in 2020-2021
- Percentage of men and women in each hourly pay quartile:

	CNTW Figures of 2021-2022		CNTW Figures of 2020-2021		CNTW Figures of 2019-2020	
	Male	Female	Male	Female	Male	Female
Top quartile	27.7%	72.3%	29.0%	71.0%	30.4%	69.6%
Upper middle	20.0%	80.0%	21.6%	78.4%	22.2%	77.8%
Lower middle	27.4%	72.6%	26.6%	73.4%	25.5%	74.5%
Lower quartile	19.3%	80.7%	20.6%	79.4%	21.0%	79.0%

Staff Survey 2022

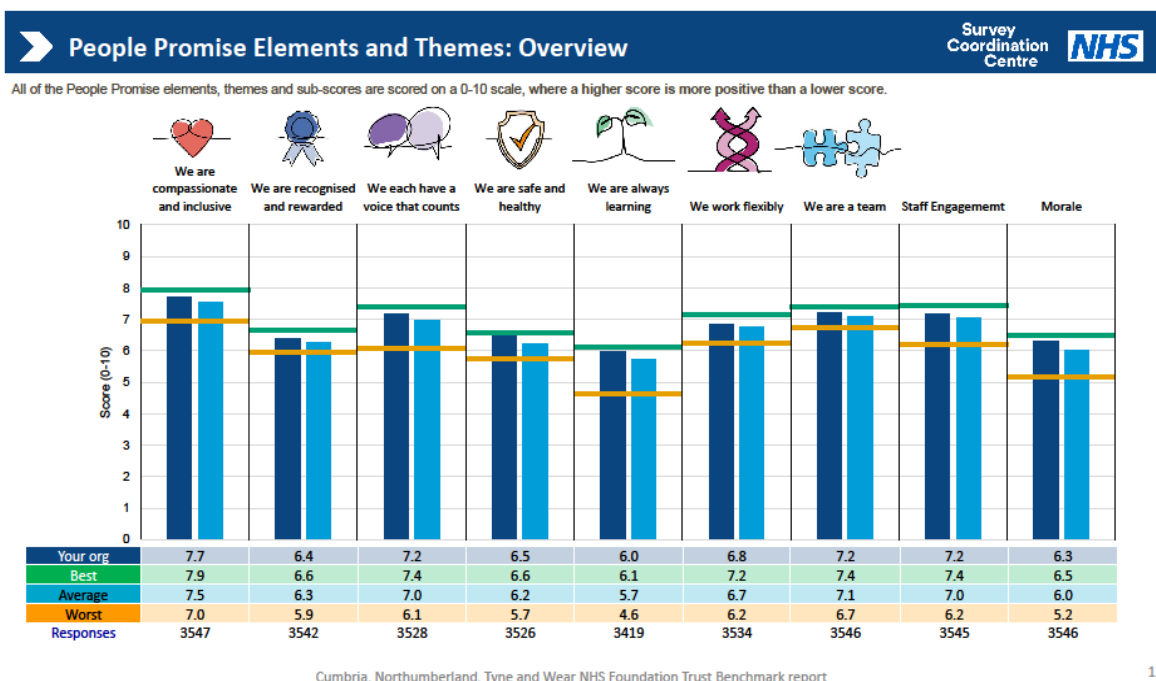
The survey opened on 22 September and closed on 25 November, an eight-week period for completion. 7474 members of staff were eligible to take part in the survey, 3550 staff completed the survey giving an overall response rate of 47%.

For 2022 we went back to a mixed delivery mode, with ward-based locality staff having the option to complete a paper copy of the survey with the exception of Central Locality who opted for all staff to receive an electronic copy.

The 2022 response rate is up 2 percentage points on our response rate of 45% in 2021. The 2022 median response rate for Mental Health and Learning Disability Trusts was 50%. This is the second consecutive year that we have a below average response rate, however we have seen a drop in response rates since 2018 when our response rate was 66.5% - the highest response rate in our comparator group.

Response rate	2020	2021	2022
Trust	50%	45%	47%
National Average (Mental Health/Learning Disability)	49%	52%	50%

From 2021 onwards, the results from questions are presented as per the elements of the People Promise. Scores for each element together with that of the survey benchmarking group Mental Health /Learning Disability Trusts which shows the Trust as above benchmark average in all areas are presented below.



2022/23 and 2021/22

Scores for each indicator together with that of the survey benchmarking group (Mental Health and Learning Disability Trusts) are presented in table 13 below.

Table 13: Staff Survey comparison Indicators (People Promise elements and themes)	2022/23		2021/22	
	Trust Score	Benchmarking Group Score	Trust Score	Benchmarking Group Score
People Promise:				
We are compassionate and inclusive	7.7	7.5	7.9	7.5
We are recognised and rewarded	6.4	6.3	6.8	6.3
We each have a voice that counts	7.2	7.0	7.4	7.0
We are safe and healthy	6.5	6.2	6.6	6.2
We are always learning	6.0	5.7	6.1	5.6
We work flexibly	6.8	6.7	7.1	6.7
We are a team	7.2	7.1	7.4	7.1
Staff engagement	7.2	7.0	7.4	7.0
Morale	6.3	6.0	6.5	6.0

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

- organisation takes action to ensure incidents don't happen again
- reasonable adjustments to support staff to stay at work

Other highlights:

- The Trust is above benchmark average in all areas of the People Promise themes.
- We showed a statistically significant improvement in the element of the People Promise "we are safe and healthy".

A number of high level actions have been agreed in response to this year's results.

Organisational Improvement

To help CNTW balance the daily challenges of increased service demands, rising expectations and a testing financial position, whilst delivering significant transformation work, a number of key areas of development were progressed during 2022/23. This report features some of the key workstreams.

Developing Leadership and Management capacity and capability

The Messenger Report 20220, states "investing in developing leadership and management capacity and capability, to enable a motivated, valued, collaborative, inclusive, resilient workforce, is the key to better outcomes and should sit alongside other operational and political priorities".

The Trust is seeking to ensure leadership and management development is strategically aligned to delivery of Trust Strategy - our ambitions, commitments and values. Enabling leaders to set well defined goals for staff and outline ways people are expected to meet them, and, supporting managers to deliver on these through good use of resources and effective decision making and communication processes.

The Trust continues to offer development opportunities, such as, the NHS Mary Seacole Programme, Medical Leadership CPD, International Fellows Leadership Development, leadership development via the Apprenticeship Framework, and participation in the NHS Graduate Management Training Scheme.

Other developments include;

- Executive and Trust Leadership Team Development – the Trust Board identified Leadership Behaviours critical to the success of the organisation e.g. strategic, innovation, communication and feedback. Following this a programme of development commenced with the Executive Team. The behaviours provide a framework for developing the full Trust Leadership Team and wider Leadership Group during the course of the coming year.

- Building a critical mass of collective, impactful, confident and capable leaders – the Collective Leadership & Management Development Programme (CLMDP) unlike traditional people development programmes, is an organisational/cultural transformation programme, and its design and delivery model support development of teams, at scale. It aims to build a critical mass of collective leadership and quality line management. It is centred on;
 - Delivering Trust Strategy – ensuring we do the right thing for the people we serve and the people who work here.
 - Equipping and enabling leaders/managers to create the conditions for people and teams to thrive, learn, improve and reach their full potential.
 - Enabling and building confidence to respond to national and local changes and requirements such as the developing Integrated Care System, NHS Long Term Plan and Community Mental Health transformation.
- Management Development – a suite of programmes has been developed and being rolled out to ensure managers are confident and capable to lead and direct the efforts of others, facilitate healthy and well teams, apply in-depth knowledge and expertise and make effective decisions.

Evidence shows that to develop strong, effective managers, as much emphasis must be placed on behaviours, values, cultural elements, as that given to developing technical and specialist expertise. Therefore, the offer will be evaluated to ensure alignment to the leadership behaviour expectations recently identified by the Board.

- Leadership Development Programme (Disability) – the Trust is piloting two programmes for a cohort of self-selected disabled staff and their line managers, in partnership with Disability Rights UK and Purple. The programmes develop leaders, managers and staff to lead for inclusion, including developing leadership skills, knowledge and awareness.
- (Future) Young Leaders – Dream Placements Programme – the North Cumbria Locality participates in this Cumbria initiative, managed by the Centre for Leadership Performance. The initiative brings together motivated students aged 16-18 with successful organisations in a programme that provides a week's Dream Placement, for young people. The programme enables the Locality to connect with its potential future workforce and showcase the breadth and depth of opportunities available in CNTW and the wider health and care system.
- Learning to Lead Together (LTLT) – the Trust is a partner in Collaborative Newcastle's (CN) System Leadership Development Programme. LTLT is regarded as a key enabler to Collaborative Newcastle delivering its strategic priorities. Typically, leaders from the Central Locality and a smaller number from Corporate Services are supported to participate in LTLT, building system stewardship capabilities within our leadership and enabling colleagues to work better within and across Newcastle. LTLT is a twice award-winning programme, having been awarded the NHS Award for Collaboration in December 2021 and the International

Learning Award for Public Sector, People Development Programme of the Year, in February 2023.

People systems and processes

Aligning people and people management systems to strategy continues to be a focus for CNTW. In addition to ongoing work such as strengthening partnership working with Trade Unions and wider partners, developing more inclusive recruitment, implementing the Allocate healthcare roster system that enables multidisciplinary rostering, implementing the Electronic Staff Record as the Trust's single workforce information system, and the adoption of the Patient Safety Incident Reporting Framework that enables compassionate engagement and involvement of those affected by patient safety incidents, other examples of work done in the year includes;

- Inclusive Mentoring - Evaluation of a pilot programme which aimed to promote wider cultural change/transformation to facilitate a culture of inclusion has recently concluded. The pilot focused on building cultural awareness and diversity through mentoring relationships between Staff Network members and Non-Executive and Executive Directors. Learning, impact and recommendations are being considered and it is anticipated a second pilot will commence in the autumn.
- Developing, supporting, and enabling teams – there is compelling evidence to show that investing in teams develops a culture that delivers high quality, compassionate, inclusive care. Such a culture is enabled through team leaders/managers and colleagues creating a climate which ensures clarity on what is expected from the team, and everyone working in it. It builds trust and camaraderie and high levels of engagement and involvement, and ensures people have the right values, behaviours, processes, resources, and skills to do their job well, and to thrive.

Working with teams, is a priority for the organisation and in the past twelve months many teams have been supported to; imagine and inform the future shape of their service/care, improve quality, establish new and different ways of working, strengthen interprofessional relationships and improve decisions making.

- Coaching – the Trust continues to invest in coaching as a means of developing its people and the organisations effectiveness. Covid impacted the Trusts coaching capacity, with many experienced Coaches unable to coach due to work pressures and retirement.

The focus this year has been on building coaching capacity and capability. New Coaches have been recruited and many Coaches have been accredited through an inhouse Level 5 programme. This supports recruitment of new and “rewarding” long serving Coaches, which is important as they coach on a voluntary basis. The Coach Network is being relaunched and CPD and Group Supervision reinstated. Typically Coaches provide support for staff working through issues associated with; decision making, ability to deal with change, career development, working in a new team, and interprofessional/interpersonal relationships.

- Springboard for Women – the Trust partnered with Springboard Consultancy to pilot two development programmes for women and those who identify as a women. The programme helps people take stock and reach their personal life/work goals, value themselves, re-energise and feel more motivated. The programmes evaluated highly, both in respect of benefits to the individuals and to the orgnaistaion.
- HR Professional Map – following the national consultaion “Future of HR and OD in the NHS”, the Trust was successful in becoming an early implementer site for the new CIPD accredited HR competency map – setting out professional competencies for the NHS HR workforce, for the first time.

This framework professionalises HR and will support development of the Trust’s Workforce and OD (W&OD) function in line with “With You in Mind”, including enabling development of a W & OD career pathway.

Staff engagement

There are a plethora of interventions in place including; engaging staff in development of “With You in Mind”, 250 events to engage staff and others in our core transformation work, bespoke focus groups and forums exploring current issues such as development of quality priorities, exploring generational workforce needs and Staff survey conversations and action planning. Other key workstreams include;

- Evaluation of the Staff Engagement and Involvement Plan - the 2021-2023 Plan was the first of its kind for the organisation. It set out ambitions to review, refresh and reinvigorate current and lost approaches, as well as implement several new approaches with the aim of elevating and embedding staff engagement more formally across the Trust. Due to the pandemic, some ambitions were unable to be implemented and where new interventions were adopted, they were often adapted or were entirely new approaches, such as the Chief Executive message, Executive Team Live Q&A, Fortnightly Manager’s Forum. The plan has been recently evaluated and recommendations made for the second version of the plan.

Employee Consultation

We continue to value the strong working relationships we have developed with our staff side representatives. We continue to have both informal and formal meetings with staff side colleagues both within the Trust and at a regional level.

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

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

The Trust has 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 CNTW(HR)05;
- Freedom to Speak Up CNTW(HR)06;
- Handling Concerns about Doctors CNTW(HR)02; and
- Dignity and Respect at Work CNTW (HR)08.

The Trust has developed an HR framework agreed with Staff Side which focusses on how we will engage and consult with staff during organisational change. Whilst we are not legally required to undertake formal consultation for the majority of the organisational change the Trust has agreed it will still utilise a consultation process approach. During 2022/2023 specific consultations with staff have included the following:

North Locality

- Community CBU – change to working hours
- Northumberland Learning Disabilities – TUPE to CNTW from Northumbria Healthcare

Central Locality

- CYPS Admin – change of base
- EIP Team – change of base
- Secure Services – change of base

South Locality

- Veterans Service move provide collaborative mode
- Head injuries Service - change of bas
- IAPT – requirement for professional accreditation
- All service based Monkwearmouth Hospital – base change due to hospital rebuild
- Adult Eating Disorder community team - change of bas
- Hope team base change Benfield house, Walkergate park, Newcastle to Sextant house, Blyth, Northumberland.

North Cumbria

- No consultations

Corporate

- Medical Staffing – service redesign
- Finance – service redesign
- IPC – service redesign
- Facilities - TUPE into NTW solution
- Absence line – service redesign
- Lloyds Pharmacy - TUPE into CNTW
- Suicide prevention service – cease of service provision

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

A National review of Raising Concerns was undertaken in 2022 by the National Guardians Office. The review resulted in the creation of a National Policy for raising concerns and all Trusts were asked to adopt the national policy by 2024. The Trust adopted the National Policy in March 2023 and the Policy is now called the Freedom to Speak Up Policy (previous policy was called raising concerns).

The policy is on the Intranet and has been communicated to all staff and training materials updated. The Trust has recently appointed 2 new Freedom to Speak up Guardians (FTSUG) who are undertaking the role jointly and 2.5 days per week has been allocated and protected for them to undertake the role. They will continue to actively recruit and support the FTSU Champions, raise the profile of the importance of speaking up, as well as supporting individual cases.

During the past year 52 cases have been reported to the FTSUG. All concerns are encouraged to be resolved through the utilisation of local policies and procedures. However, where the FTSUG feels there is a wider concern this may be escalated to Director level. Concerns are dealt with to look for a resolution to the problem as well as identifying and learning and disseminating the learning as appropriate. Feedback is always provided to individuals who have been involved in raising the concern.

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

Counter Fraud Activities

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

Anyone suspecting fraudulent activities within the Trust's services should report their suspicions to the Executive Director of Finance or to the Trust's Local Counter Fraud Specialists on 0191 441 5935. Alternatively fraud can be reported through the confidential Fraud Reporting Hotline on 0191 441 5936 or on the National NHS Fraud Reporting Hotline 0800 028 40 60 between 8am and 6pm, Monday to Friday or online at www.reportnhsfraud.nhs.uk

Trade Union Facility Time

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

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

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

Our outcomes were as follows:

- 21 relevant union officials during the period.
- 17 employees spent between 1-50% of their working time 4 on facility time and one between 51-99%.
- 0.05% of NTW's total pay bill spent on Facility time.
- 12.1% time spent on trade union activities as a percentage of the total paid facility time hours

Expenditure on Consultancy

The Trust expenditure on consultancy during 2022/23 is provided within the Annual Accounts.

Off-Payroll Engagements – CNTW Group

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

Table 14: Off-Payroll Engagements – CNTW Group

Highly paid off-payroll worker engagements as at 31st March 2023, earning £245 per day or greater

Number of existing engagements as of 31st March 2023	0
Of which.....	
No. that have existed for less than one year at time of reporting	0
No. that have existed for between one and two years at time of reporting	0
No. that have existed for between two and three years at time of reporting	0
No. that have existed for between three and four years at time of reporting	0
No. that have existed for four or more years at time of reporting	0

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

Highly-paid off-payroll workers engaged at any point during the year ended 31 March 2023 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2023	9
Of which.....	
Not subject to off-payroll legislation *	0
Subject to off-payroll legislation and determined as in-scope of IR35 *	5
Subject to off-payroll legislation and determined as out-of-scope of IR35 *	4
Number of engagements reassessed for compliance or assurance purposes during the year	0
Of which: number of engagements that saw a change to IR35 status following review	0

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

Number of New Off-Payroll Engagements of Board Members or Senior Officials with significant financial responsibility between 1 April 2022 and 31 March 2023.

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

Table 15 below shows the total exit packages from the CNTW Group in 2022/23 and 2021/22.

Table 15: Exit Packages 2022/23 and 2021/22

Exit Packages 2022/23

	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Group Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	25	110	25	110	0	0
£10,001 to £25,000	0	0	4	46	4	46	0	0
£25,001 to £50,000	0	0	0	0	0	0	0	0
£50,001 to £100,000	0	0	1	58	1	58	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	29	214	29	214	0	0
	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Trust Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000
Exit package cost band:								
< £10,000	0	0	24	105	24	105	0	0
£10,001 to £25,000	0	0	3	35	3	35	0	0
£25,001 to £50,000	0	0	0	0	0	0	0	0
£50,001 to £100,000	0	0	1	58	1	58	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	27	198	27	198	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 2021/22

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

	Compulsory Redundancies	Compulsory Redundancies	Other Departures Agreed	Trust Other Departures Agreed	Total Exit Packages	Total Exit Packages	Special Payments	Special Payments
	Number	£000	Number	£000	Number	£000	Number	£000

Exit package cost band:

< £10,000	0	0	24	75	24	75	0	0
£10,001 to £25,000	0	0	0	0	0	0	0	0
£25,001 to £50,000	0	0	1	25	1	25	0	0
£50,001 to £100,000	0	0	1	78	1	78	0	0
£100,001 to £150,000	0	0	0	0	0	0	0	0
£150,001 to £200,000	0	0	1	160	1	160	0	0
> £200,001	0	0	0	0	0	0	0	0
Total	0	0	27	338	27	338	0	0

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

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

Gender pay gap

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

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

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

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

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

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

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

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

The general duties of the Council of Governors are:

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

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

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

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

2.5 Annual Report on the work of the Audit Committee 2022/23

Overview

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

Audit Committee Composition and Attendance:

The Audit Committee is comprised of three Non-Executive Directors. David Arthur was appointed as Chair of the Audit Committee on 14 January 2019 and continues in this role. The Board is satisfied that the Chair of the Audit Committee has recent and relevant financial experience. All Non-Executive Directors are considered to be independent.

In addition to the Non-Executive Directors, the Executive Director of Commissioning and Quality Assurance (retired from role December 2022), Executive Finance Director (appointed 31st October 2022), Director of Communications and Corporate Affairs, Deputy Managing Director of NTW Solutions Limited (taking on role as Interim Managing Director of NTW Solutions Limited 1st August 2022 and formally appointed 1st October 2022), External Audit and Internal Audit, including Counter Fraud, were all invited to each meeting during the year. Two Governor Representatives also attend meetings of the Audit Committee.

The Executive Director of Commissioning and Quality Assurance retired in post December 2022 and the new Executive Director of Finance appointed 31st October 2022. The Chair of NTW Solutions stood down from post 12th July 2022.

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

Table 16: Audit Committee Attendance 2022/23

Committee member	Audit Committee meeting dates 2022/23				
	14/04/22	07/06/22	27/07/22	26/10/22	25/01/23
David Arthur, Chair – Non-Executive Director	Y	Y	Y	Y	Y
Michael Robinson, Non-Executive Director	Y	Y	Y	Y	Y
Brendan Hill, Non-Executive Director	Y	Y	Y	Y	Y

Members in attendance	Audit Committee meeting dates 2022/23				
	13/04/22	07/06/22	27/07/22	26/10/22	25/01/23
**Lisa Quinn, Executive Director of Finance Commissioning and Quality Assurance	Y	Y	Y	Y	
Kevin Scollay, Executive Finance Director				Y	Y
Debbie Henderson, Director of Communications and Corporate Affairs	Y	N	Y	Y	Y
**Stewart Davies, NTW Solutions Chair	Y	Y			
**Tracey Sopp, Managing Director NTW Solutions Management	Y	Y	Y	Y	Y
Internal Audit representatives (Carl Best, Helen Stephenson, Paul Tilney, Preetha Kumar)	Y	Y	Y	Y	Y
Local Counter Fraud representatives (Iain Flinn, Michelle Watson, Martyn Tait)	Y	Y	Y	Y	Y
External Audit representatives (Campbell Dearden, Mark Kirkham, Craig Maxwell)	Y	Y	Y	Y	Y
Governor representatives (Tom Bentley, Maria Hall)	Y	Y	Y	Y	N

Programme of Works

The Audit Committee follows an annual work programme that covers the principal responsibilities set out within its terms of reference. In 2022/23, this included, amongst other matters, the following activities:

- Assessed the integrity of the Group's consolidated and NTW Solutions standalone financial statements for the year ended March 31, 2022.
- Reviewed the Annual Governance Statement in light of the Head of Internal Audit opinion, the External Audit opinion relating to the year end and any reports issued by CQC and NHS Improvement.
- Reviewed External Audit's findings and opinions on the Quality Report, the securing of economy, efficiency and effectiveness, and the areas of Annual Report subject to audit review.
- Considered whether the Trust's Board Assurance Framework ('BAF') and Corporate Risk Register were complete, monitored, fit for purpose and in line with Department of Health expectations, as well as receiving assurance on the ongoing process for review.
- Reviewed the arrangements by which staff may raise in confidence concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters.

- Reviewed the process established by the Trust to ensure compliance with NHS Improvement/Monitor's NHS Foundation Trust Code of Governance.
- Challenged and approved the Internal Audit programme, Local Counter Fraud Service annual plans and detailed programmes of work for the year. The Audit Committee confirmed the effectiveness of Internal Audit and Counter Fraud and the adequacy of their staffing and resources.
- Considered the major findings of Internal Audit and Counter Fraud throughout the year. The Audit Committee agreed that the remedial actions proposed were appropriate and then monitored the timely implementation of those remedial actions by management.
- Reviewed the work of other Board Committees and considered how matters discussed at those committees impacted the work of the Audit Committee.

Significant Issues

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

Integrity of financial reporting

The Audit Committee reviewed the integrity of the financial statements of the Trust. On April 1, 2017 the Trust established a fully owned subsidiary company, NTW Solutions. Accordingly, the Trust has prepared consolidated financial statements for the year ended March 31, 2023, which will be presented to the Audit Committee in June 2023.

Other significant matters considered throughout the 2022/23 year were:

The Audit Committee formally considered the assumptions relating the Going Concern basis of reporting of the financial statements for 2022/23. After careful analysis and debate, the Audit Committee recommended to the Board that the use of going concern basis for the preparation of the annual financial statements was appropriate.

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

At its meeting in October, agreement was made for Raising Concerns to be reported to the Committee twice a year to provide more meaningful information across the organisation providing assurance concerns are investigated in a timely way with robust processes in place that also forms part of the reporting for the People Committee sub-committee to the Board. Assurance was given the organisation will be adopting in full the new National Raising Concerns Policy as well as recently recruiting two Freedom to Speak Up Guardians who took up post in January 2023.

At its meeting in October, the Committee discussed progress regarding Integrated Care Systems/Integrated Care Partnership governance arrangements acknowledging the

opportunities for system-wide working, whilst recognising the risks to Trusts and operations.

At its meeting in April, the Committee discussed the national strategy on Cyber Security which sets out a vision to reduce cyber security risks across health and social care which will feed into the organisations approach on cyber security. The Trust has a strong focus on key risk areas which are regularly reviewed and systems and process in place to reduce risk.

At its meeting in January, the Committee discussed the implementation of Patient Safety Incident Reporting Framework (PSIRF) where Trusts will be required to sign-off their own serious incident reviews using the PSIRF system which will be in place by September 2023. It was acknowledged the system will be factored into internal audit planning along with the need to capture the information in a review of the terms of reference sub-committees concerning delegated authority incorporated within the whole governance review the Trust is currently undertaking.

During the year the committee discussed the implementation of IFRS16 which is applicable from 1 April 2022 and is designed to report information fully disclosing lease transactions and providing a better basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases. The Trust have therefore ensured accounting entries in respect of IFRS16 are highlighted in its 2022/23 and future accounts.

Board Assurance Framework

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

The Trust's principal risks and the mitigating controls are reflected in the Board Assurance Framework ('BAF') and Corporate Risk Register ('CRR'). During 2022/23, the Audit Committee contributed to the formal annual review of the BAF and CRR.

The Audit Committee provided challenge and scrutiny directly the Executive as to the system for the regular re-assessment of the principal risks and mitigating controls reflected in the BAF. The Audit Committee also noted the work performed at Board level during 2022/23 to assess and update the Trust's risk appetite.

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

Finally, the Audit Committee reviewed the Head of Internal Audit Opinion, presented to the Audit Committee on 7 June 2022. The Trust was provided with good assurance on the basis that there is "overall adequacy and effectiveness of the Trusts system of internal control".

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
- Whilst the BAF was comprehensive and is currently fit for purpose, it should undertake a significant review in 2023/24; and
- There were no significant omissions or duplications in the Trust's systems of governance.

Annual Governance Statement

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

During the year, matters have been brought to the attention of the Audit Committee, mainly through the reports of Internal Audit. Therefore, the Audit Committee needed to formally consider these matters in forming its conclusion on the Annual Governance Statement for 2022/23. This was supported by other Audit Committee reviews such as of the Board Assurance Framework, Corporate Risk Register, Head of Internal Audit Opinion and CQC registration.

After due challenge and debate, the Audit Committee concluded that the matters identified together with the remedial actions taken meant that its view on the Trust's system of internal control was consistent with the Annual Governance Statement. Accordingly, the Audit Committee supported the Board's approval of the Annual Governance Statement for 2022/23.

Clinical Audit

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

In addition, the Chair of Q&P attends a minimum of one meeting of the Audit Committee per year to bring to the attention of the Audit Committee any matters raised by Clinical Audit, and the proposed remedies, which impact any of the Trust's key risks as recorded in the BAF.

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

External Audit

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

Mazars was required to report to the Trust whether:

- The financial statements for the 2022/23 year have been prepared in accordance with directions under Paragraph 25 of Schedule 7 of the National Health Service Act 2006; and
- The financial statements for 2022/23 comply with the requirements of all other provisions contained in, or having effect under, any enactment which is applicable to the financial statements; and
- The Trust has made proper arrangements for securing economy, efficiency and effectiveness; and
- The Trust's Quality Report for 2022/23 has been prepared in accordance with detailed guidance issued by Monitor.

On 26 January 2022, Mazars presented the audit plans for Cumbria, Northumberland Tyne and Wear NHS Foundation Trust (and Group) to the Audit Committee. The audit plan was challenged robustly, particularly in terms of timing, resources required versus fee proposed, impact on the Trust's day-to-day activities, areas of audit risk, interaction with Internal Audit and the quality and independence of the Mazars team.

Following the challenge and debate, the Audit Committee was satisfied that the audit plan for 2022/23 was appropriate for achieving the goals of the audit and that the proposed fee was reasonable for the audit of an entity of the size and complexity of the Trust.

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

Mazars identified no changes in their assessment of risk nor did they identify any significant control weaknesses. The audit did identify some instances of misstatement. None of the unadjusted misstatements identified were assessed as material. The Trust's financial statements 2022/23 were adjusted for all the matters identified.

Mazars was re-appointed as the Trusts External Auditor on completion of a tender for Audit services in 2018. The Council of Governors Audit Working Group led the tender process for the appointment of the Trust's External Auditors and agreed a specification which defined the role of the Auditors and the capabilities required. It was agreed that the Trust would be looking for Auditors with experience and expertise relating to NHS Subsidiary Companies and Group Audits. The scoring methodology was designed to ensure that the quality of audit service provided could be scored to ensure the decision was not solely based on price.

The Council of Governors, on 20 December 2018, ratified the decision to award the External Audit contract to Mazars to commence 1 June 2019, for a period of 36 months with an option to extend for a further 24 months. At the Audit Committee on 26th January 2022. At the Council of Governors meeting 17 March 2022 ratified the decision to extend Mazars current contract for a further period of 24 months to commence 1 June 2022 with a review of performance after 12 months as Mazars are providing the Trust with a good level of services, performing well in the work that they undertake.

The Trust has a policy in place for non-audit services provided by External Audit, which has been approved by the Council of Governors. During 2022/23 Mazars also undertook

the audit of NTW Solutions Limited and an independent examination of the Trusts Charitable Funds; Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity.

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

Internal Audit & Counter Fraud

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

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

The Committee reviewed, challenged and approved the proposed AuditOne audit and counter fraud plans and budgets for 2022/23.

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

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

After careful consideration, the Committee is satisfied that:

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

Policies

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

The Declaration of Interest Policy was reviewed and updated during 2020/21 and 2021/22 to include further clarity in relation to indirect interests, in particular, relationships and Bribery and Corruption. The Declaration of interest Policy is reviewed on an annual basis as part of the Committee regular cycle of business.

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

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

Annual Review of Audit Committee Effectiveness

Audit Committee members carried out a self-assessment exercise during April 2023 in line with the requirements and guidance of the NHS Audit Committee Handbook. The feedback was very positive in the majority of areas which cover: composition, establishment and duties; compliance with legislation and regulation; internal control and risk management; Internal Audit, Counter Fraud and Counter Fraud; clinical audit; and annual accounts and disclosure statements.

One area for further development related to assurance provided by other Board sub-committees. The Committee has implemented an annual reporting cycle whereby Chairs of other Board sub-committees attend meetings of the Audit Committee to provide assurance regarding their approach to risk management and assurance.

Areas for further consideration will be addressed by David Arthur, Audit Committee Chair and Debbie Henderson, Director of Communications and Corporate Affairs during 2023/24.

Conclusion

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

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

David Arthur
Chair of the Audit Committee

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 all meetings of the Council of Governors, and sub-groups
- Council of Governors' attendance at meetings of the Board of Directors;
- Annual joint meeting of the Council of Governors and Board of Directors;
- Informal opportunities to network; and
- Governor Representatives attending sub-committees of the Board, provides a further opportunity to share views;

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

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

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

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

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

The table below shows the individuals making up the Council of Governors during 2022/23, their constituencies, whether they were elected and their attendance at Council of Governors General meetings during this period.

Margaret Adams was nominated Lead Governor on 1st December 2021 and continued in this role until 31st March 2023 when she was due to step down from the Council of Governors due to completing a full 9 +1 year (extended due to Covid pandemic). A process was undertaken during 2023 to nominate Margaret Adams successor from 1st April 2023. There was only one nomination from the Governors and the Council approved the appointment of Anne Carlile from Deputy Lead Governor to Lead Governor from 1st April 2023.

Governor Elections 2022/2023

A Governor Election process took place October - December 2022 for the following constituencies for a three-year term:

Constituency	No. of Seats	No. of Candidates	Total number of valid votes	Elected No. of votes
Service User: Neuro Disability Service	1	3	11	5
Public: South Tyneside	1	2	32	25
Public: Gateshead	1	2	42	25
Staff: Non-Clinical	1	2	418	236

Seats elected unopposed		
Constituency	No. of Seats	No. of Candidates
Public: Sunderland	1	1
Public: North Tyneside	1	1
Carer: Older Peoples Services	1	1
Service User: Autism Services	1	1

A further Governor Election process took place January – March 2023 as follows

Seats elected unopposed		
Constituency	No. of Seats	No. of Candidates
Service User: Learning Disability Services	1	1
Service User: Children and Young Peoples Services	1	0
Service User: Older Peoples Services	1	0
Carer: Autism Services	1	1
Carer: Neuro Disability Services	1	0
Staff: Clinical	1	1

Following the Governor Election process undertaken in January 2023, five seats remained vacant. The Council of Governors meeting in March 2023 approved the appointment of 'shadow Governors' until our next election in October 2023.

Vacant seats as at 31 March 2023	
Constituency and Class	No of seats
Service User Children and Young Peoples Services	1
Service User Learning Disability Services	1
Service User Older Peoples Services	1
Carer Learning Disability Services	1
Carer Neuro Disability Services	1

The benefits of proceeding with the shadow governor process were to ensure that the Council of Governors are fully represented while the Trust continue its journey to address the challenges faced by the Trust and wider health and care system without the additional cost of holding a bi-election.

**Table 17: Membership of the Council of Governors and Attendance at Council of Governor General meetings
1 April 2022 – March 2023**

Governor	Constituency	Date		Current term	Attendance/ total number of meetings held
		Start	Stood down		
Elected Governors (service users, carers and public)					
Fiona Grant	Service User, Adult Services	01.12.14	-	3 rd	1/5
Tom Rebar	Service User, Adult Services	01.03.21	-	1 st	5/5
Kat Boulton	Service User, Children and Young People's Services	01.12.19	08.09.22	1 st	0/5
**Russell Stronach	Service User, Autism Services	01.01.22	-	1 st	3/5
Mark Charlesworth	Service User, Neuro Disability	01.01.22	29.06.22	1 st	0/2
**Mary Laver	Service User, Older People's Services	01.12.19	11.04.22	1 st	0/5
Colin Browne	Carer Governor, Older People's Services	01.12.16	01.10.22	2 nd	0/2
*Anne Carlile	Carer, Adult Services	01.04.16	-	2 nd	5/5
Janice Santos	Carer, Children and Young People's Services	01.12.18	27.03.22	2 nd	0/5
Fiona Regan	Carer, Learning Disability and Autism	01.12.18	-	2 nd	4/5
Jessica Juchau-Scott	Carer, Older People's Services	N/A	N/A	N/A	1/2
Margaret Adams	Public, South Tyneside	01.03.14	31.03.22	3 rd	5/5
Tom Bentley	Public, Gateshead	01.12.19	21.12.22	1 st	1/3
Evelyn Bitcon	Public, North Cumbria	01.03.21	-	1 st	5/5
Karen Lane	Newcastle/Rest of England and Wales	01.01.22		1 st	1/5
Leyton Rahman	Public, Northumberland	01.01.22	-	1 st	0/5
Catherine Hepburn	Public, North Tyneside	01.12.16	01.10.22	2 nd	0/2
Caleb Carter-West	Service User, Neuro Disability Services	01.01.23		1 st	1
Jane Noble	Carer Governor, Adult Services	01.03.22		2 nd	3/5
Jamie Rickelton	Public, Gateshead	01.01.23		1 st	2/2
Karen Lane	Public, Newcastle / Rest of England Wales	01.01.22		2 nd	1/5
Mary Laver	Public, North Tyneside	01.01.23		1 st	1/2
Ian Palmer	Public, South Tyneside	01.01.23		1 st	1/2
Jodine Milne-Reader	Public, Sunderland	01.01.23		1 st	1/2

Staff Governors					
Daniel Cain	Staff, Non-Clinical	01.01.22	-	1 st	3/5
Victoria Bullerwell	Staff, Non-Clinical	01.12.17	-	2 nd	3/5
Revell Cornell	Staff, Non-Clinical	01.12.19	01.10.22	1 st	7/8
Dr Thomas Lewis	Staff, Medical	01.01.22	-	1 st	2/3
Claire Keys	Staff, Clinical	01.12.15	-	3 rd	1/5
Allan Brownrigg	Staff, Clinical	01.03.21	01.10.22	1 st	2/3
Raza Rahman	Staff, Clinical	01.03.21	01.10.22	1 st	0/3
Emma Silver Price	Staff, Non-Clinical	01.12.22	-	1 st	2/2
Doreen Chananda	Staff, Clinical	01.01.22	-	1 st	2/2
***Daisy Mbwanda	Staff, Clinical	31.03.23	01.10.23	1 st	-
Appointed Governors					
Cllr Kelly Chequer	Local Authority, Sunderland	08.08.19	-	1 st	2/5
Cllr Wilf Flynn	Local Authority, South Tyneside	01.10.19	04.05.22	1 st	0/5
Cllr Paul Richardson	Local Authority, North Tyneside	01.03.21	04.05.22	1 st	3/5
Cllr Maria Hall	Local Authority, Gateshead	01.06.19	-	1 st	4/5
Cllr Wendy Pattison	Local Authority, Northumberland	01.05.21	-	1 st	1/5
Cllr Alex Hay	Local Authority, Newcastle	01.02.22	01.06.22	1 st	0/5
Cll Lara Ellis	Local Authority, Newcastle	01.06.22	04.05.22	1 st	2/5
Prof Kim Holt	University, Northumbria University	04.10.18	-	3 rd	1/5
Jacqui Rodgers	Universities, Newcastle University	25.10.19	-	1 st	2/5
Annie Murphy	Community and Voluntary Sector	22.06.18	-	3 rd	1/5
Denise Porter	Community and Voluntary Sector	01.04.17	31.03.23	3 rd	3/5
Yita Graham	Cumbria University			1 st	1/1

There have been five formal meetings of the Council of Governors during 2022/23, including the Annual Members' Meeting. There has also been a number of training, engagement sessions as determined by the Governors' Steering Group. It is a fundamental principle of the NHS Act 2006 that no Governor shall receive any form of salary, but reasonable reimbursement will be made for allowable expenses associated with training, events, and meetings attended relating to their role as a Governor.

*Lead Governor

**Left Constituency and joined another

*** Shadow Governor

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

Council of Governors' General meetings attended by Board members April 2022 – March 2023	
Board member	Attendance/ total number of meetings held
Ken Jarrold, Chair	5/5
David Arthur, Non-Executive Director / Senior Independent Director	3/5
Darren Best, Non-Executive Director/ Vice Chair	4/5
Paula Breen, Non-Executive Director	3/5
Michael Robinson, Non-Executive Director	3/5
Brenda Hill, Non-Executive Director	3/5
Louise Nelson, Non-Executive Director	3/5
Alexis Cleveland, Non-Executive Director (<i>until 30 June 2022</i>)	1/1
James Duncan, Chief Executive	5/5
Dr Rajesh Nadkarni, Deputy Chief Executive/Medical Director	4/5
Gary O'Hare, Chief Nurse	1/5
Ramona Duguid, Chief Operating Officer	4/5
Lisa Quinn, Director of Commissioning and Quality Assurance (<i>until 31 December 2022</i>)	2/5
Lynne Shaw, Director of Workforce and Organisational Development	5/5
Kevin Scollay, Executive Finance Director (<i>from 22 October 2022</i>)	2/3
Sarah Rushbrooke, Executive Director Nursing, Therapies and Quality Assurance (<i>from 27 February 2023</i>)	1/1

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

The Board has regard to the views of the Council of Governors in preparing the Trust's Operational Plans and Strategic Plans. The Council of Governors is consulted on the development of forward plans and any significant changes for the delivery of the Trust's Operational Plan. In 2022/23 the Council of Governors as well as service users, carers and members of the public were fully involved in the development of the of the Trust's Quality Priorities for 2022/23.

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

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

Declaration of Interests

All Governors are asked to declare any interest on the Register of Governors' Interests at the time of appointment and annually every March. The register is available for inspection on the internet at www.cntw.nhs.uk or on request, from Kirsty Allan, Corporate Governance Manager, Chief Executive's Office, St. Nicholas Hospital, Jubilee Road, Gosforth, Newcastle upon Tyne, NE3 3XT. (corporate.affairs@cntw.nhs.uk).

Nominations Committee

The Council of Governors has established a Nominations Committee in line with the requirement within the Trust's Constitution, and its terms of reference are included on the Trust website. Its role includes making recommendations to the full Council of Governors on the appointment of the Chair and Non-Executive Directors (NEDs) and the associated remuneration and allowances and other terms and conditions. Membership and attendance at the Nominations Committee is shown in table 19 below:

Table 19: Nominations Committee Membership and Attendance

Name	Attendance/ total number of meetings held
Ken Jarrold, Chairman*	1/1
Margaret Adams, Deputy Lead Governor/Public Governor for South Tyneside*	1/1
Fiona Grant, Lead Governor/Service User Governor for Adult Services	0/1
Anne Carlile, Carer Governor for Adult Services	1/1
Victoria Bullerwell, Staff Governor – Non-Clinical	1/1
Catherine Hepburn, Public Governor for North Tyneside	0/1
Denise Porter, Community and Voluntary Sector Governor	0/1
Tom Bentley, Public Governor for Gateshead	0/1

* Co-Chairs of the Governors' Nomination Committee

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

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

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

During 2022/23, the Nomination Committee reviewed the terms of office for those Non-Executive Directors who had served a first or second term of office. Following review of the performance of Darren Best, Non-Executive Director and Vice-Chair and Paula Breen, Non-Executive, the Nomination Committee submitted a recommendation, which received

unanimous agreement by the Council of Governors at its meeting held 12th May 2022 to reappoint both Darren and Paula for a second term of office.

Ken Jarrold, Chairman of the CNTW Council of Governors and Board of Directors, appointed as Chairman on 1st February 2018 will stand down from his role on 30th September 2023. Ken will have successfully served two terms as Chairman and in February 2023, the Nomination Committee met to discuss and recommend the process for the appointment of a new Chair. The process was approved by the Council of Governors at its meeting held 9th March 2023. The appointment process will be undertaken during the summer 2023.

The Nomination Committee were also involved in other areas of activity throughout the year including: supporting the process for the appointment of a new Executive Director of Finance and a new Executive Director of Nursing, Therapies and Quality Assurance.

The Committee continues to review the appointment/re-appointment process and timeline for current Non-Executive Directors to ensure appropriate succession planning is in place. In March 2022 the Committee reviewed the terms, conditions and remuneration of the Chairman and Non-Executive Directors. The review continued to align to NHS England Guidance on the structure to align remuneration for Chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts. The Committee confirmed an 'explain' approach with regard to additional payments for Non-Executive Chairs of Board Sub-Committees choosing to apply payments for all sub-committees of the Board. The Committee also agreed to take an 'explain' approach to additional payments for the role of Vice-Chair, approving an additional payment to the Vice-Chair for additional duties in the context of the Trust's large geographical footprint and support to the Integrated Care System. There have been no further reviews or changes to the remuneration of the Chair and Non-Executive Directors during 2022/23.

NHS Foundation Trust Code of Governance

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

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

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

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

All requirements where supporting information is required to be made available is available either on request or on the Trusts website at www.cntw.nhs.uk

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

Information, development and evaluation

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

The Council of Governors receive regular presentations from the Executive Team and updates from Governors on the work of the Nominations Committee and working groups. On appointment or election, all Directors and Governors undertake an appropriate induction programme and are encouraged to keep abreast of matters affecting their duties.

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

Indemnities

In accordance with the Trust's Constitution, as at the date of this report, indemnities are in place under which the Trust has agreed to indemnify its directors and Governors who act honestly and in good faith will not have to meet out of their personal resources any

personal civil liability which is incurred in the execution or purported execution of their functions save where they have acted recklessly. Any costs arising in this respect will be met by the Trust.

Membership

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

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

At 31 March 2023 the Trust reported a membership of 11,659 public, service users and carers and 8,292 staff (see the table below for details of numbers per constituency).

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

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

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

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

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

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

Members are free to contact Governors and/or Directors at any time via the Corporate Affairs Team (telephone number 0191 245 6827) or email corporateaffairs@cntw.nhs.uk or members@cntw.nhs.uk

Table 20 below shows an analysis of our membership as at 31 March 2023.

Table 20: Analysis of membership as at 31 March 2023.

Constituency	31 March 2021	31 March 2022	31 March 2023
Public			
Cumbria	81	83	86
Gateshead	955	947	926
Newcastle upon Tyne/Rest of England and Wales	3,403	3,399	3,394
Northumberland	1,347	1,285	1,283
North Tyneside	1,417	1,410	1,400
South Tyneside	784	780	780
Sunderland	1,980	1,970	1,965
Out of Trust Area			35
Sub total	9,967	9,909	9,869
Service Users			
Adults	379	356	367
Children and young people	134	133	135
Learning disability	88	87	87
Neuro-disability	113	112	110
Older people	41	38	36
Unknown*	52	52	53
Sub total	807	726	788
Carers			
Adults	140	142	145
Children and young people	516	515	515
Learning disability	103	103	102
Neuro-disability	79	78	79
Older people	81	79	80
Sub total	919	917	921
TOTAL	11,693	11,604	11,578
Staff			
Unspecified	110	59	68
Medical	416	475	480
Other Clinical	3,306	3,422	3,445
Non Clinical	4,409	4,336	4,571
Total All Staff	7,881	8,292	8,564
TOTAL MEMBERS	19,610	19,896	20,142

*The total number of unknowing relates to both Service User and Carer constituencies.

2.6 Voluntary Disclosures

2.6.1 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.

NTWS' Modern Slavery Act Statement is available on [www.ntwsolutions.co.uk/ Modern Slavery Statement](http://www.ntwsolutions.co.uk/Modern%20Slavery%20Statement). The Trust's Modern Slavery Act statement is available on the website [Modern Slavery Statement May 2021 - Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust \(cntw.nhs.uk\)](http://Modern%20Slavery%20Statement%20May%202021%20-%20Cumbria,%20Northumberland,%20Tyne%20and%20Wear%20NHS%20Foundation%20Trust%20(cntw.nhs.uk).).

Organisation's Structure and Principal Activities

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

Our Supply Chains

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

Our Policies on Slavery and Human Trafficking

Our policies, protocols and procedures demonstrate our commitment to acting ethically and with integrity in all of our business relationships and to implementing and enforcing effective systems and controls to ensure that slavery and human trafficking is not taking place anywhere in our supply chains.

Due Diligence Processes for Slavery and Human Trafficking

We require our suppliers to have suitable anti-slavery and human trafficking policies and processes. Most of our purchases are made under existing national supply contracts or frameworks which have been negotiated under the NHS Standard Terms and Conditions of Contract and which include the requirement for suppliers to have suitable anti-slavery and human trafficking policies and processes in place. We expect each entity in the supply chain to, at least, adopt 'one-down' 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 of 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

Within our Procurement Team we employ qualified Members of the Chartered Institute of Procurement & Supply who have passed the Ethical Procurement & Supply Final Test attached to this Professional Registration.

2.6.2 Sustainability Report

Statement on the Trusts commitment to Climate and Environmental Issues.

We recognise the scale of the climate and ecological crisis and the associated threat to health. Climate change affects human health; contributing to cardiovascular disease, asthma, and cancer. Actions which tackle climate change can also save lives by improving air pollution, inactive lifestyles, obesity, and poor diets.

Our Board declared a climate and ecological emergency in March 2020, we published our Green Plan in April 2021. This is based on the principles of sustainable healthcare (below) to guide us towards working in a way that is kinder to the planet. These principles have also been incorporated throughout our new Trust strategy, 'With you in mind'. The Trust's sustainability programme was established in 2019 and is called 'CNTWClimatehealth' and the Board lead for sustainable and net zero healthcare is Kevin Scollay, Executive Director of Finance.



The four principles of sustainable healthcare, Centre for Sustainable Healthcare

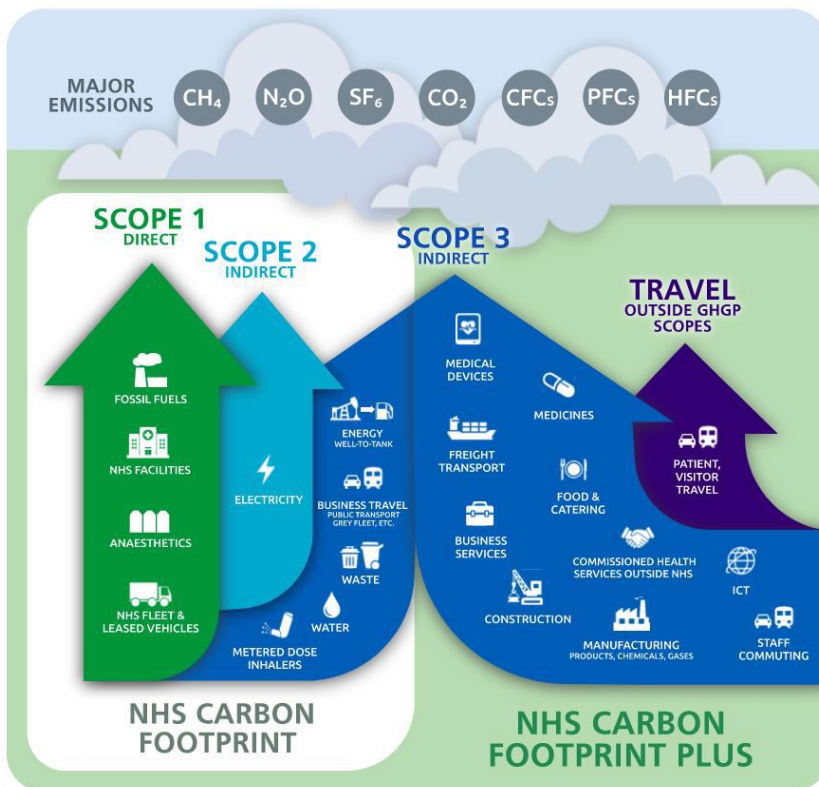
Greenhouse gas emissions and reduction projections

The NHS is a significant contributor to climate change, generating 4% of England's total carbon footprint. To reduce our carbon footprint, we must reduce the greenhouse gas (carbon) emissions generated by CNTW activities to 'net zero'. There are two clear targets for the NHS net zero commitment:

- For directly controlled emissions (the NHS Carbon Footprint), net zero by 2040, with an ambition to reach an 80% reduction by 2028 to 2032.
- For the emissions that can be influenced (the NHS Carbon Footprint Plus), net zero by 2045, with an ambition to reach an 80% reduction by 2036 to 2039.

We aim to align our reporting with the 'Delivering a Net Zero National Health Service' report. This report introduced the concept of the NHS Carbon Footprint and the NHS Carbon Footprint Plus using Greenhouse Gas Protocol (GHGP) guidance. The NHS Carbon Footprint is made up of Scope 1 direct emissions from fuel use and Scope 2 indirect emissions mainly from purchased electricity. Some Scope 3 indirect emissions are controlled directly by the NHS and are included in the NHS Carbon Footprint - these include water, waste, and business travel. The NHS can introduce policies to directly

impact its emissions from these sources. The remaining Scope 3 emissions are in those areas the NHS can influence: this is called the NHS Carbon Footprint Plus and includes medicines, ICT, and construction. The diagram below illustrates these scopes.

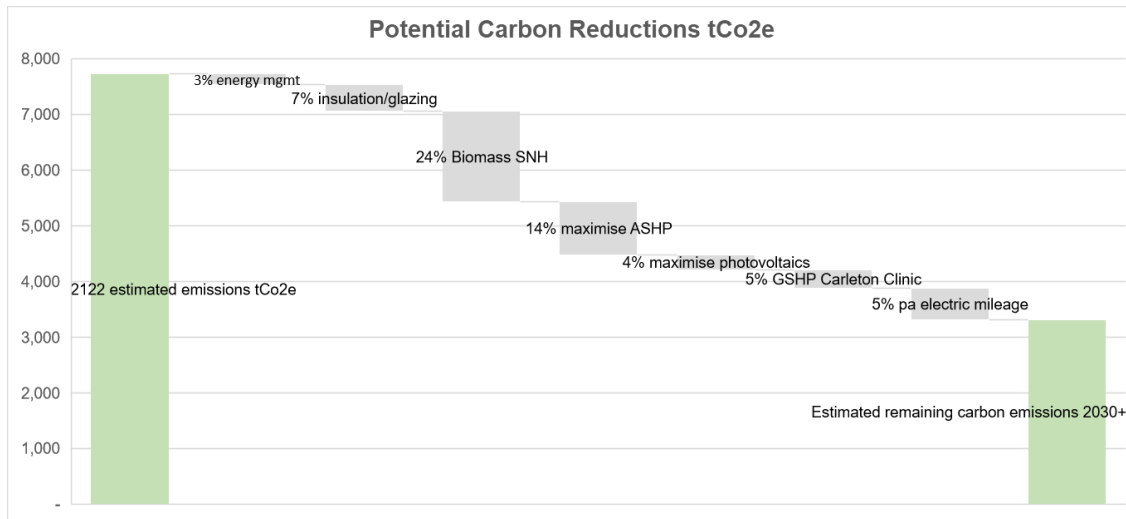


Greenhouse Gas Protocol scopes in the context of the NHS

In line with targets for the whole of the NHS, we intend to reduce the carbon emissions directly generated by CNTW’s activities to net zero by 2040. The faster we can cut emissions, the better. The annual CNTW influenceable carbon footprint in 2015 was roughly 16,000 tonnes (tCO₂e), which is mostly made up of emissions from buildings energy (88%) and business travel (12%). We monitor our emissions reduction plan through the Trust’s Resource and Business Assurance Committee.

We don’t yet have a plan that fully delivers net zero carbon emissions by 2040. This reflects the scale of the challenge and is in line with other NHS organisations. The current CNTW Green Plan reduces carbon emissions by 44% by the year 2040, reducing from 16,000 tonnes of carbon per year (tCO₂e) in 2015 to around 7,000 tonnes of carbon per year, achieved through reductions in energy use, upgrades of heating systems and changes in travel habits. Eliminating the remaining carbon emissions would be reliant on future technology developments to deliver net zero by 2040.

In 2022 we identified further potential carbon reductions through the proposed installation of a biomass energy system at St Nicholas Hospital and other decarbonisation schemes which would cost approximately c£30m. Enacting this plan would reduce carbon emissions to 4,000 tonnes of carbon per year and the estimated carbon impact of the various elements is shown below.



CNTW Carbon Reduction Plan as at 2022

However, reflecting the rapid pace of developments in funding NHS decarbonisation plans, a biomass solution is no longer be considered acceptable therefore this option will not be pursued. Further feasibility studies are in development and alternative solutions will be scoped when funds are available to do so.

Our original Green Plan expected our 22/23 emissions to be around 7,000 tonnes CO₂e. This was limited to building energy, Trust fleet and business travel and comprised several assumptions on carbon accounting, in particular the way that emissions from Scope 2 purchased electricity are treated when purchasing 100% renewable electricity. Latest guidance indicates that these emissions must still be counted within the overall carbon footprint unless they meet specific additionality criteria.

Our carbon footprint decreased in 2022/23. Our 22/23 actual emissions for scopes previously reported are 9,500 tonnes CO₂e, however, to align our reporting with NHS Carbon Footprint methodology going forward, we now include carbon emissions from water, waste and building energy ('well-to-tank' or upstream emissions from fuels). This gives a total NHS Carbon Footprint value of just under 11,500 tonnes CO₂e as shown below which, when applying the same methodology to previous years 19/20 onwards, gives a reduction of 7% overall compared to 2019/20 (3.6% reduction compared to 2022/23).

The NHS Carbon Footprint Plus section includes staff commute emissions for the first time and further emissions categories will be added to this over time and as data collection advances. The changes to carbon footprint methodology will be captured within the next refresh of the Trust Green Plan.

Category	Sub-category	Total tCO ₂ e				% change from 19/20
		2019/20	2020/21	2021/22	2022/23	
NHS Carbon Footprint	Scope 1					
	Building energy (fossil fuels)	5,894	6,192	5,972	5,775	-2%
	Trust fleet	654	592	593	509	-22%
	Scope 2					
	Building energy (purchased electricity)	3,192	2,893	2,722	2,512	-21%
	Scope 3					
	Building energy (well to tank)	1,522	1,490	2,037	1,869	23%
	Water	163	156	59	63	-61%
	Waste	17	20	23	23	34%
	Business travel	852	477	483	707	-17%
NHS Carbon Footprint Total	Total	12,295	11,821	11,890	11,458	-7%
NHS Carbon Footprint Plus	Scope 3					
	Staff commute	-	-	-	6,370	

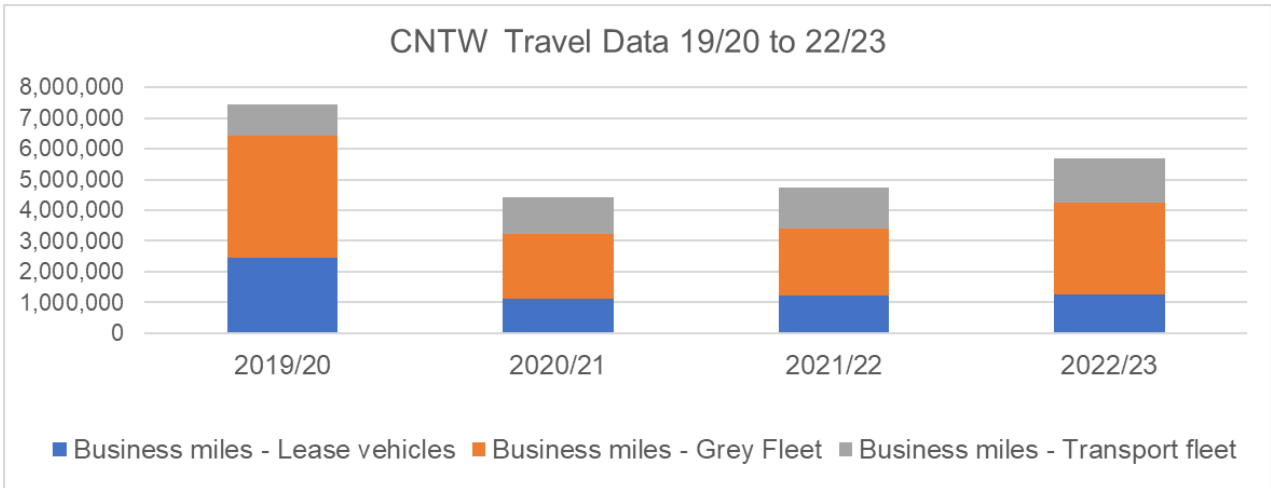
CNTW Carbon Footprint 2019/20 to 2022/23

Recent decarbonisation schemes funded from CNTW capital budgets include:

- Air source heat pump installations and building fabric improvements in several buildings on the Northgate Hospital site;
- Installation of a dewatering plant to tackle food waste from catering activities at the new Sycamore development;
- Upgrades to the Building Management System (BMS) at Carleton Clinic; and
- LED lighting upgrades to buildings on the Hopewood Park, Monkwearmouth Hospital and Rose Lodge sites

Business Travel

The graph below shows that CNTW mileage remains lower than pre-pandemic levels. There were 5.7million miles travelled on CNTW business during 2022/23. This is an increase of 20% compared with 21/22, however, total mileage remains 23% lower than it was before the pandemic (in 2019/20, the total mileage was 7.5million miles).



CNTW Mileage 2019/20 to 2022/23

Air pollution

We are working to replace the Trust fleet of vehicles with low emission vehicles where practical. The majority of CNTW travel is undertaken by staff travelling for work using their own vehicles, or vehicles they have leased using the Trust’s lease car scheme.

This fleet includes increasing numbers of ultra-low emissions (ULEZ) or electric vehicles as staff become more willing to use electric vehicles for personal and business travel. We have encouraged this shift by improving our electric vehicle charging infrastructure during 2022. As of December 2022, 47% of lease cars on order were fully electric and the lease car fleet comprised 27% fully electric vehicles – an increase from 15% a year before. Orders for ULEZ vehicles (which include hybrid cars) have dramatically increased to 73% of orders as at December 2022.

In early 2023, we asked staff about their commute to work at CNTW. We received over 400 responses, which have provided valuable insights into the way that staff travel to and for work. As a result, we intend to explore car-sharing opportunities for staff.

Seven things we have learned from the Travel Survey:


- 1 The average staff commute is 10 miles each way.
- 2 12% of staff have health reasons that potentially affect the way they commute.
- 3 77% of staff commute alone in a car. Of these, 8% use an electric vehicle.
- 4 34% of staff travel to work by car because they need to travel to do their job.

5	69% of staff live too far away from work to consider walking there and 46% of staff live too far from work to consider cycling there.
6	23% of staff would consider car sharing in future.
7	9% of staff use public transport to get to work. Up to 37% of staff would be encouraged to use public transport if there were more frequent and reliable services or cheaper/subsidised fares.

Clean air zone

The Newcastle and Gateshead Clean Air Zone launched on 30 January 2023, the first in our region. This means that some vehicles, typically those which are the worst polluting and owned by businesses, are now charged to enter the zone. We have two vehicles remaining within the CNTW fleet which are in scope for charges from July 2023; there are plans in place to replace these with lower emissions vehicles. Cars which are owned or leased by staff are not currently liable for charges.

Case Study: Clean Air Zone Explainer



The Newcastle and Gateshead Clean Air Zone launched on 30 January 2023, meaning some vehicles will be charged to enter the zone.

There was anxiety and confusion among staff about what this would mean for them, and a CNTWClimateHealth Clean Air Zone Update was developed to help staff understand why the clean air zone was introduced and its implications.

Electric vehicle charging infrastructure

During 2022, we installed 56 new electric vehicle charging points across many Trust sites, available for both staff and the general public. Staff now pay to access the chargers, at a rate lower than that charged to the general public.

Climate change

We purchase 100% renewable electricity through our energy procurement frameworks to support the move towards a decarbonised electricity grid.

Single use plastics and waste

Work has continued to phase out single use plastics in our non-clinical activities. We encourage staff to bring their own reusable cups and containers when purchasing food and drinks from our cafes and have a range of reusable items available for staff to buy. Disposable containers used for takeout food have been switched from plastic to compostable materials and now attract a small surcharge to incentivise reusable alternatives. To reduce the amount of bottled water sold in cafes, we promote the use of reusable bottles and provide chilled water dispensers which are available for staff and service users to use.

A food dewatering system has been purchased for the new Sycamore development at Northgate which will reduce the volume of food waste for disposal.

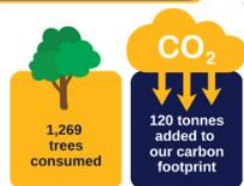
Our continued use of the Warpit surplus equipment reuse scheme has resulted in waste disposal and carbon savings as well as financial savings in avoided procurement and waste disposal costs of £55,000 in 22/23 with total savings since 2016 of over £300,000.

Purchase and specification of products and services which secure wider social, economic and environmental benefits

While our costs are predominantly staff costs, we are trying to reduce the environmental and social impact of the goods and services that we buy. We have committed to include a minimum weighting for environmental and social value criteria in our purchasing activities. An example of this approach is our new printer system – see case study below:

Case Study: Our new printer system saves 65 trees every year

Every year, 15 million pages are printed by CNTW staff.
This equates to:



Every year, 15 million pages are printed by CNTW staff. This adds 120 tonnes to our carbon footprint.

CNTW's new printer system has reduced the amount of paper wasted, saving the equivalent of 65 trees per year! The system prevents documents sent to the printer from printing automatically, instead staff must login at the printer to collect their documents.

Last year, the system removed more than 80,000 documents from the print queue, saving more than 800,000 pages from being printed unnecessarily.

Staff Engagement & Influence

Our engagement and influencing activities have continued, largely through influencing the new Trust strategy, through the Green Minds network and through seeking to embed the principles of sustainable healthcare into large-scale transformation programmes.

Dr Guy Harvey, our sustainable healthcare clinical lead, continues to deliver continuing professional development sessions to our medical workforce and remains an active member of both the Royal College of Psychiatrists Planetary and Sustainable Health Committee and the Health Education North East Faculty of Sustainable Healthcare Committee.

We are founder members of the Green Minds Network, a collaboration of Mental Health and Learning Disability Trust staff who have an interest in sustainable healthcare. During the last year, we have supported the network to hold two events, spanning topics such as Sustainable Quality Improvement in Mental Health, Green Plans and Carbon Footprinting. In September 2022 the Green Minds Network was shortlisted for the Royal College of Psychiatrists Psychiatric Team of the Year: Outstanding Commitment to Sustainability/ Green Care category.

We continue to be active members of the regional Sustainability Group, contributing to the North East and North Cumbria Integrated Care System's Green Plan which was published in July 2022. This can be found at their website [here](#).

Case Study: Green Minds Network



A group of interested folk agreed that there was a need for Mental Health and Learning Disability Trusts to meet and share ideas and experiences about developing sustainable services. We named this forum Green Minds.

We set up an online collaborative workspace and held our first virtual workshop in May 2022. One hundred people registered (events are free), and attendees were from a wide range of disciplines and organisations. Speakers talked about Producing a Green Plan, Carbon footprinting of Mental Health and Learning Disability Services and Sustainable Quality Improvement.

In January 2023 we held our second workshop: 'Sustainable Mental Health Care; Principles to Practice'. The number of registrants doubled to 200, demonstrating there is a lot of staff interest in sustainable healthcare practice across the sector. We heard from NHS England about their Greener NHS Low Carbon Models of Care, and we discussed how these can be applied when designing the new Community Mental Health Framework and Younger People's Partnership service developments.

Developing Sustainable Healthcare into 2023/24

The CNTW Green Plan will be refreshed in 2023/24, to align with the Trust's new strategy, 'With you in mind'. Other planned developments include:

- Further Green Minds events;
- The implementation of Climate Cafés;
- A tree-planting collaboration with NHS Forest;
- Continuing to bid for funds to support the decarbonisation of our estate; and
- Preparing for the ban on single-use plastics that comes into force in October 2023

2.7 Statement of Accounting Officer's Responsibilities

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

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

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

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


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

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

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

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

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

A handwritten signature in black ink, appearing to be 'James Duncan', with a stylized flourish extending to the right.

James Duncan
Chief Executive
29 June 2023

2.8 Annual Governance Statement 2022/23

Scope of responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS 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 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 Trust Accountable Officer Memorandum*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and the Group, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically. The system of internal control has been in place in Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and the Group for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

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

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

The Risk Management Strategy for 2017-2022 has been extended and remains in place. The Risk Management Strategy will be reviewed during 2023-24 in line with the review of the overarching Trust Strategy 'With you in mind' scheduled for launch in May. The review will incorporate a review of the Trust risk appetite and Board Assurance Framework in the context of the new strategy, the implementation of Integrated Care Boards, system-working and the organisational priorities post-Covid.

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

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

The Trust Leadership Team and locality Quality Standards meetings, also undertake this review from an operational perspective to ensure that risks are recorded effectively and consistently and that controls in place are appropriate to the level of risk.

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

The risk and control framework

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

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

The Foundation Trust's Risk Management Strategy for 2017 – 2023 (extended) defines the risk management ambitions for the organisation:

1. To support greater devolution of decision making and accountability for management of risk throughout the organisation from Board of Directors to point of delivery (Board to Ward).
2. To promote a risk culture of monitoring and improvement, which ensures risks to the delivery of the Trust's ambitions are identified and addressed.

3. To define processes, systems and policies throughout the Trust which are in place to support effective risk management and ensure these are integral to activities in the Trust.
4. To support service users, carers and stakeholders through the reduction of risks to service delivery and improved service provision.
5. To support the Board of Directors in being able to receive assurance that the Trust is continuously monitoring external compliance standards and legislation responsibilities, including standards of clinical quality, NHS Improvement compliance requirements and Trust's licence.

Risks facing the organisation will be identified from several sources, for example:

- Risks arising out of the delivery of day-to-day work related tasks or activities.
- The review of strategic or operational ambitions.
- As a result of an incident or the outcome of investigations (both internal and external).
- Following a complaint, claim or patient feedback.
- As a result of a health and safety inspection/assessment, external review, or audit report.
- National requirements and guidance.

The Foundation Trust Board of Directors through its Risk Management Strategy and Policy has adopted a risk appetite statement which shows the amount of risk the Board of Directors is willing to accept in seeking to achieve its Strategic Ambitions. This was agreed following a Board of Directors Development session in February 2017 and is reviewed on an annual basis. This was last reviewed at a Board of Directors in February 2022. The 2023 review has been deferred to take into consideration the refresh of the Trust's overarching strategy and associated short, medium, and long-term objectives. This review will take place in quarter 1 2023/24. Risk appetite is the level of risk deemed acceptable or unacceptable based on the specific risk category and circumstances/situation facing the Trust. This allows the Trust to measure, monitor, and adjust, as necessary, the actual risk positions against the agreed risk appetite.

All risks which exceed the Trust's risk appetite are reported through the Trust Governance Structures to the Board of Directors.

The table below summarises those risks which have exceeded risk appetite, as reported to the Board in the Assurance Framework in February 2023. All risks identified below are considered as in year and future risks relating to the Strategic Ambitions pertinent to 2022-23.

Risk Ref	Risk description	Risk Appetite	Risk Score
1680 V56 SA1 & SA6	If the Trust were to acquire additional services and geographical areas this could have a detrimental impact on CNTW as an organisation.	Compliance/ Regulatory (6-10)	3x4 = 12
1683 V27 SA1	There is a risk that high quality, evidence based safe services will not be provided if there are difficulties accessing inpatient services in a timely manner due to bed pressures resulting in the inability to sufficiently respond to demands.	Quality Effectiveness (6-10)	4x4 = 16
1688 V58 SA5	Due to the compliance standards set from NHSI, CQC and for Legislation there is a risk that we do not meet and maintain standards which could compromise the Trust's statutory duties and regulatory requirements.	Compliance/ Regulatory (6-10)	4x5 = 20
1691 V37 SA5	As a result of not meeting statutory and legal requirements regarding Mental Health Legislation this may compromise the Trust's compliance with statutory duties and regulatory requirements.	Compliance/ Regulator (6-10)	3x4 = 12
1687 V41 SA4	That we do not manage our resources effectively in the transition from COVID planning to ongoing sustainability and delivery of our key programmes.	Financial/value for money (12-16)	4x5 = 20
1694 V20 SA5 & SA6	Inability to recruit the required number of medical staff or provide alternative ways of multidisciplinary working to support clinical areas could result in the inability to provide safe, effective, high-class services.	Quality Effectiveness (6-10)	3x4 = 12
1762 V23	Restrictions in Capital expenditure imposed nationally may lead to increasing risk of harm to patients when continuing to use sub optimal environments.	Financial/value for money (12-16)	4x5 = 20
1836 V19 SA4	A failure to develop flexible robust Community Mental Health Services may well lead to quality and service failures which could impact on the people we serve and cause reputational harm.	Quality Effectiveness (6-10)	3x4 = 12
1853 V15 SA4	The climate and ecological change is affecting the physical and mental health of current and future generations and adaptation plan to be in place regarding the infrastructure and preparedness for extreme weather. The delivery of the Green Plan is paramount to reduce the impact of climate change.	Climate & Ecological Sustainability (6-10)	3x4 = 12

The Trust's Management structures were the subject of review during April 2022 and some changes were made to the governance framework which included:

- Standing down the Corporate Decisions Team.
- Standing down Corporate Decisions Team sub-groups.
- Implementation of the Trust Leadership Team
- Enhancing accountability at locality level to support the Trust's approach to a devolved management structure.

The Trust Board governance structures are the subject of periodic review, the last review taking place April 2022 where minor changes were made to the committee terms of

reference, including membership of Board Committees to reflect updated governance arrangements and changes to the Executive Team and associated portfolios.

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

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

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

- Review the Board Assurance Framework to ensure that the Board of Directors receive assurances that effective controls are in place to manage corporate risks.
- Review the management of the Corporate Risks and the Group's top 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. The Committee also considers all aspects of safety, quality and performance, clinical audit, and research.

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

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

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

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

Oversight of Quality Governance arrangements is achieved 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:

- Board of Directors
- Quality and Performance Committee
- Trust Leadership Team meetings
- Locality Accountability Framework meetings
- Group Quality Standards Meetings

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

The outcome of the review identified the following areas as performing well:

- Cohesive and inclusive behaviours between the Board of Directors and Council of Governors.
- A positive and open culture across the organisation.
- Awareness of issues, risks, and priorities.
- Equality, diversity, and inclusion issues are proactively promoted.
- Decision making is made as close as possible to the delivery of care.
- Continuous learning, innovation and good practice was evident.
- The current strategy was clear and understood.

The following areas were identified for consideration:

- Refreshing of the Board Development programme
- Continue to improve the provision of support to Staff Networks
- Review Board/senior leadership positions regarding representation of the workforce/population.
- Re-balance feedback and challenge from Non-Executive Directors and Governors.
- Minimise verbal assurance including from Board sub-committees.
- Reframe the Board Assurance Framework report to focus on those risks breaching the risk appetite.
- Continue to introduce and utilise Statistical Process Control charts to full effect.
- Continue to move back to collective leadership model post-Covid, with particular support for Band 5 level workforce.

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

In September 2022, NHS England launched the Patient Safety Incident Response Framework (PSIRF) which sets out the NHS's approach to developing and maintaining effective systems and processes for responding to patient safety incidents for the purpose

of learning and improving patient safety. The Trust is in the process of developing a Patient Safety Incident Response Plan (PSIRP) and new Incident Policy and associated practice guidance in line with the national requirements. The Trust will present the PSIRP and policy for approval to the Board of Directors in quarter 3 2023/24.

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

Registration compliance is managed through the Trust's quality governance structures. The outputs of CQC inspections (themed reviews), CQC Mental Health Act Reviewer visits and internal peer review visits are all considered by the Trust CQC Quality Compliance Group as a means of ensuring shared learning and development across all service areas. We also seek assurance that these findings and associated actions are managed within the appropriate locality governance groups. The CQC Quality Compliance Group reports to the Trust Leadership Team and Quality and Performance Committee.

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

This formal governance framework is supplemented by an on-going programme of service visits by Executive Directors, Non-Executive Directors and members of the Council of Governors. These were stood down during the pandemic and were reinstated during 2022/23. The feedback is shared with the Board of Directors and Council of Governors.

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

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

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

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

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

- Working with partners in health and care services in considering business and service change. The Foundation Trust has a framework for managing change to services agreed as part of its contracts with its main commissioners across the Northeast and North Cumbria. The Foundation Trust also has good relationships with Overview and Scrutiny Committees, with an excellent record of obtaining agreement to significant service change.
- Active relationships with Healthwatch and service user and carer groups, working with these groups on the management of service risks.
- The Director of Communications and Corporate Relations reports directly to the Chief Executive for sustaining effective relationships with the key public stakeholders. The role is also a member of the Executive Management Team.
- Active engagement with the Trust's own Service User and Carer Involvement Reference Group. The Group is comprised of approximately 100 service users and is chaired by the Lead Governor.
- Active engagement with the Council of Governors on strategic plans, service change, quality, and safety risks, including active engagement in the preparation of the Annual Plan, Quality Accounts, and the setting of Quality Priorities.

In line with the NHS Long Term Plan and associated People Plan, the Trust has re-energised its workforce planning methodology to support business units in their approach to short, medium and long-term planning in line with the Workforce Strategy and supporting clinical strategies. The Workforce Strategy will be refreshed in 2023.

To support the workforce planning process several tools are available to stakeholders to access. These include internal workforce demographics, population demographics and public health data, HEE Star toolkit, CHPPD as part of the Carter and Model Hospital work, time and attendance rostering analysis, activity analysis, staff engagement data e.g., staff survey and financial establishment information.

Whilst further work is undertaken to review and refresh workforce plans at a local level and in line with service changes and demands, the overall Trust Workforce Plan is incorporated into the annual planning cycle and formally reviewed by the Board on an annual basis. Regular establishment reviews take place as part of the safer staffing approach across the Trust and in response to wider workforce, quality and financial analysis.

As part of the ongoing work to develop medium to long term staffing plans and mitigate against risk, new roles are a focus for the Trust and work is ongoing with regards to skill mix changes in clinical areas. These are monitored through local groups as well as the Trust wide Strategic Staffing Group. Future oversight of this work will take place at the monthly workforce meetings. In addition, Safer Staffing reports are provided to Executive Directors and Trust Board and risks and mitigations identified.

The Trust monitors and triangulates a full suite of indicators, of which workforce is included, to report progress on the performance of the organisation through the Trust's performance and assurance processes, including the Commissioning and Quality Assurance Report to the Board of Directors.

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

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission.

The Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff, as required by the Trust's Constitution.

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

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

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

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

Annually, the Trust produces an Operational Plan which includes detailed plans for delivery of service and financial objectives. A refresh of the overall Trust plan for 2023/24 was approved by the Trust Board in April 2023 in line with national guidance. The financial position is reviewed monthly, through the Trust Leadership Team meeting and through the Board of Directors and on a quarterly basis by the Resource and Business Assurance Committee (RABAC).

The Board of Directors receive regular updates on the financial position via updates from RABAC, the Integrated Performance Report and latterly a specific Finance Board report. The Trust Leadership Team receive a monthly report as well as specific updates on key issues, such as control of agency costs. Each Locality Group reviews its own performance on its contribution to the Trust Financial Plan at its Operational Management Group. This is

subject to review through quarterly Accountability Framework review meetings between Executive Directors and the Locality Groups. The Foundation Trust actively benchmarks its performance, through a range of local, consortium based and national groups.

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

Information governance

The Foundation Trust has effective arrangements in place for Information Governance (IG) with performance against the Data Security and Protection Toolkit (DSPT) reported through the Quality and Performance Committee and the Trust Leadership Team.

The Trust has a Caldicott Guardian, a dedicated Board member who is responsible for protecting the confidentiality of people's health and care information and making sure it is used properly. We also have a Senior Information Risk Owner ('SIRO'), a dedicated Board member with responsibility for assuring the Board regarding information security and risks.

As part of the Trust's responsibilities under the Data Protection Act (2018), we also have a dedicated Data Protection Officer who has responsibility for:

- Informing and advising on data protection laws
- Monitoring compliance with Privacy and data protection laws, data protection polices, including managing internal data protection activities, raising awareness of data protection issues, training staff and conducting internal audits
- Cooperating with the supervisory authority
- Being the first point of contact for supervisory authorities and for individuals whose data is processed (employees, users of our services, carers etc).

The Data Protection and Security Toolkit (DSPT) is the mandated method for monitoring the Trust performance in the key areas of data protection and technical/cyber security on an annual basis. This is based on the NHS Data Security Standards and is focussed on ensuring the Trust remains compliant with laws concerning the handling and sharing of personal information, along with remaining resilient to cyber threats. The DSPT Standards for 2021/2022 required the Trust to submit 110 evidence items to support 33 mandatory assertions. The Trust achieved a 'Standards Met' status. The Trust is currently working towards 2022/2023 submission.

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

Seven incidents were reported to the Department of Health and Social Care and ICO via the Data Security and Protection Toolkit during the period 1st April 2022 to 31st March 2023. The incidents were fully investigated by the Trust and appropriate actions undertaken. The ICO have considered 6 of the incidents and have informed the Trust that no further action would be taken by them, 1 incident remains under review. The ICO have made recommendations to minimise the risk of such incidents reoccurring, all recommendations are followed up with evidence to support completion. The table below provides detail of the incidents reported.

Reported to Supervisory body	Type of Breach – Summary – Outcome
31/03/2023	Confidentiality Breach - Accidental disclosure of personal data by third party data processor. Remains under review with the ICO.
20/01/2023	Availability Breach – Loss of CCTV footage. Incident closed by ICO; no further action taken by the ICO.
02/11/2022	Confidentiality Breach – Transfer of emails, containing the personal identifiable information of a number of service users, from a staff members Trust account to their personal account prior to them leaving the Trust. Incident closed by ICO; no further action taken by the ICO.
14/10/2022	Confidentiality Breach – Unauthorised access to patient notes. Incident closed by ICO; no further action taken by the ICO.
25/08/2022	Confidentiality Breach – Information pertaining to data subject A, sent to the parents, GP and School of the data subject B. Incident closed by ICO, no further action taken by the ICO.
18/05/2022	Availability Breach – Failure to send clinical correspondence documents electronically to GP practices using GP Send functionality in the electronic patient records system. Incident closed by ICO; no further action taken by the ICO.
22/04/2022	Confidentiality Breach – Information pertaining to upcoming appointments sent to the mobile phone of a Service users’ family member where there was an expressed refusal for information sharing. Incident closed by ICO; no further action taken by the ICO.

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

Data quality and governance

2022-23 is the 14th year of publishing Quality Accounts for Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust.

The Trust has drawn upon service user, carer, and staff feedback as well as the Council of Governors to inform the Quality Account. We have also listened to partner feedback on areas for improvement and our response to these are incorporated in the 2022-23 Quality Account.

The Trust set an overarching annual plan which included a range of service priorities and quality priorities for 2022/23. The service priorities have formed part of our key

programmes of work during the year across inpatient services, urgent care, community services, children and young people and learning disabilities and autism.

As part of the national requirement to define a set of priorities as part of the Quality Account, four priorities were identified for 2022/23:

- Improving the inpatient experience
- Reducing waiting times
- Support service users and carers to be heard
- Continue our work on equality, diversity and inclusion

Reporting against delivery of these priorities has taken place throughout the year.

As part of the development of our new strategy, which will be launched during May 2023, we have set out five key strategic ambitions for the future. Our first ambition is to achieve quality of care, every day, which has formed the basis for the priorities we have set for 2023/24.

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

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

- Trust policies on quality reporting, key policies include:
 - CNTW(O)05 - Incident Policy (including the management of Serious Untoward Incidents)
 - CNTW(O)07 Complaints Policy
 - CNTW(O)09 Records Management Policy
 - CNTW(O)26 Data Quality Policy
 - CNTW(O)28 Information Governance Policy
 - CNTW(O)34 7 Day Follow up after discharge from inpatient mental health services
 - CNTW(O)62 - Information Sharing Policy
 - CNTW(O)36 – Data Protection Policy
 - CNTW(O)08 – Emergency Preparedness, Resilience and Response Policy
- Systems and processes have been further improved across the Trust during 2022-23 with the continued expansion of the near real-time dashboard reporting system. This reports quality indicators at every level in the Trust from patient/staff member to Trust level, including a review of options within system picklists to ensure data accuracy for reporting both national and local data.

- The Trust has training programmes in place to ensure staff have the appropriate skills to record and report quality indicators. Key training includes:
 - Electronic Patient Record (RiO)
 - Trust Induction
 - Data Security Awareness
- The Trust audit plan includes a rolling programme of audits on quality reporting systems and metrics.
- The Internal Audit Plan is fully aligned to the Trust's Board Assurance Framework and integrates with the work of clinical audit where this can provide more appropriate assurance.

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

Review of effectiveness

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

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

My review is also informed by on-going registration inspections and Mental Health Act reviewer visits by the Care Quality Commission, External Audit activity, NHS England's ongoing assessment of the Foundation Trust's performance, on-going review of performance and quality by our commissioners and self-assessment and internal audit of Trust's leadership and governance against CQC Well Led Framework.

Throughout the year the Audit Committee has operated as the key standing Committee of the Board of Directors with the responsibility for assuring the Board of Directors that effective processes and systems are in place across the organisation to ensure effective internal control, governance, and risk management. The Audit Committee is made up of

three Non-Executive Directors and reports directly to the Board of Directors. The Committee achieves its duties through:

- Overseeing the risk management system and obtaining assurances that there is an effective system operating across the Trust. Reviewing the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the Foundation Trust that supports the achievement of the organisations objectives.
- Consideration of the systems and processes in place to maintain and update the Assurance Framework, and consideration of the effectiveness and completeness of assurances that documented controls are in place and functioning effectively.
- Scrutiny of the corporate governance documentation for the Foundation Trust.
- The agreement of external audit, internal audit and counter fraud plans and detailed scrutiny of progress reports. The Audit Committee pays particular attention to any aspects of limited assurance, any individual areas within reports where issues of risk have been highlighted by internal audit, and on follow up actions undertaken. Discussions take place with both sets of auditors and management as the basis for obtaining explanations and clarification.
- Receipt and detailed scrutiny of reports from the Foundation Trust's management concerning the governance and performance management of the organisation, where this is considered appropriate.
- Review of its own effectiveness against national best practice on an annual basis. The terms of reference for the committee were adopted in line with the requirements of the Audit Committee Handbook and the NHS Code of Governance.

The Board of Directors itself has a comprehensive system of performance reporting. This includes analysis against the full range of performance and compliance standards, regular reviews of the Board Assurance Framework, ongoing assessment of clinical risk through complaints, SUIs, incidents, lessons learned, as well as focusing the strategic, long-term issues for the organisation. The Quality and Performance Committee receives a regular update on the performance of clinical audit. The Audit Committee also dedicated specific time throughout the year to monitor and review areas of clinical risk. The Audit Committee has also implemented a cycle of reporting from other sub-committees of the Board to receive further assurance on the management of risks and internal control.

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

Conclusion

My review confirms that Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and the group has adequate systems of internal control in place for the 2022/23 financial year, that supports the achievement of the Trust's policies, aims and objectives. No significant internal control issues have been identified.



James Duncan
Chief Executive
29 June 2023

Foreword to the Accounts

Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust Group

These accounts for the period ended 31st March 2023 have been prepared by the Cumbria, Northumberland, Tyne & Wear NHS Foundation Trust under Schedule 7 of the National Health Service Act 2006, paragraphs 24 and 25 and in accordance with directions given by NHS England, the Independent Regulator of Foundation Trusts, and have been prepared on a going concern basis.

A handwritten signature in black ink, consisting of a stylized, cursive script that begins with a large, circular flourish and ends with a long, horizontal tail.

James Duncan
Chief Executive

Statement of Comprehensive Income

	Note	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Operating income					
Operating income from patient care activities		546,236	545,709	497,022	496,470
Other operating income		37,162	36,948	40,537	42,138
Operating income from continuing operations	3	583,398	582,657	537,559	538,608
Operating expenses from continuing operations	4	(580,629)	(581,678)	(532,422)	(535,257)
Operating surplus from continuing operations		2,769	979	5,137	3,351
Finance costs					
Finance income	10	1,031	1,371	80	505
Finance expense	11	(6,715)	(6,437)	(5,576)	(5,574)
PDC dividend expense		(1,152)	(1,152)	(517)	(517)
Net finance costs		(6,836)	(6,218)	(6,013)	(5,586)
Other gains/(losses)		855	854	(3,323)	(3,323)
Share of profit from associates/ joint ventures		73	73	202	202
Gains from transfers by absorption		0	0	0	0
Corporation tax expense		116	0	(254)	0
(Deficit) / surplus from continuing operations		(3,023)	(4,312)	(4,251)	(5,356)
(Deficit) / Surplus for the financial year		(3,023)	(4,312)	(4,251)	(5,356)
Other comprehensive income					
Of which will not be reclassified to income and expenditure					
Impairments		520	521	443	443
Revaluations		0	0	0	0
Other recognised gains and losses		0	0	(3)	(3)
Total comprehensive (expense) / income for the year *		(2,503)	(3,791)	(3,811)	(4,916)

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

From 1st April 2021, the Trust took on responsibility as lead provider for the three specialist services provider collaboratives, adult secure services, children and young people's services and adult eating disorder services. As lead provider for North East and North Cumbria Mental Health, Learning Disability and Autism Partnership, the Trust is accountable to NHS England and Improvement and as such recognises the income and expenditure associated with the commissioning of services from other providers in these accounts. The income and expenditure budgets associated with being lead provider are circa £96m.

Statement of Financial Position

	Note	Group 31st March 2023 £000	Trust 31st March 2023 £000	Restated Group 31st March 2022 £000	Restated Trust 31st March 2022 £000
Non-current assets					
Intangible assets	13	1,502	1,500	945	942
Property, plant and equipment	14	214,487	212,753	182,536	181,449
Right of use assets	15	57,197	21,766	0	0
Investments in Subsidiaries	16	0	12,516	0	12,516
Loans to Subsidiaries	16	0	9,881	0	10,271
Investments in associates and joint ventures	16	0	0	303	303
Trade and other receivables	21	1,759	1,744	975	964
Total non-current assets		274,945	260,160	184,759	206,445
Current assets					
Inventories	20	636	332	702	457
Trade and other receivables	21	33,519	32,313	21,298	19,772
Other investments	16	626	0	675	0
Loans to Subsidiaries	16	0	390	0	377
Non-current assets for sale and assets in disposal groups	17	150	150	545	545
Cash and cash equivalents	22	51,002	43,584	66,081	60,557
Total current assets		85,933	76,769	89,301	81,708
Current liabilities					
Trade and other payables	23	(70,640)	(65,237)	(59,228)	(55,539)
Borrowings	24	(9,014)	(7,479)	(4,833)	(4,833)
Provisions	26	(2,519)	(2,500)	(3,117)	(3,093)
Other liabilities	25	(2,306)	(3,571)	(1,572)	(2,836)
Total current liabilities		(84,479)	(78,787)	(68,750)	(66,301)
Total assets less current liabilities		276,399	258,142	205,310	221,852
Non-current liabilities					
Borrowings	24	(119,595)	(86,243)	(72,254)	(72,254)
Provisions	27	(10,522)	(9,074)	(11,292)	(11,002)
Other liabilities	25	(235)	(22,996)	(238)	(24,263)
Total non-current liabilities		(130,352)	(118,313)	(83,784)	(107,519)
Total assets employed		146,047	139,829	121,526	114,333
Financed by					
Taxpayers' equity:					
Public Dividend Capital		282,465	282,465	254,791	254,791
Revaluation reserve	29	4,867	4,867	4,385	4,385
Income and expenditure reserve		(142,260)	(147,503)	(138,712)	(144,843)
Total taxpayers' equity		145,072	139,829	120,464	114,333
Other's equity:					
Charitable fund reserves		975	0	1,062	0
Total taxpayers' and others' equity		146,047	139,829	121,526	114,333

From 1st April 2022, IFRS 16 has been adopted by the NHS which has resulted in the recognition of right-of-use assets and associated liabilities onto the statement of financial position for the lease of property, plant and equipment. Up to 31st March 2022, these leases were previously classified as operating leases under IAS 17 and were charged as operating lease expenditure. The 2022/23 comparatives have not been restated on an IFRS 16 basis.

The financial statements were approved by the Board on 29th June 2023 and signed on its behalf by:



James Duncan
Chief Executive

Statement of Changes in Taxpayers' Equity: 1st April 2022 to 31st March 2023

	Group					Trust			
	Total	Public	Revaluation	Charitable	Income &	Total	Public	Revaluation	Income and
	£000	Dividend	Reserve	Fund	Expenditure	£000	Capital	Reserve	Reserve
		Capital	£000	Reserve	Reserve		£000	£000	£000
		£000		£000	£000				
Others' and Taxpayers' equity at 1st April 2022	121,526	254,791	4,385	1,062	(138,712)	114,333	254,791	4,385	(144,843)
Implementation of IFRS16 on 1st April 2022	(650)	0	0	0	(650)	612	0	0	612
(Deficit) for the year	(3,023)	0	0	(87)	(2,936)	(4,311)	0	0	(4,311)
Net Impairments	520	0	520	0	0	520	0	520	0
Transfer to retained earnings on disposal of assets	0	0	(38)	0	38	0	0	(38)	38
Public Dividend Capital received	27,674	27,674	0	0	0	27,674	27,674	0	0
Other reserve movements	0	0	0	0	0	1,001	0	0	1,001
Others' and Taxpayers' equity at 31st March 2023	146,047	282,465	4,867	975	(142,260)	139,829	282,465	4,867	(147,503)

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

	Group					Trust			
	Total	Public	Revaluation	Charitable	Income &	Total	Public	Revaluation	Income and
	£000	Dividend	Reserve	Fund	Expenditure	£000	Capital	Reserve	Reserve
		Capital	£000	Reserve	Reserve		£000	£000	£000
		£000		£000	£000				
Others' and Taxpayers' equity at 1st April 2021	97,958	227,122	3,945	1,149	(134,258)	91,580	227,122	3,945	(139,487)
(Deficit) for the year	(4,251)	0	0	(87)	(4,164)	(5,356)	0	0	(5,356)
Net Impairments	443	0	443	0	0	443	0	443	0
Other recognised gains and losses	(3)	0	(3)	0	0	(3)	0	(3)	0
Public Dividend Capital received	27,669	27,669	0	0	0	27,669	27,669	0	0
Adjustment to deferred tax provision	(290)	0	0	0	(290)	0	0	0	0
Others' and Taxpayers' equity at 31st March 2022	121,526	254,791	4,385	1,062	(138,712)	114,333	254,791	4,385	(144,843)

Statement of Cash Flows

	Note	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Cash flows from operating activities:					
Operating surplus from continuing operations		2,769	979	5,137	3,351
Operating surplus		2,769	979	5,137	3,351
Non-cash income and expense:					
Depreciation and amortisation		9,849	8,266	6,893	6,790
Impairments and (reversals)		2,933	2,933	3,378	3,378
Decrease / (increase) in contract and other receivables		(14,876)	(15,199)	(3,041)	(1,352)
Decrease in inventories		66	125	850	939
(Decrease) / increase in trade and other payables		12,682	11,348	6,848	6,253
Increase / (decrease) in other liabilities		731	(532)	(288)	(3,892)
(Decrease) / increase in provisions		(4,044)	(3,128)	1,202	1,263
Movements in charitable fund working capital		8	0	(18)	0
NHS charitable funds other movements in operating cash flows		33	0	(101)	0
Corporation tax (paid)		(178)	0	(215)	0
Other movements in operating cash flows		0	0	(300)	(300)
Net cash flows from operating activities		9,973	4,792	20,345	16,430
Cash flows from investing activities:					
Interest received		877	1,225	36	505
Issue / movement in loan with subsidiary		0	376	0	3,440
Disbursement / dividend received from Joint Venture		374	374	0	0
Dividend received from subsidiary		0	1,001	0	0
Purchase of intangible assets		(691)	(691)	(140)	(140)
Purchase of property, plant and equipment and investment property		(41,879)	(41,758)	(34,214)	(33,343)
Proceeds from property, plant and equipment and investment property		4,151	4,151	102	102
Net cash (used in) investing activities		(37,168)	(35,322)	(34,216)	(29,436)
Cash flows from financing activities:					
Public dividend capital received		27,674	27,674	27,669	27,669
Movement in loans from the Department of Health and Social Care		(2,549)	(2,549)	(2,549)	(2,549)
Capital element of lease liability repayments		(2,776)	(1,335)	(60)	(60)
Capital element of PFI, LIFT and other service concession payments		(2,040)	(2,040)	(1,700)	(1,700)
Interest paid on Department of Health and Social Care loans		(868)	(868)	(924)	(924)
Interest element of lease liability repayments		(27)	(27)	(29)	(29)
Interest element of PFI, LIFT and other service concession obligations		(5,270)	(5,270)	(4,736)	(4,736)
PDC dividend (paid)		(2,028)	(2,028)	(477)	(477)
Net cash flows from financing activities		12,116	13,557	17,194	17,194
(Decrease) / increase in cash and cash equivalents		(15,079)	(16,973)	3,323	4,188
Cash and cash equivalents at 1st April		66,081	60,557	62,758	56,369
Cash and cash equivalents at 31st March	22	51,002	43,584	66,081	60,557

Notes to the Accounts (Group)**1. Accounting Policies and other Information**

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

1.1.1 Going Concern

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

1.1.2 Consolidation

The group financial statements consolidate the financial statements of the Foundation Trust and entities controlled by the Foundation Trust (its subsidiaries) and incorporate its share of the results of wholly owned subsidiaries. These are accounted for at cost in accordance with IAS 27. 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.

Jointly controlled entities and associates are accounted for using the equity method of accounting in accordance with IAS 28.

NHS Charitable Funds

The Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust is the corporate trustee to the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity. The Trust has assessed its relationship with the Charity and determined it to be a subsidiary as the 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 Trust;
- eliminate intra-group transactions, balances and gains and losses.

Other Subsidiaries

Subsidiary entities are those over which the Trust is exposed to, or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, 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 balances, transactions, gains and losses are eliminated in full on consolidation.

NTW Solutions Ltd was incorporated on 2nd November 2016 and is a wholly owned subsidiary of the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust. The company commenced trading on 1st April 2017 and the primary purpose of the company is to provide managed healthcare facilities and provide estates management services, facilities management services and other support services.

1.1.3 Investments in Associates and Joint Ventures and Joint Arrangements**Joint Ventures**

Joint ventures are arrangements in which the Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement. Accounting as a joint venture generally applies where arrangements are structured through a separate vehicle, which confers a separation between the parties and the vehicle. As a result, the assets, liabilities, revenues and expenses held are those of the separate vehicle and the Trust only has an investment in the net assets of the vehicle. Joint ventures and investments in associates are accounted for using the equity method and reported in its separate financial statements in accordance with IAS 28. The joint venture is initially recognised at cost. It is increased or decreased subsequently to reflect the Trust's share of the entity's profit or loss or other gains and losses. It is also reduced when any distribution, e.g. share dividends, are received by the Trust from the joint venture.

The Foundation Trust owns a 50% shareholding in a Limited Liability Partnership with independent healthcare providers Insight Ltd (formerly MHCO). The LLP was commissioned by NHS Newcastle Gateshead CCG to deliver a service aimed at 'Improving Access to Psychological Therapies - IAPT' for the people of Newcastle.

Resolutions have been passed to wind up the LLP and the winding up process should be completed in quarter 1 of the 2023/24 financial year.

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

Joint Operations

Joint operations are arrangements in which the Trust has joint control with one or more other parties. Joint arrangements generally operate without the establishment of a separate formal entity and the Trust therefore has the rights to the assets, and obligations for the liabilities, relating to the arrangement. The Trust includes within its financial statements its share of the assets, liabilities, income and expenses for joint operations.

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

The Trust is also part of three NHS consortium arrangements. The Trust is a member of the NHS Payroll Services Consortium and is a member and host of the AuditOne Consortium and as host, is the employer of all designated staff who provide audit and counterfraud services to the consortium members. The Trust is also part of the Great North East Care Record which is a consortium arrangement created to strategise, develop, determine and deliver the digital priorities of the North East and North Cumbria ICS.

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 2023. 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 2023.

On 1st April 2017, NTW Solutions Ltd paid a premium to its shareholder for the leasehold interests of a number of properties and for furniture and equipment relating to those properties. A further leasehold interest premium was paid in November 2017 for further properties, furniture and equipment and the lease arrangements underpinning these transactions are for 25 years for the properties and approximately 5 years for the equipment. These assets are provided back to the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust as part of service contracts for the provision of operated healthcare facilities. A judgement has been made that substantially all of the risks and rewards incidental to ownership of the property and equipment assets were retained by Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust. These assets have therefore not been derecognised by the Foundation Trust and are accounted for as prepayments in the accounts of NTW Solutions Limited and the shareholder has recognised corresponding deferred income liabilities.

1.2.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The valuation of land and buildings is based on building cost indices provided by the Royal Institution of Chartered Surveyors (RICS) and used by the Valuer in his valuation work. These indices are based on an indication of trend of accepted tender prices within the local construction industry as applied to the Public Sector. The Total valuation of land and buildings which are subject to this method of valuation in 2022/23 was £132,504k (2021/22 £131,667k).

Notes to the Accounts (Group - continued)

1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. The majority of the Trust's income from NHS commissioners was in the form of block contract arrangements. The Trust receives block funding from its commissioners, where funding envelopes are set at a Integrated Care System (ICS) level. The related performance obligation is the delivery of healthcare and related services during the period, with the Trust's entitlement to consideration not varying based on the levels of activity performed.

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

1.3.1 Mental health provider collaboratives

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

1.3.2 Revenue from research contracts

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

1.3.3 Grants and donations

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

1.3.4 Apprenticeship service income

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

1.3.5 Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

Notes to the Accounts (Group - continued)

1.4 Expenditure on Employee Benefits**Short-term Employee Benefits**

Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension Costs**NHS Pensions Scheme**

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

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

Other Pension Schemes

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

1.5 Expenditure on other Goods and Services

Expenditure on goods and services are recognised when and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.6 Property, Plant and Equipment**1.6.1 Recognition**

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Subsequent Expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably.

Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

1.6.2 Measurement**Valuation**

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Notes to the Accounts (Group - continued)

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis

For non-operational properties including surplus land, the valuations are carried out at fair value.

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

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

Additional alternative valuations of open market value or value in existing use have been obtained for non-operational assets held for sale or operational properties where disposal is planned and imminent.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowing costs. Assets are re-valued and depreciation commences when they are brought into use.

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

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment, which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset as assessed by the Trust's professional valuers. Leaseholds are depreciated over the primary lease term.

Equipment held for operational use is valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Equipment is depreciated on current cost evenly over the estimated life. The Trust adheres to standard lives for equipment assets except where it is clear that the standard lives are materially inappropriate. Standard equipment lives are:

- | | |
|---|----------|
| • Short life engineering plant and equipment | 5 years |
| • Medium life engineering plant and equipment | 10 years |
| • Long life engineering plant and equipment | 15 years |

Notes to the Accounts (Group - continued)

• Vehicles	7 years
• Furniture	10 years
• Office and IT equipment	5 years
• Soft furnishings	7 years

Revaluation Gains and Losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

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

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

Impairments

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria in IFRS 5 are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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.

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

Notes to the Accounts (Group - continued)

Private Finance Initiative (PFI) Transactions

PFI transactions which meet the International Financial Reporting Interpretations Committee (IFRIC) 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with HM Treasury's FReM, the underlying assets are recognised as Property, Plant and Equipment together with an equivalent lease liability. Subsequently, the assets are accounted for as property, plant and equipment assets.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for the services. The element of the unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred. The finance cost is calculated using the implicit interest rate for the scheme, which is in accordance with guidance issued by the Department of Health: 'Accounting for PFI under IFRS'.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

1.7 Intangible Assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably and where the cost is at least £5,000.

Internally Generated Intangible Assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for Property, Plant and Equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Software is amortised on current cost evenly over the estimated life. The Trust adheres to standard lives for software assets except where it is clear that the standard lives are materially inappropriate. The asset lives for standard software is 5 years.

Notes to the Accounts (Group - continued)

1.8 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventories.

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

1.9 Investment properties

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

1.10 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Cash and cash equivalents include cash held in the Government Banking Service, cash with commercial banks and cash in hand. Cash and bank balances are recorded at the current values of these balances in the Trust's cash book.

As the Trust has no bank overdrafts, there is no difference between the amounts disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1.11 Financial Assets and Financial Liabilities

Recognition

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

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

Classification and Measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through leases are recognised and measured in accordance with the accounting policy for leases described in note 1.12.

Subsequent movements in the fair value of financial assets and financial liabilities are recognised as gains or losses in the Statement of Comprehensive Income.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Notes to the Accounts (Group - continued)

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On de-recognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

Financial assets measured at fair value through profit and loss

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

Determination of Fair Value

For financial assets and financial liabilities carried at fair value, the carrying amounts are determined from quoted market prices, independent appraisals, discounted cash flow analysis or other appropriate methods.

Impairment of Financial Assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced through the use of loss allowances. Loss allowances are made when debts are over three months old, unless there is a reason not to make the provision, such as an agreement to pay. In the case of disputes, provisions are made for debts less than three months old.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Notes to the Accounts (Group - continued)

1.12 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

1.12.1 The Trust as a Lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments includes fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 0.95% applied to new leases commencing in 2022 and 3.51% to new leases commencing in 2023.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

1.12.2 The Trust as a Lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance Leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating Leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Notes to the Accounts (Group - continued)

1.12.2 Initial application of IFRS 16

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury has been applied to these financial statements with an initial application date of 1 April 2022. IFRS 16 replaces IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard has been applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 have only been applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments have not been revisited.

The Trust as a Lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the statement of financial position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination.

No adjustments have been made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets has a value below £5,000. No adjustments have been made in respect of leases previously classified as finance leases.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

The Trust as a Lessor

Leases of owned assets where the Trust is lessor were unaffected by initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements has been reassessed with reference to the right of use asset.

2021/22 Comparatives

Comparatives for leasing transactions in these accounts have not been restated on an IFRS 16 basis. Under IAS 17 the classification of leases as operating or finance leases still applicable to lessors under IFRS 16 also applied to lessees. In 2021/22 lease payments made by the Trust in respect of leases previously classified as operating leases were charged to expenditure on a straight-line basis.

1.13 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount for which it is probable that there will be a future outflow of cash or other resources and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (prior year: minus 1.30%).

Clinical Negligence Costs

NHS Resolution operates a risk pooling scheme under which the Trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although the NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed in note 27.2 but is not recognised in the Trust's accounts.

Non-clinical Risk Pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

Notes to the Accounts (Group - continued)

1.14 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 28 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 28, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

1.15 Public Dividend Capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

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

In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

1.16 Value Added Tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of property, plant and equipment. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

The activities of the Trust's subsidiary company NTW Solutions Limited are inside the scope of VAT and therefore output tax applies and input tax on purchases is recoverable.

1.17 Corporation Tax

NTW Solutions Ltd is a wholly owned subsidiary of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and is subject to corporation tax on its profits. Tax on the profit or loss for the year comprises current and any deferred tax. Tax is recognised in the Statement of Comprehensive Income except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the Statement of Financial Position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.18 Foreign Exchange

The functional and presentational currencies of the Trust is sterling.

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

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

- monetary items 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.

The losses and special payments note (Note 37) is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

1.21 Transfers of Functions

For functions that have been transferred to the Trust from another NHS or Local Government body, the transaction is accounted for as a transfer by absorption. The assets and liabilities are recognised in the accounts using the book value as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain or loss corresponding to the net assets/ liabilities transferred is recognised within income or expenses, but not within operating activities.

For Property Plant and Equipment assets and intangible assets, the Cost and Accumulated Depreciation/Amortisation balances from the transferring entity's accounts are preserved on recognition in the Trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the Trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the Trust has transferred to another NHS/Local Government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss/gain corresponding to the net assets/liabilities transferred is recognised within expenses/income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

Adjustments to align the acquired function to the Foundation Trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

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

The standards or amendments which have been released but which are not yet adopted in HM Treasury's Financial Reporting Manual (FReM) 2022/23 and therefore do not apply to the 2022/23 annual accounts are set out below:

- IFRS 14 Regulatory Deferral Accounts
- IFRS 17 Insurance Contracts

The GAM 2022/23 does not require these Standards and interpretations to be applied in 2022/23. These Standards are still subject to HM Treasury FReM adoption, with IFRS 14 Regulatory Deferral Accounts only applying to first time adopters of IFRS after 1 January 2016 which is therefore not applicable to Department of Health and Social Care group bodies. Adoption of IFRS 17 is expected to be from April 2025.

There is not expected to be a significant impact from the adoption of these standards in future periods.

IFRS 16 Leases - application of liability measurement principles to PFI and other service concessions

From 1 April 2023, the measurement principles of IFRS 16 will also be applied to the Trust's PFI liabilities where future payments are linked to a price index representing the rate of inflation. The PFI liability will be remeasured when a change in the index causes a change in future repayments and that change has taken effect in the cash flow. Such remeasurements will be recognised as a financing cost. Under existing accounting practices, amounts relating to changes in the price index are expensed as incurred.

Initial application of these principles will be on 1 April 2023 using a modified retrospective approach with the cumulative impact taken to reserves. This is expected to result in an increased PFI liability on the statement of financial position. The effect of this has not yet been quantified.

Notes to the Accounts (Group - continued)

1.23 Accounting Standards issued that have been adopted early

No new Accounting Standards or revisions to existing standards have been early adopted in 2022/23.

1.24 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life and the sale or lease of assets at below market value.

1.25 Climate Change Levy (CCL)

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

Notes to the Accounts (Group - continued)

	Group 2022/23 £000	Group 2021/22 £000
1.26 Adjusted financial performance		
(Deficit) / surplus for the period	(3,023)	(4,251)
Add back net outgoings from charitable funds	87	87
(Deficit) / surplus for the period (before consolidation of charity)	(2,936)	(4,164)
Add back net impairments charged to the Statement of Comprehensive Income	2,933	3,378
Adjusted for (gains) on transfers by absorption	0	0
Surplus before impairments and transfers	(3)	(786)
Remove capital donations/grants income and expenditure impact	186	2
Adjusted financial performance surplus	183	(784)
Remove net impact of DHSC centrally procured inventories	199	955
Prior period adjustments	(290)	0
Control Total	0	0
Adjusted financial performance surplus above control total	92	171

2. Segmental Analysis (Group and Trust)

The Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust operates within a single reportable segment, ie healthcare. The Foundation Trust is solely involved in health care activities and does not consider that its clinical services represent distinct operating segments. NTW Solutions Limited and the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity operate as distinct reporting entities and form the differences between the performance of the Group and the Trust

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

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

	Group		Trust	
	2022/23 Total £000	2022/23 Healthcare £000	2022/23 Total £000	2022/23 Healthcare £000
Total Operating Income				
Total income from patient care activities	546,236	546,236	545,709	545,709
Total other operating income	37,162	37,162	36,948	36,948
	583,398	583,398	582,657	582,657

Of the total group income reported during the financial year, £527,304,000, 90% of total group income, was received from Integrated Care Board, Clinical Commissioning Groups (CCGs) and NHS England (2021/22: £477,504,000 and 88%). As CCGs and NHS England are under common control they are classed as a single customer for this purpose.

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

Of the total group income reported during the financial year, £477,554,000, 88% of total group income, was received from Clinical Commissioning Groups (CCGs) and NHS England (2020/21: £379,847,000 and 84%). As CCGs and NHS England are under common control they are classed as a single customer for this purpose.

3. Income (Group and Trust)**3.1 Operating Income (by nature)**

	Group	Trust	Group	Trust
	2022/23	2022/23	2021/22	2021/22
	£000	£000	£000	£000
Income from activities				
Aligned payment and incentive contract income and system block income	402,142	402,142	374,541	374,541
Services delivered as part of a mental health collaborative***	40,594	40,594	34,662	34,662
Income for commissioning services from other providers as a mental health collaborative lead provider***	53,943	53,943	54,262	54,262
Other clinical income from mandatory services	2,286	2,286	2,599	2,599
Agenda for change pay offer central funding	15,215	15,215	0	0
Additional pension contribution central funding**	15,408	14,881	14,090	13,538
Other clinical income	16,648	16,648	16,868	16,868
Total income from patient care activities	546,236	545,709	497,022	496,470
Other operating income				
Research and development	5,035	5,035	7,154	7,215
Education and training	15,290	15,268	15,662	15,632
Non-patient care services to other bodies	6,212	6,124	4,562	4,088
Reimbursement and top up funding	0	0	101	101
Income in respect of staff costs where accounted on gross basis	2,146	2,181	2,474	2,507
Education and training - notional income from apprenticeship fund	1,430	1,362	1,325	1,258
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	84	83	449	449
Rental revenue from operating leases - minimum lease receipts	521	493	570	554
Charitable fund incoming resources	72	0	21	0
Other*	6,372	6,402	8,219	10,334
Total other operating income	37,162	36,948	40,537	42,138
Total operating income	583,398	582,657	537,559	538,608
of which:				
Related to Continuing Operations	583,398	582,657	537,559	538,608
Related to Discontinued Operations	0	0	0	0

* Other operating income - Other is analysed in note 3.4

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

*** From 1st April 2021, the Trust became a lead provider as part of a mental health provider collaborative.

During covid, interim financial arrangements were implemented to support the NHS to be able to respond to the pandemic. This was managed through a system of block payments supplemented by funds allocated as a system level. All income from NHS England, English CCGs and the Integrated Care Board have continued to be paid directly through a central block payment without invoices being raised.

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

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Private patient income	0	0	0	0
Total patient related income	546,236	545,709	497,022	496,470
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 and Future Receipts (Group and Trust)

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in this note are presented on an IAS 17 basis. This includes a different maturity analysis of future minimum lease receipts under IAS 17 compared to IFRS 16.

The Trust leases land and buildings to a number of external bodies, mainly other NHS bodies.

	Group 2022/23 £000	Trust 2022/23 £000
Lease receipts recognised as income in year		
Minimum lease receipts	521	493
Total in-year operating lease income	521	493
Of which:		
Income generated from owned assets	462	459
Income generated from subleased right of use assets	59	34
Future minimum lease receipts due:		
- not later than one year;	436	413
- later than one year and not later than two years;	36	23
- later than two year and not later than three years;	36	23
- later than three year and not later than four years;	36	23
- later than four years and not later than five years;	25	12
- later than five years.	319	242
Total	888	736
	Group 2021/22 £000	Trust 2021/22 £000
Operating lease income		
Rental revenue from operating leases - minimum lease receipts	570	554
Total operating lease income	570	554
Future minimum lease payments due:		
on leases of land expiring		
- not later than one year;	2	2
- later than one year and not later than five years;	10	10
- later than five years.	179	179
sub total	191	191
on leases of buildings expiring		
- not later than one year;	586	563
- later than one year and not later than five years;	160	110
- later than five years.	233	121
sub total	979	794
Total future minimum lease payments due	1,170	985

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

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Income from activities				
NHS England (including central funding for the agenda for change pay offer)	172,095	171,568	147,315	146,763
Clinical Commissioning Groups	80,529	80,529	330,239	330,239
Integrated Care Boards *	274,680	274,680	0	0
NHS Foundation Trusts	2,286	2,286	2,599	2,599
Local Authorities	11,663	11,663	11,117	11,117
Injury cost recovery scheme	98	98	0	0
Non NHS:other	4,885	4,885	5,752	5,752
Total income from patient care activities	546,236	545,709	497,022	496,470
Of which:				
Related to continuing operations	546,236	545,709	497,022	496,470
Related to discontinued operations	0	0	0	0

* Integrated Care Boards have replaced Clinical Commissioning Group in the NHS in England from 1st July 2022.

Other operating income

Research and development	5,035	5,035	7,154	7,215
Education and training	15,290	15,268	15,662	15,632
Non-patient care services to other bodies	6,212	6,124	4,562	4,088
Reimbursement and top up funding	0	0	101	101
Income in respect of employee benefits accounted for on a gross basis	2,146	2,181	2,474	2,507
Other*	6,372	6,402	8,219	10,334
Education and training - notional income from apprenticeship fund	1,430	1,362	1,325	1,258
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	84	83	449	449
Rental revenue from operating leases - minimum lease receipts	521	493	570	554
Charitable fund incoming resources	72	0	21	0
Total other operating income	37,162	36,948	40,537	42,138
Of which:				
Related to continuing operations	37,162	36,948	40,537	42,138
Related to discontinued operations	0	0	0	0

***Analysis of "Other operating income - Other"**

Car parking	97	9	56	0
Catering	753	93	631	90
Pharmacy sales	2	2	4	4
Staff accommodation rental	46	46	39	39
Non-clinical services recharged to other bodies	1,232	723	297	470
Clinical excellence awards	121	121	147	147
Grossing up consortium arrangements	3,733	3,733	3,704	3,704
Other income generation schemes	388	1,675	3,341	5,880
Total	6,372	6,402	8,219	10,334

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

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

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Commissioner Requested Services	530,828	530,828	482,932	482,932
Non-Commissioner Requested Services	15,408	14,881	14,090	13,538
Total income from activities	546,236	545,709	497,022	496,470

4. Operating Expenses (Group and Trust)

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	2,468	2,468	2,333	2,333
Purchase of healthcare from non-NHS and non-DHSC bodies	13,197	13,197	17,338	17,338
Mental health collaboratives (lead provider) - purchase of healthcare from NHS bodies	45,468	45,468	41,515	41,515
Mental health collaboratives (lead provider) - purchase of healthcare from non-NHS bodies	7,496	7,496	12,546	12,546
Staff and executive directors costs	432,036	412,266	374,556	355,615
Non-executive directors	187	171	195	177
Supplies and services - clinical (excluding drug costs)	5,012	4,682	4,922	4,602
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response**	269	268	1,358	1,358
Supplies and services - general	4,980	17,092	3,712	14,951
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	6,716	6,716	7,068	7,068
Inventories written down (net, including drugs)	9	9	9	9
Inventories written down (consumables donated from DHSC group bodies for COVID response)	14	14	46	46
Consultancy	787	748	631	580
Establishment	4,253	4,589	5,738	5,093
Premises - business rates collected by local authorities	1,368	1,221	1,826	1,686
Premises - other	19,618	32,305	19,932	33,914
Transport (business travel only)	2,133	2,067	1,470	1,419
Transport - other (including patient travel)	3,913	3,608	3,048	2,736
Depreciation	9,715	8,133	6,742	6,642
Amortisation	134	133	151	148
Impairments, net of (reversals)	2,933	2,933	3,378	3,378
Movement in credit loss allowance for contract receivables	513	542	(708)	(722)
Provisions arising / released in year	(111)	(111)	0	0
Change in provisions discount rates	(1,992)	(1,992)	314	314
Audit services - Statutory audit***	120	90	74	60
Other auditor remuneration - external auditor	0	0	6	6
Internal audit - staff costs	222	222	210	210
Internal audit - non-staff costs	23	3	41	23
Clinical negligence	1,189	1,189	1,157	1,157
Legal fees	1,300	1,247	817	802
Insurance	854	572	652	496
Research and development - staff costs	2,102	2,105	1,862	1,862
Research and development - non-staff costs	2,949	2,949	6,308	6,308
Education and training - non staff	2,467	2,374	1,938	1,816
Education and training - notional expenditure funded from apprenticeship fund	1,430	1,362	1,325	1,258
Lease expenditure - short term leases (<= 12 months)*	1	0	0	0
Lease expenditure - low value assets (<£5k, excluding short term leases)*	1,152	461	0	0
Lease expenditure - irrecoverable VAT *	67	67	0	0
Operating lease expenditure (net)	0	0	3,752	2,752
Early retirements - (Not included in employee expenses)	0	0	95	95
Redundancy - (Not included in employee expenses)	0	0	258	258
Charges to operating expenditure for on-SOFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	1,616	1,616	2,227	2,227
Car Parking and security	954	982	748	839
Hospitality	14	14	6	6
Other losses, ex gratia & special payments - (Not included in employee expenses)	414	100	271	14
Other services	1,195	1,055	432	396
Other NHS charitable fund resources expended	159	0	152	0
Other	1,285	1,247	1,971	1,926
Total	580,629	581,678	532,422	535,257
of which:				
Related to Continuing Operations	580,629	581,678	532,422	535,257
Related to Discontinued Operations	0	0	0	0

* There are new lease expenditure lines from 1st April 2022 linked to the implementation of IFRS 16 from 1st April 2022.

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

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

5. Exit Packages (Group and Trust)

5.1 Exit Packages 2022/23

	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	24	110	24	110	0	0
£10,001 to £25,000	0	0	4	46	4	46	0	0
£25,001 to £50,000	0	0	0	0	0	0	0	0
£50,001 to £100,000	0	0	1	58	1	58	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	29	214	29	214	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	23	105	23	105	0	0
£10,001 to £25,000	0	0	3	35	3	35	0	0
£25,001 to £50,000	0	0	0	0	0	0	0	0
£50,001 to £100,000	0	0	1	58	1	58	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	27	198	27	198	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. There were no non-contractual payments made during the year.

5.2 Exit Packages 2021/22

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

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

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

The termination benefits included in exit packages relate to redundancy and early retirement contractual costs. There were no non-contractual payments made during the year.

6. Employee Expenses (Group and Trust)**6.1 Employee Expenses**

	Group						Trust					
	Total	Permanently	Other	Total	Permanently	Other	Total	Permanently	Other	Total	Permanently	Other
	2022/23 £000	Employed 2022/23 £000	2022/23 £000	2021/22 £000	Employed 2021/22 £000	2021/22 £000	2022/23 £000	Employed 2022/23 £000	2022/23 £000	2021/22 £000	Employed 2021/22 £000	2021/22 £000
Salaries and wages	324,402	311,530	12,872	281,794	279,780	2,014	307,794	294,551	13,243	265,933	263,937	1,996
Social security costs	30,809	30,809	0	27,114	27,114	0	29,314	29,314	0	25,744	25,744	0
Apprenticeship levy	1,430	1,430	0	1,325	1,325	0	1,362	1,362	0	1,258	1,258	0
Pension cost - employer's contributions to NHS Pensions	35,126	35,126	0	32,291	32,291	0	33,928	33,928	0	31,036	31,036	0
Pension cost - employer's contributions paid by NHSE on provider's behalf (6.3%)**	15,408	15,408	0	14,090	14,090	0	14,881	14,881	0	13,538	13,538	0
Pension cost - other contributions	505	505	0	393	393	0	152	152	0	118	118	0
Temporary staff - agency/contract staff	27,381	0	27,381	20,243	0	20,243	27,257	0	27,257	20,161	0	20,161
Total staff costs	435,061	394,808	40,253	377,250	354,993	22,257	414,688	374,188	40,500	357,788	335,631	22,157
included within:												
Costs capitalised as part of assets	701	701	0	622	622	0	95	95	0	101	101	0
Analysed into operating expenditure												
Employee expenses - staff & executive directors	432,036	391,783	40,253	374,556	352,299	22,257	412,266	371,766	40,500	355,615	333,458	22,157
Research & Development	2,102	2,102	0	1,862	1,862	0	2,105	2,105	0	1,862	1,862	0
Internal audit costs	222	222	0	210	210	0	222	222	0	210	210	0
Total employee benefits excluding capitalised costs	434,360	394,107	40,253	376,628	354,371	22,257	414,593	374,093	40,500	357,687	335,530	22,157

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

6.2 Average Number of Employees (whole time equivalent basis)

	Group						Trust					
	Total	Permanently	Other	Total	Permanently	Other	Total	Permanently	Other	Total	Permanently	Other
	2022/23 Number	Employed 2022/23 Number	2022/23 Number	2021/22 Number	Employed 2021/22 Number	2021/22 Number	2022/23 Number	Employed 2022/23 Number	2022/23 Number	2021/22 Number	Employed 2021/22 Number	2021/22 Number
Medical and dental	454	428	26	426	403	23	455	428	27	425	402	23
Administration and estates	2,099	2,086	13	1,987	1,962	25	1,512	1,503	9	1,394	1,373	21
Healthcare assistants and other support staff	2,512	2,152	360	2,345	2,063	282	2,512	2,152	360	2,345	2,063	282
Nursing, midwifery and health visiting staff	2,318	2,272	46	2,278	2,239	39	2,318	2,272	46	2,278	2,239	39
Scientific, therapeutic and technical staff	640	629	11	424	424	0	639	628	11	425	425	0
Healthcare science staff	426	425	1	545	530	15	426	425	1	545	530	15
Total average numbers	8,449	7,992	457	8,005	7,621	384	7,862	7,408	454	7,412	7,032	380
of which:												
Number of employees (WTE) engaged on capital projects	10	10	0	12	12	0	2	2	0	3	3	0

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

	Group				Trust			
	Payments	Total Value of	Payments	Payments	Payments	Total Value of	Payments	Payments
	Agreed 2022/23 Number	Agreements 2022/23 £000	Agreed 2021/22 Number	Agreed 2021/22 £000	Agreed 2022/23 Number	Agreements 2022/23 £000	Agreed 2021/22 Number	Agreed 2021/22 £000
Voluntary redundancies including early retirement contractual costs	2	25	2	238	2	25	2	238
Contractual payments in lieu of notice	28	189	29	105	26	173	24	92
Exit payments following employment tribunals or court orders	0	0	1	8	0	0	1	8
Total Exit packages	30	214	32	351	28	198	27	338

6. Employee Expenses (Group and Trust - continued)**6.4 Early Retirements due to Ill Health (Group)**

During the year there were 7 early retirements (2021/22 : 5) agreed on the grounds of ill-health. The estimated additional pension liabilities of these ill-health retirements will be £690,000 (2021/22 : £376,000). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

7. Operating Miscellaneous**7.1 Limitations on Auditor's Liability (Group and Trust)**

There is no specified limitation on the auditor's liability for the year (2021/22 : no specified limitation).

7.2 Audit Remuneration (Trust)

The Trust had £nil other audit remuneration for 2022/23 (2021/22 : £6,000). Auditor remuneration for the statutory audit is shown in note 4.

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 2023 (31st March 2022 : £nil).

8. Discontinued Operations (Group)

The Group and Trust had no discontinued operations as at 31st March 2023 (31st March 2022 : £nil).

9. Corporation Tax (Group)

	Group 2022/23 £000	Group 2021/22 £000
UK Corporation tax (credit)/ expense	(116)	254
Adjustment in respect of prior years	<u>0</u>	<u>0</u>
Current tax (credit)/ expense	(116)	254
Deferred tax credit	<u>0</u>	<u>0</u>
Total tax (credit) /expense in Statement of Comprehensive Income	<u>(116)</u>	<u>254</u>

The Trust has no corporation tax expense (2021/22 £nil).

10. Finance Income (Group and Trust)

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Interest on bank accounts	1,031	1,010	36	36
Interest received on loans to Subsidiary	0	361	0	469
NHS charitable fund investment income	0	0	44	0
Total	1,031	1,371	80	505

11. Finance Expense (Group and Trust)

	Group 2022/23 £000	Trust 2022/23 £000	Group 2021/22 £000	Trust 2021/22 £000
Interest expense:				
Capital loans from the Department of Health and Social Care	857	857	909	907
Lease obligations	499	221	29	29
Finance Costs on PFI and other service concession arrangements (excluding LIFT)				
Main finance costs	2,394	2,394	2,522	2,522
Contingent finance costs	2,876	2,876	2,214	2,214
Unwinding of discount on provisions	89	89	(98)	(98)
Total	6,715	6,437	5,576	5,574

12. Impairment of Assets (Group and Trust)

During the year, the Trust recognised net impairments of £2,932,000 charged to operating expenditure due to changes in market price from the valuations carried out by Cushman & Wakefield as at 31st March 2023. The net charge is made up of reversals of impairments of £4,413,000 credited to operating expenditure and £7,370,000 charged to operating expenditure. Net impairments totalling £526,000 were also credited to the revaluation reserve, made up of £620,000 of reversals of impairments previously charged to the revaluation reserve and £94,000 charged against the revaluation reserve. Impairments are reported in note 14 and note 4 as operating expenses and in the Statement of Changes in Taxpayers equity for 2022/23 and 2021/22.

Reversals of impairments relates to an increase in building values of circa 3.00% from the valuations carried out by Cushman & Wakefield. The impairments recognised during the year of £7,369,000 predominantly relate to impairments following enhancement schemes when the assets are brought into operational use, the most significant schemes being an enhancement at the Northgate site as part of the CEDAR Project, along with other refurbishment and backlog schemes across the Trust sites.

There were no impairment of assets during 2022/23 for NTW Solutions Ltd or for the Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity (2021/22 £nil).

13. Intangible Assets (Group and Trust)**13.1 Intangible Assets 2022/23**

	Group			Trust		
	Total 2022/23 £000	Software Licences purchased 2022/23 £000	Intangible Assets under Construction 2022/23 £000	Total 2022/23 £000	Software Licences purchased 2022/23 £000	Intangible Assets under Construction 2022/23 £000
Valuation/gross cost at 1st April 2022	1,317	678	639	1,305	667	638
Additions - purchased	691	91	600	691	91	600
Reclassifications	0	639	(639)	0	639	(639)
Disposals	(100)	(100)	0	(89)	(89)	0
Valuation/gross cost at 31st March 2023	1,908	1,308	600	1,907	1,308	599
Amortisation at 1st April 2022	372	372	0	363	363	0
Provided during the year	134	134	0	133	133	0
Disposals	(100)	(100)	0	(89)	(89)	0
Amortisation at 31st March 2023	406	406	0	407	407	0
Net book value by ownership:						
NBV - purchased at 31st March	1,502	902	600	1,500	901	599

13.2 Economic Life of Intangible Assets 2022/23

	Minimum Life Years	Maximum Life Years	Minimum Life Years	Maximum Life Years
Software licences purchased	1	5	1	5

13.3 Intangible Assets 2021/22

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

13.4 Economic Life of Intangible Assets 2021/22

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

14. Property, Plant and Equipment (Group and Trust)**14.1 Property, Plant and Equipment 2022/23 - 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 2022	189,639	6,823	124,458	386	43,650	5,057	23	6,568	2,674
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	(596)	(55)	(541)	0	0	0	0	0	0
Additions - purchased	40,913	0	6,394	0	33,340	47	0	1,019	113
Impairments charged to the revaluation reserve	(95)	(40)	(55)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	620	2	602	16	0	0	0	0	0
Reclassifications	0	0	1,442	0	(1,462)	0	0	0	20
Revaluations	(6,928)	(258)	(6,675)	5	0	0	0	0	0
Disposals	(2,509)	0	0	0	0	(1,323)	(7)	(895)	(284)
Valuation/gross cost at 31st March 2023	221,044	6,472	125,625	407	75,528	3,781	16	6,692	2,523
Accumulated depreciation at 1st April 2022	7,103	0	0	0	0	2,810	23	2,667	1,603
Provided during the year	5,934	0	3,958	13	0	363	0	1,326	274
Impairments charged to operating expenses	7,369	271	7,098	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(4,412)	(13)	(4,381)	(18)	0	0	0	0	0
Revaluations	(6,928)	(258)	(6,675)	5	0	0	0	0	0
Disposals	(2,509)	0	0	0	0	(1,323)	(7)	(895)	(284)
Accumulated depreciation at 31st March 2023	6,557	0	0	0	0	1,850	16	3,098	1,593
Net book value by ownership:									
Owned	176,986	6,472	88,124	407	75,528	1,931	0	3,594	930
On-Statement of Financial Position PFI contracts	37,440	0	37,440	0	0	0	0	0	0
Owned - government granted	61	0	61	0	0	0	0	0	0
Net book value by ownership total at 31st March 2023	214,487	6,472	125,625	407	75,528	1,931	0	3,594	930
Property, Plant and Equipment subject to an operating lease:									
Not subject to an operating lease (as lessor)	213,735	6,354	124,991	407	75,528	1,931	0	3,594	930
Subject to an operating lease (as lessor)	752	118	634	0	0	0	0	0	0
Net book value by ownership total at 31st March 2023	214,487	6,472	125,625	407	75,528	1,931	0	3,594	930

To ensure that asset values at 31st March 2023 reflect current market conditions valuations were carried out by Cushman & Wakefield.

Of the totals at 31st March 2023, £4,432,000 related to land, £118,509,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2023, £505,000 related to land, £3,659,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2023, £1,118,000 related to land, £2,585,000 related to buildings and £407,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2023, £417,000 related to land, £872,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2023, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

14. Property, Plant and Equipment (Group and Trust)**14.2 Property, Plant and Equipment 2022/23 - 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 2022	188,019	6,823	124,441	386	43,626	3,992	23	6,568	2,160
Reclassification of existing finance leased assets to right of use assets on 1 April 2022	(596)	(55)	(541)	0	0	0	0	0	0
Additions - purchased	40,108	0	6,394	0	32,684	0	0	1,019	11
Impairments charged to the revaluation reserve	(94)	(40)	(54)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	620	2	602	16	0	0	0	0	0
Reclassifications	0	0	1,442	0	(1,442)	0	0	0	0
Revaluations	(6,927)	(258)	(6,675)	6	0	0	0	0	0
Disposals	(2,289)	0	0	0	0	(1,103)	(7)	(895)	(284)
Valuation/gross cost at 31st March 2023	218,841	6,472	125,609	408	74,868	2,889	16	6,692	1,887
Accumulated depreciation at 1st April 2022	6,570	0	0	0	0	2,410	23	2,668	1,469
Provided during the year	5,777	0	3,957	13	0	262	0	1,326	219
Impairments charged to operating expenses	7,370	271	7,099	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(4,413)	(13)	(4,381)	(19)	0	0	0	0	0
Revaluations	(6,927)	(258)	(6,675)	6	0	0	0	0	0
Disposals	(2,289)	0	0	0	0	(1,103)	(7)	(895)	(284)
Accumulated depreciation at 31st March 2023	6,088	0	0	0	0	1,569	16	3,099	1,404
Net book value by ownership:									
Owned	175,252	6,472	88,108	408	74,868	1,320	0	3,593	483
On-Statement of Financial Position PFI contracts	37,440	0	37,440	0	0	0	0	0	0
Owned - government granted	61	0	61	0	0	0	0	0	0
Net book value by ownership total at 31st March 2023	212,753	6,472	125,609	408	74,868	1,320	0	3,593	483
Property, Plant and Equipment subject to an operating lease:									
Not subject to an operating lease (as lessor)	212,001	6,354	124,975	408	74,868	1,320	0	3,593	483
Subject to an operating lease (as lessor)	752	118	634	0	0	0	0	0	0
Net book value by ownership total at 31st March 2023	212,753	6,472	125,609	408	74,868	1,320	0	3,593	483

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

Of the totals at 31st March 2023, £4,432,000 related to land, £118,492,000 related to buildings valued on a Modern Equivalent Asset alternative site basis.

Of the totals at 31st March 2023, £505,000 related to land, £3,659,000 related to buildings valued on a Modern Equivalent Asset no alternative site basis in relation to assets such as tenants improvements.

Of the totals at 31st March 2023, £1,118,000 related to land, £2,585,000 related to buildings and £407,000 related to dwellings valued on a Market Value in Existing Use basis.

Of the totals at 31st March 2023, £417,000 related to land, £872,000 related to buildings valued on a fair value basis. These relate to surplus non-operational assets

Of the totals at 31st March 2023, plant and machinery, transport equipment, information technology and furniture and fittings are all valued on the basis of depreciated historical cost.

14. Property, Plant and Equipment (Group and Trust)**14.1 Property, Plant and Equipment 2021/22 - Group**

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1st April 2021	169,086	6,648	124,857	382	17,576	4,668	42	11,496	3,417
Additions - purchased	37,721	0	6,636	0	28,935	930	0	1,021	199
Impairments charged to the revaluation reserve	(213)	0	(213)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	656	43	601	12	0	0	0	0	0
Reclassifications	0	0	2,858	0	(2,861)	0	0	0	3
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(10,523)	(341)	(2,728)	0	0	(541)	(19)	(5,949)	(945)
Valuation/gross cost at 31st March 2022	189,639	6,823	124,458	386	43,650	5,057	23	6,568	2,674
Accumulated depreciation at 1st April 2021	8,569	0	0	0	0	3,046	42	3,258	2,223
Provided during the year	6,742	0	3,788	13	0	305	0	2,311	325
Impairments charged to operating expenses	8,724	2	8,722	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(5,346)	(475)	(4,866)	(5)	0	0	0	0	0
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(4,498)	0	(91)	0	0	(541)	(19)	(2,902)	(945)
Accumulated depreciation at 31st March 2022	7,103	0	0	0	0	2,810	23	2,667	1,603
Net book value by ownership:									
Owned	145,635	6,768	87,612	386	43,650	2,247	0	3,901	1,071
Finance leased	596	55	541	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	36,242	0	36,242	0	0	0	0	0	0
Owned - government granted	63	0	63	0	0	0	0	0	0
Net book value by ownership total at 31st March 2022	182,536	6,823	124,458	386	43,650	2,247	0	3,901	1,071

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

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

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

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

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

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

14. Property, Plant and Equipment (Group and Trust)**14.2 Property, Plant and Equipment 2021/22 - Trust**

	Total	Land	Buildings exc. Dwellings	Dwellings	Assets under Construction	Plant & Machinery	Transport Equipment	Information Technology	Furniture & Fittings
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1st April 2021	168,032	6,648	124,839	382	17,572	3,999	42	11,496	3,054
Additions - purchased	37,155	0	6,636	0	28,915	534	0	1,022	48
Impairments charged to the revaluation reserve	(213)	0	(213)	0	0	0	0	0	0
Reversal of impairments credited to the revaluation reserve	656	43	601	12	0	0	0	0	0
Reclassifications	0	0	2,858	0	(2,861)	0	0	0	3
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(10,523)	(341)	(2,727)	0	0	(541)	(19)	(5,950)	(945)
Valuation/gross cost at 31st March 2022	188,019	6,823	124,441	386	43,626	3,992	23	6,568	2,160
Accumulated depreciation at 1st April 2021	8,135	0	0	0	0	2,705	42	3,258	2,130
Provided during the year	6,642	0	3,788	13	0	246	0	2,311	284
Impairments charged to operating expenses	8,724	2	8,722	0	0	0	0	0	0
Reversal of impairments credited to operating expenses	(5,346)	(475)	(4,866)	(5)	0	0	0	0	0
Revaluations	(7,088)	473	(7,553)	(8)	0	0	0	0	0
Disposals	(4,497)	0	(91)	0	0	(541)	(19)	(2,901)	(945)
Accumulated depreciation at 31st March 2022	6,570	0	0	0	0	2,410	23	2,668	1,469
Net book value by ownership:									
Owned	144,548	6,768	87,595	386	43,626	1,582	0	3,900	691
Finance leased	596	55	541	0	0	0	0	0	0
On-Statement of Financial Position PFI contracts	36,242	0	36,242	0	0	0	0	0	0
Owned - government granted	63	0	63	0	0	0	0	0	0
Net book value by ownership total at 31st March 2022	181,449	6,823	124,441	386	43,626	1,582	0	3,900	691

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

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

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

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

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

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

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

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

Group & Trust	Minimum Life Years	Maximum Life Years
Land	Indefinite	Indefinite
Buildings excluding dwellings	1	73
Dwellings	24	32
Plant & machinery	0	14
Transport equipment	0	1
Information technology	0	5
Furniture & fittings	0	10

The asset lives disclosed above are the current minimum and maximum lives as at the 31st March 2023

15. Right of use assets 2022/23 (Group and Trust)**15.1 Right of use assets 2022/23 - Group**

Group	Total £000	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward	0	0	0	0	0
IFRS 16 implementation					
Reclassification of existing leased assets to right of use assets on 1st April 2022	596	596	0	0	596
Recognition of right of use assets for existing operating leases on 1st April 2022	59,568	58,696	31	841	17,127
Additions	284	33	0	251	0
Remeasurements of the lease liability	200	200	0	0	0
Movements in provisions for restoration / removal costs	518	518	0	0	0
Impairments charged to the revaluation reserve	(5)	(5)	0	0	(5)
Disposals/derecognition - lease termination	(207)	(171)	0	(36)	(147)
Valuation/gross cost at 31 March 2023	60,954	59,867	31	1,056	17,571
Accumulated depreciation at 1 April 2022 - brought forward	0	0	0	0	0
Provided during the year - right of use asset	3,597	3,261	12	324	1,408
Provided during the year - peppercorn leased asset	184	184	0	0	184
Reversal of impairments credited to operating expenses	(24)	(24)	0	0	(24)
Accumulated depreciation at 31 March 2023	3,757	3,421	12	324	1,568
Net book value at 31 March 2023	57,197	56,446	19	732	16,003
Of which;					
Net book value of right of use assets leased from other NHS providers	12,129				
Net book value of right of use assets leased from other DHSC group bodies	3,874				

15.2 Right of use assets 2022/23 - Trust

Group	Total £000	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Of which: leased from DHSC group bodies £000
Valuation / gross cost at 1 April 2022 - brought forward	0	0	0	0	0
IFRS 16 implementation					
Reclassification of existing leased assets to right of use assets on 1st April 2022	596	596	0	0	596
Recognition of right of use assets for existing operating leases on 1st April 2022	22,912	22,192	0	720	17,127
Additions	271	33	0	238	0
Remeasurements of the lease liability	4	4	0	0	0
Movements in provisions for restoration / removal costs	518	518	0	0	0
Impairments charged to the revaluation reserve	(5)	(5)	0	0	(5)
Disposals/derecognition - lease termination	(198)	(171)	0	(27)	(147)
Valuation/gross cost at 31 March 2023	24,098	23,167	0	931	17,571
Accumulated depreciation at 1 April 2022 - brought forward	0	0	0	0	0
Provided during the year - right of use asset	2,172	1,895	0	277	1,408
Provided during the year - peppercorn leased asset	184	184	0	0	184
Reversal of impairments credited to operating expenses	(24)	(24)	0	0	(24)
Accumulated depreciation at 31 March 2023	2,332	2,055	0	277	1,568
Net book value at 31 March 2023	21,766	21,112	0	654	16,003
Of which;					
Net book value of right of use assets leased from other NHS providers	12,129				
Net book value of right of use assets leased from other DHSC group bodies	3,874				

15. Right of use assets 2022/23 (Group and Trust - continued)**15.3 Reconciliation of the carrying value of lease liabilities**

Lease liabilities are included within borrowings in the statement of financial position. A breakdown of borrowings is disclosed in Note 24.

	Group 2022/23 £000	Trust 2022/23 £000
Carrying value at 31 March 2022	773	773
IFRS 16 implementation - adjustments for existing operating leases	58,149	22,300
Lease additions	284	271
Lease liability remeasurements	200	4
Interest charge arising in year	499	221
Early terminations	(207)	(199)
Lease payments (cash outflows)	(2,803)	(1,362)
Carrying value at 31 March 2023	56,895	22,008

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure Note 4.

Income generated from subleasing right of use assets is £59,000 in the group and £34,000 in the Trust, these are included within revenue from operating leases in Note 3.3.

15.4 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000	Total 31 March 2023 £000	Of which leased from DHSC group bodies: 31 March 2023 £000
Undiscounted future lease payments payable in:				
- not later than one year;	4,689	2,109	3154	2109
- later than one year and not later than five years;	13,399	5,816	7561	5816
- later than five years.	45,211	9,429	12,624	9430
Total gross future lease payments	63,299	17,354	23,339	17,355
Finance charges allocated to future periods	(6,404)	(716)	(1,331)	(980)
Net lease liabilities at 31 March 2023	56,895	16,638	22,008	16,375
Of which:				
- Current	4,689	2,109	3154	2109
- Non-Current	52,206	14,265	18854	14266

15.5 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group 31 March 2022 £000	Trust 31 March 2022 £000
Undiscounted future lease payments payable in:		
- not later than one year;	87	87
- later than one year and not later than five years;	327	327
- later than five years.	547	547
Total gross future lease payments	961	961
Finance charges allocated to future periods	(188)	(188)
Net finance lease liabilities at 31 March 2022	773	773
of which payable:		
- not later than one year;	60	60
- later than one year and not later than five years;	240	240
- later than five years.	473	473
Total of future minimum sublease payments to be received at the reporting date	773	773

15.6 Commitments in respect of operating leases at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group 2021/22 £000	Trust 2021/22 £000
Operating lease expense		
Minimum lease payments	3,698	2,675
Contingent rents	111	111
Less sublease payments received	(57)	(34)
Total	3,752	2,752
	31 March 2022 £000	31 March 2022 £000
Future minimum lease payments due:		
- not later than one year;	4,624	2,674
- later than one year and not later than five years;	9,030	2,316
- later than five years.	38,028	4,586
Total	-	-
Future minimum sublease payments to be received	(219)	(34)

15. Right of use assets 2022/23 (Group and Trust - continued)

15.7 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

The standard has been applied using a modified retrospective approach without the restatement of comparatives. Practical expedients applied by the Trust on initial application are detailed in the leases accounting policy in note 1.12.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%.

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group	Trust
	1 April 2022	1 April 2022
	£000	£000
Operating lease commitments under IAS 17 at 31 March 2022	51,682	9,576
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	44,741	9,015
Less:		
Commitments for short term leases	(1)	(1)
Commitments for leases of low value assets	(1,152)	(692)
Irrecoverable VAT previously included in IAS 17 commitment	(67)	(67)
Other adjustments:		
Differences in the assessment of the lease term	13,366	13,590
Public sector leases without full documentation previously excluded from operating lease commitments	455	455
Finance lease liabilities under IAS 17 as at 31 March 2022	773	773
Other adjustments	807	-
Total lease liabilities under IFRS 16 as at 1 April 2022	58,922	23,073

16. Investments (Group and Trust)**16.1 Investments**

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	Investments in associates and joint ventures £000	Investments in associates and joint ventures £000	Investments in associates and joint ventures £000	Investments in associates and joint ventures £000
Carrying value at 1st April	303	101	303	101
Share of profit	73	202	73	202
Disbursements/dividends received	(376)	0	(376)	0
Carrying value at 31st March	0	303	0	303

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. A resolution has been passed to wind up the LLP and this is expected to take place in Q1 of 2023/24.

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

16.2 Fair value of investments in associates and joint ventures

	Group		Trust	
	Value £000	Interest Held %	Value £000	Interest Held %
As at 31st March 2023				
MHC / NTW LLP	0	50%	0	0%
As at 31st March 2022				
MHC / NTW LLP	303	50%	303	50%

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

Investments in associates and joint ventures have been accounted for using the equity method as per IAS 28.

16.3 Investments in Subsidiary Undertakings

	Trust	
	2022/23 Investments in subsidiary undertakings £000	2021/22 Investments in subsidiary undertakings £000
Shares in subsidiary undertakings	12,516	12,516
Loans to subsidiary undertakings under 1 year	390	377
Loans to subsidiary undertakings over 1 year	9,881	10,271
	22,787	23,164

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

Investments in subsidiary undertakings have been accounted at cost under IAS 27.

16.4 Other investments/financial assets

	Group		Trust	
	2022/23	2021/22	2022/23 Other	2021/22
	Other investments / financial assets £000	Other investments / financial assets £000	Other investments / financial assets £000	Other investments / financial assets £000
Other current financial assets	0	0	390	377
Other current financial assets - Charitable Fund Investments	626	675	0	0
	626	675	390	377

17. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust)**17.1 Non-current Assets for Sale and Assets in Disposal Groups 2022/23**

	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 2022	545	405	140	545	405	140
Plus assets classified as available for sale in the year	0	0	0	0	0	0
Less assets sold in year	(395)	(255)	(140)	(395)	(255)	(140)
Net book value at 31st March 2023	150	150	0	150	150	0

The Trust held three assets reclassified as held for sale as at 1st April 2022. This included two areas of land and one building and associated land. One area of land at Walkergate Park has been disposed of and the building and associated land have also been sold during the year. The remaining land sale has been delayed. A preferred bidder has been identified and the contracts are currently being finalised and the sale will complete in 2023/24.

17. Non-current Assets for Sale and Assets in Disposal Groups (Group and Trust - continued)**17.1 Non-current Assets for Sale and Assets in Disposal Groups 2021/22**

	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 2021	545	405	140	545	405	140
Plus assets classified as available for sale in the year	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Net book value at 31st March 2022	545	405	140	545	405	140

The Trust held three assets reclassified as held for sale as at 1st April 2021. Delays have been experienced in the disposal of these assets due to COVID-19 and these assets therefore remain as held for sale as at 31st March 2022. These are assets are still being actively marketed. During the year no new assets have been reclassified as held for sale.

17.2 Liabilities in Disposal Groups (Group and Trust)

The Group and Trust has no liabilities in disposal groups as at 31st March 2023; (31st March 2022 : £nil).

18. Other Assets (Group and Trust)

The Group and Trust has no other assets as at 31st March 2023; (31st March 2022 : £nil).

19. Other Financial Assets (Group and Trust)

The Group and Trust has no other financial assets as at 31st March 2023; (31st March 2022 : £nil).

20. Inventories (Group and Trust)

20.1 Inventories 2022/23

	Group						Trust				
	Total	Drugs	Consumables	Consumables donated from DHSC group bodies	Energy	Other	Total	Drugs	Consumables donated from DHSC group bodies	Energy	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Carrying Value at 1st April 2022	702	340	2	228	28	104	457	226	228	0	3
Additions	2,126	1,704	6	0	30	386	1,601	1,601	0	0	0
Additions (donated) - from DHSC	84	0	0	84	0	0	83	0	83	0	0
Additions (donated) - from NHS provider (purchased by DHSC)	0	0	0	0	0	0	0	0	0	0	0
Inventories consumed (recognised in expenses)	(2,253)	(1,579)	(4)	(269)	(13)	(388)	(1,786)	(1,516)	(268)	0	(2)
Write down of inventories recognised as an expense	(23)	(9)	0	(14)	0	0	(23)	(9)	(14)	0	0
Carrying Value at 31st March 2023	636	456	4	29	45	102	332	302	29	0	1

During the financial years 2022/23 the Trust has received donated PPE consumables from DHSC bodies as part of the coronavirus pandemic response.

20.2 Inventories 2021/22

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

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

20. Trade and Other Receivables (Group and Trust)**21.1 Trade and Other Receivables**

	Group	Trust	Group	Trust
	31st March 2023 £000	31st March 2023 £000	31st March 2022 £000	31st March 2022 £000
Current				
Contract receivables invoiced	5,296	5,134	6,634	5,665
Contract receivables not yet invoiced	19,388	19,377	4,116	4,070
Capital receivables	212	213	3,113	3,113
Allowance for impaired contract receivables	(1,628)	(1,507)	(1,186)	(1,033)
Deposits and advances	15	15	19	13
Prepayments (non-PFI)	5,672	4,862	5,052	4,414
Interest receivable (excluding finance lease interest receivable)	154	146	0	0
Operating lease receivables	10	7	0	0
PDC dividend receivable	1,219	1,219	343	343
VAT receivable	2,369	2,369	2,702	2,702
Corporation and other taxes receivable	321	0	0	0
Clinical pension tax provision reimbursement funding from NHSE	17	17	12	12
Other receivables - revenue	474	461	493	473
Total current trade and other receivables	33,519	32,313	21,298	19,772
Non-current				
Prepayments (non-PFI)	662	647	146	135
Clinical pension tax provision reimbursement funding from NHSE	1,097	1,097	829	829
Total non-current trade and other receivables	1,759	1,744	975	964
Total trade and other receivables	35,278	34,057	22,273	20,736

21.2 Allowance for credit losses

	Group	Trust	Group	Trust
	2022/23 £000	2022/23 £000	2021/22 £000	2021/22 £000
At 1st April	1,186	1,033	2,006	1,832
Net allowances arising	1,525	1,479	1,602	1,389
Utilisation of allowances where receivable is written off	(71)	(68)	(112)	(77)
Reversal of allowances where receivable is collected in year	(1,012)	(937)	(2,310)	(2,111)
At 31st March	1,628	1,507	1,186	1,033

21.3 Finance Lease Receivables (Group and Trust)

The Group and Trust had no finance lease receivables at 31st March 2023 (31st March 2022 : £nil).

22. Cash and Cash Equivalents (Group and Trust)

	Group 2022/23 Cash and cash equivalents £000	Trust 2022/23 Cash and cash equivalents £000	Group 2021/22 Cash and cash equivalents £000	Trust 2021/22 Cash and cash equivalents £000
At 1st April	66,081	60,557	62,758	56,369
Net change in year	(15,079)	(16,973)	3,323	4,188
At 31st March	51,002	43,584	66,081	60,557
Broken down into:				
Cash at commercial banks and in hand	7,336	269	5,368	241
Charitable funds cash and cash equivalents	351	0	397	0
Cash with the Government Banking Service (GBS)	43,315	43,315	60,316	60,316
Other current investments (short term deposits)	0	0	0	0
Cash and cash equivalents as per the Statement of Financial Position	51,002	43,584	66,081	60,557
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	51,002	43,584	66,081	60,557

The Trust held £885,000 cash and cash equivalents at 31st March 2023 (31st March 2022 : £1,089,000) which relates to monies held on behalf of patients. The Group also held £377,000 in relation to staff savings schemes (31st March 2022 : £344,000). These balances have been excluded from the cash and cash equivalents figure reported in the accounts.

23. Trade and Other Payables (Group and Trust)**23.1 Trade and Other Payables**

	Group 31st March 2023 £000	Trust 31st March 2023 £000	Restated Group 31st March 2022 £000	Restated Trust 31st March 2022 £000
Current				
Trade payables	8,367	6,009	5,874	4,642
Other trade payables - capital	6,153	6,237	7,119	7,887
Accruals	36,415	35,220	26,948	25,403
Annual leave accrual	2,443	2,407	2,185	2,133
Social Security costs	4,702	4,483	5,007	4,878
VAT payables	735	0	823	0
Other taxes payable	4,100	3,477	3,442	3,051
Pension contributions payable	4,915	4,712	4,597	4,400
Other payables	2,808	2,692	3,223	3,145
NHS Charitable funds trade and other payables	2	0	10	0
Total current trade and other payables	70,640	65,237	59,228	55,539

The Group and Trust had no non-current trade and other payables at 31st March 2023 (31st March 2022 : £nil).

The 2021/22 comparatives have been restated to disclose pension contributions payable as a separate disclosure.

23.2 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 2022 : £nil).

24. Borrowings (Group and Trust)**24.1 Borrowings**

	Group 31st March 2023 £000	Trust 31st March 2023 £000	Group 31st March 2022 £000	Trust 31st March 2022 £000
Current				
Capital loans from Department of Health and Social Care	2,721	2,721	2,733	2,733
Lease liabilities	4,689	3,154	60	60
Obligations under PFI contracts (excl. lifecycle)	1,604	1,604	2,040	2,040
Total current borrowings	9,014	7,479	4,833	4,833
Non-current				
Capital loans from Department of Health and Social Care	36,635	36,635	39,183	39,183
Lease liabilities	52,206	18,854	713	713
Obligations under Private Finance Initiative contracts	30,754	30,754	32,358	32,358
Total non-current borrowings	119,595	86,243	72,254	72,254

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

	Group				Trust			
	Loans from DHSC £000	Lease Liabilities £000	PFI Schemes £000	Total £000	Loans from DHSC £000	Lease Liabilities £000	PFI Schemes £000	Total £000
Carrying value at 1st April 2022	41,916	773	34,398	77,087	41,916	773	34,398	77,087
Cash movements								
Financing cash flows - payments of principle	(2,549)	(2,776)	(2,040)	(7,365)	(2,549)	(1,335)	(2,040)	(5,924)
Financing cash flows - payments of interest	(868)	(27)	(2,394)	(3,289)	(868)	(27)	(2,394)	(3,289)
Non cash movements								
Impact of implementing IFRS 16 on 1st April 2022	0	58,149	0	58,149	0	22,300	0	22,300
Additions	0	284	0	284	0	271	0	271
Lease liability remeasurements	0	200	0	200	0	4	0	4
Interest expense	857	499	2,394	3,750	857	221	2,394	3,472
Early termination	0	(207)	0	(207)	0	(199)	0	(199)
Carrying value at 31st March 2023	39,356	56,895	32,358	128,609	39,356	22,008	32,358	93,722

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

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

25. Other Liabilities (Group and Trust)

	Group 31st March 2023 £000	Trust 31st March 2023 £000	Group 31st March 2022 £000	Trust 31st March 2022 £000
Current				
Other deferred income	2,306	3,571	1,572	2,836
Total current other liabilities	2,306	3,571	1,572	2,836
Non-current				
Other deferred income	235	22,996	238	24,263
Total non-current other liabilities	235	22,996	238	24,263

26. Other Financial Liabilities (Group and Trust)

The Group and Trust had no other financial liabilities at 31st March 2023 (31st March 2022 : £nil).

27. Provisions for Liabilities and Charges (Group and Trust)**27.1 Provisions for Liabilities and Charges**

	Group Current		Group Non-current		Trust Current		Trust Non-current	
	31st March 2023 £000	31st March 2022 £000	31st March 2023 £000	31st March 2022 £000	31st March 2023 £000	31st March 2022 £000	31st March 2023 £000	31st March 2022 £000
Pensions - early departure costs	98	107	844	1,086	99	107	842	1,085
Pensions - injury benefits	259	272	4,010	6,127	259	272	4,010	6,127
Other legal claims	187	89	0	0	187	89	0	0
Redundancy	0	258	0	0	0	258	0	0
Lease dilapidations	0	168	179	560	0	168	179	560
Capitalised lease dilapidations	0	0	1,965	0	0	0	518	0
Clinician' pension tax reimbursement	17	12	1,097	829	17	12	1,097	829
Other	1,958	2,211	2,427	2,690	1,938	2,187	2,428	2,401
Total	2,519	3,117	10,522	11,292	2,500	3,093	9,074	11,002

The 2021/22 comparators have been restated to disclose lease dilapidations which was included in other during 2021/22.

27. Provisions for Liabilities and Charges (Group and Trust - continued)**27.2 Provisions for Liabilities and Charges Analysis - Group and Trust**

	Group									Trust								
	Total	Pensions - early departure costs	Pensions - injury benefits costs	Other Legal Claims	Redundancy	Lease dilapidations	Capitalised lease dilapidations	Clinical pension tax reimbursement	Other	Total	Pensions - early departure costs	Pensions - injury benefits costs	Other Legal Claims	Redundancy	Lease dilapidations	Capitalised lease dilapidations	Clinical pension tax reimbursement	Other
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1st April 2022	14,409	1,193	6,399	89	258	728	0	841	4,901	14,095	1,192	6,399	89	258	728	0	841	4,588
Implementation of IFRA 16 on 1st April 2022	2,069	0	0	0	0	0	2,069	0	0	0	0	0	0	0	0	0	0	0
Change in the discount rate	(2,971)	(204)	(1,788)	0	0	0	0	(979)	0	(2,971)	(204)	(1,788)	0	0	0	0	(979)	0
Arising during the year	3,409	115	199	178	0	0	518	1,275	1,124	3,346	115	199	168	0	0	518	1,275	1,071
Utilised during the year - accruals	(90)	(25)	(65)	0	0	0	0	0	0	(90)	(25)	(65)	0	0	0	0	0	0
Utilised during the year - cash	(1,907)	(77)	(200)	(36)	(258)	0	0	(45)	(1,291)	(1,907)	(77)	(200)	(36)	(258)	0	0	(45)	(1,291)
Reversed unused	(1,989)	(76)	(349)	(44)	0	(549)	(622)	0	(349)	(1,010)	(76)	(349)	(34)	0	(549)	0	0	(2)
Unwinding of discount	111	16	73	0	0	0	0	22	0	111	16	73	0	0	0	0	22	0
At 31st March 2023	13,041	942	4,269	187	0	179	1,965	1,114	4,385	11,574	941	4,269	187	0	179	518	1,114	4,366
Expected timing of cashflows:																		
- not later than one year;	2,519	98	259	187	0	0	0	17	1,958	2,500	99	259	187	0	0	0	17	1,938
- later than one year and not later than five years;	3,567	374	992	0	0	0	0	82	2,119	3,567	374	992	0	0	0	0	82	2,119
- later than five years.	6,955	470	3,018	0	0	179	1,965	1,015	308	5,507	468	3,018	0	179	518	1,015	309	
Total	13,041	942	4,269	187	0	179	1,965	1,114	4,385	11,574	941	4,269	187	0	179	518	1,114	4,366

The total value of clinical negligence provisions carried by NHS Resolution (formerly known as NHS Litigation Authority) on behalf of the Trust is £906,000 at 31st March 2023 (31st March 2022 : £699,000) and these liabilities are not recognised in the Trust's accounts.

Pensions - early departure provisions

The pension provisions are based on pension payments and average life expectancies of former employees. The value and timing of the provision would therefore not be expected to vary significantly.

Pensions - injury benefit provisions

The injury benefit provisions are based on future payments in respect of injury benefit claims and average life expectancies.

Other Legal Claims

Legal claims includes provisions for employer and public liability claims against the Group. Information regarding the probability of success, values and timings of these claims has been provided by NHS Resolution and Willis Towers Watson. All of the cases are subject to future change, in particular they may take longer to settle, due to the nature of legal cases.

Other

This represents provisions by the Trust for the following:

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

The Treasury Pension rate applied to the Pensions and Injury Benefits provision has changed to +1.70% (previously -1.30%).

28. Contingencies (Group and Trust)

	Group 31st March 2023 £000	Trust 31st March 2023 £000	Group 31st March 2022 £000	Trust 31st March 2022 £000
Value of contingent liabilities:				
NHS Resolution legal claims	(110)	(110)	(69)	(69)
Other	0	0	0	0
Gross value of contingent liabilities	(110)	(110)	(69)	(69)
Amounts recoverable against liabilities	0	0	0	0
Net value of contingent liabilities	(110)	(110)	(69)	(69)
Net value of contingent assets	0	0	0	0

Contingent liabilities include:

- estimates provided by NHS Resolution for public liability and employer liability cases.

29. Revaluation Reserve (Group & Trust)**29.1 Revaluation Reserve 2022/23 (Trust)**

	Total £000	Property, Plant & Equipment £000	Assets Held for Sale £000
Revaluation reserve at 1st April 2022	4,385	4,235	150
Net Impairments	520	520	0
Transfer to I&E reserve upon asset disposal	(38)	(38)	0
Other recognised gains and losses	0	0	0
Revaluation reserve at 31st March 2023	4,867	4,717	150

All revaluation reserve balances are held by the Trust.

29.2 Revaluation Reserve 2021/22

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

All revaluation reserve balances are held by the Trust.

30. Related Parties (Group)**30.1 Related Party Transactions 2022/23**

	Group Income £000	Group Expenditure £000
Transactions with parties related to board members:		
Gary O'Hare, Chief Nurse <i>Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance/executive Director of Finance/Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd</i>	0	119
Brendan Hill, Non-Executive Director <i>Blue Stone Collaborative - NENC ICS Executive Chair (Interim)</i>	0	50
Paula Breen, Non-Executive Director & Louise Nelson, Non-Executive Director <i>Eden Primary Care Network, Cumbria / Carlisle</i>	14	0
Value of transactions with parties related to board members	14	169
Value of transactions with key staff members	0	0
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	33	0
Other bodies or persons outside of the whole of government accounting boundary		
Total value of transactions with related parties in 2022/23	47	169

30. Related Parties Group (continued)**30.2 Related Party Balances at 31st March 2023**

	Group Receivables £000	Group Payables £000
Balances (other than salary) with parties related to board members:		
Gary O'Hare, Chief Nurse <i>Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance/Executive Director of Finance Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd</i>	0	9
Value of balances (other than salary) with parties related to board members	0	9
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:	0	0
Total balances with related parties at 31st March 2023	0	9

30. Related Parties (Group)**30.1 Related Party Transactions 2021/22**

	Group Income £000	Group Expenditure £000
Transactions with parties related to board members:		
David Arthur, Non-Executive - <i>Director/Trustee of Mental Health Concern</i>	20	322
Alexis Cleveland, Non-Executive - <i>Trustee: Barnardo's Childrens Charity</i>	0	1,230
James Duncan, Chief Executive - <i>Vice Chair of the HFMA Mental Health Faculty. The Trust has paid/accrued for purchase invoices in respect of fees.</i>	0	4
Gary O'Hare, Executive Director of Nursing and Operations - <i>Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance, Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd</i>	0	118
Value of transactions with parties related to board members	20	1,674
Value of transactions with key staff members	0	0
Value of transactions with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	164	0
Total value of transactions with related parties in 2022/23	184	1,674

30. Related Parties Group (continued)**30.2 Related Party Balances at 31st March 2022**

	Group Receivables £000	Group Payables £000
Balances (other than salary) with parties related to board members:		
David Arthur, Non-Executive - Director/Trustee of Mental Health Concern	2	322
Gary O'Hare, Executive Director of Nursing and Operations - Wife, Mrs Janice O'Hare, is engaged by the Trust to manage the return of Trust patients who have been in long term out of area placements reporting to the Executive Director of Finance, Commissioning and Quality Assurance. The engagement is through JOH Associates Ltd	0	8
Value of balances (other than salary) with parties related to board members	2	330
Value of balances (other than salary) with key staff members	0	0
Value of balances (other than salary) with related parties in relation to doubtful debts	0	0
Value of balances (other than salary) with related parties in respect of doubtful debts written off in year	0	0
Value of balances with other related parties:		
Non-consolidated subsidiaries and associates/joint ventures	23	0
Total balances with related parties at 31st March 2023	25	330

30. Related Parties (Group - continued)

30.3 Related Party Balances at 31st March 2023 (Group and Trust)

The Department of Health is regarded as a related party. During the period the Group has had a significant number of material transactions with the department, and with other entities for which the department is regarded as the parent organisation. Details of main entities within the public sector which the Group has had dealings are:

NHS Foundation Trusts:

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

NHS and DHSC

NHS Birmingham and Solihull ICB
NHS Lancashire and South Cumbria ICB
NHS North East and North Cumbria ICB
NHS Sussex ICB
NHS West Yorkshire ICB
NHS County Durham CCG
NHS Newcastle Gateshead CCG
NHS North Cumbria CCG
NHS North Tyneside CCG
NHS Northumberland CCG
NHS South Tyneside CCG
NHS Sunderland CCG
Health Education England
NHS Resolution
NHS Property Services
Department of Health and Social Care
NHS England - Core
NHS North of England Commissioning Support Unit

Local Government bodies:

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

Central Government bodies:

HM Revenue & Customs
NHS Pension Scheme
Belfast Health and Social Care Trust - Northern Ireland

In addition, the Group and Trust has had other material transactions (under £1,000,000) with other related parties.

County Durham and Darlington NHS Foundation Trust, Humber Teaching NHS Foundation Trust, North East Ambulance Service NHS Foundation Trust, North Tees and Hartlepool NHS Foundation Trust, Pennine Care NHS Foundation Trust, South Tees Hospitals NHS Foundation Trust, South West Yorkshire Partnership NHS Foundation Trust, NHS Humber and North Yorkshire ICB, NHS Kent and Medway ICB, NHS North Central London ICB, NHS South Yorkshire ICB, NHS Bassetlaw CCG, NHS Bradford District and Craven CCG, NHS Tees Valley CCG, Care Quality Commission, HM Revenue & Customs, Valuation office agency, National Employment Savings Trust (NEST), Department for Transport, Leeds City Council, Sunderland City Metropolitan Borough Council

The Trust has had transactions with MHC / NTW LLP (formerly known as Insight Ltd) as part of the Trust's joint venture.

30. Related Parties (Group - continued)

30.3 Related Party Balances at 31st March 2023 (Group and Trust - continued)

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

	Trust Income 2022/23 £000	Trust Expenditure 2022/23 £000	Trust Receivables 2022/23 £000	Trust Payables 2022/23 £000
NTW Solutions Ltd	2,600	37,110	0	30,160

The Trust also has a receivable loan with NTW Solutions Ltd to the value of £10,271,000.00 (Current £390,000, Non-current £9,881,000)

	Trust Income 2021/22 £000	Trust Expenditure 2021/22 £000	Trust Receivables 2021/22 £000	Trust Payables 2021/22 £000
Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Charity	76	0	11	0

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

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

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

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

31. Commitments (Group and Trust)**31.1 Contractual Capital Commitments (Group)**

	Group	Trust	Group	Trust
	31st March	31st March	31st March	31st March
	2023	2023	2022	2022
	£000	£000	£000	£000
Commitments in respect of capital expenditure at 31st March:				
Property, plant and equipment	4,751	4,742	20,920	287
Total	4,751	4,742	20,920	287

31.2 Other Financial Commitments (Group)

	Group	Trust	Group	Trust
	31st March	31st March	31st March	31st March
	2023	2023	2022	2022
	£000	£000	£000	£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 2023 as follows, analysed by the period during which the payment is made:

not later than 1 year	74,199	72,030	67,705	66,479
after 1 year and not later than 5 years	4,994	4,762	48,447	48,410
paid thereafter	0	0	0	0
Total	79,193	76,792	116,152	114,889

32. Finance Lease Obligations (Group and Trust)

The Group and Trust have no future cash outflows in relation to leases not included in lease liabilities in Note 24.

33. 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: 11 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: 14 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.

33.1 Total Obligations for On-SoFP PFI obligations on the Statement of Financial Position

	Group & Trust 31st March 2023 £000	Group & Trust 31st March 2022 £000
Gross PFI liabilities	49,309	53,743
of which liabilities are due		
- not later than one year;	3,861	4,434
- later than one year and not later than five years;	15,210	15,122
- later than five years.	30,238	34,187
Finance charges allocated to future periods	(16,951)	(19,345)
Net PFI liabilities	32,358	34,398
- not later than one year;	1,604	2,040
- later than one year and not later than five years;	7,378	6,787
- later than five years.	23,376	25,571

33. Private Finance Initiative (PFI) Obligations deemed to be on the Statement of Financial Position (Group and Trust - continued)**33.2 Total On-SoFP PFI Commitments**

	Group & Trust 31st March 2023 £000	Group & Trust 31st March 2022 £000
Total future payments committed in respect of PFI arrangements	147,230	148,163
of which liabilities are due		
- not later than one year;	10,284	9,499
- later than one year and not later than five years;	43,772	40,430
- later than five years.	93,174	98,234
Total	147,230	148,163

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

	Group & Trust Total 31st March 2023 £000	Group & Trust Total 31st March 2022 £000
Commitments in respect of the service element of the PFI:		
not later than one year	3,037	2,189
later than one year and not later than five years	13,376	13,901
later than five years	23,587	28,088
Total	40,000	44,178

The commitments disclosed include future estimated indexation applied to service charges.

33.4 Analysis of amounts payable to service concession operator

	Group & Trust Total 31st March 2023 £000	Group & Trust Total 31st March 2022 £000
Unitary payment payable to service concession operator	8,926	8,665
Consisting of:		
- interest charge	2,394	2,522
- repayment of finance lease liability	2,040	1,702
- service element	1,616	2,227
- contingent rent	2,876	2,214
Total	8,926	8,665

34 Events after the Reporting Period (Group and Trust)

There are no non-adjusting events after the reporting period to disclose. A financial estimate was included in the accounts for the 2022/23 pay award as an adjusting event, as at the balance sheet date an agreement for the pay award had not been finalised (31st March 2022 : £nil).

35. 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 Integrated Care Boards, Clinical Commissioning Groups (CCGs) and NHS England and the way those NHS organisations are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply.

The Group has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Group in undertaking its activities.

The Group's treasury management operations operate within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the board of directors. Treasury activity is subject to review by the Group's internal auditors.

Currency Risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Group and Trust has no overseas operations and therefore has low exposure to currency rate fluctuations.

Credit Risk

The Trust can borrow within affordable limits and NHS Improvement will assess the affordability of material borrowing. The Trust can invest surplus funds in accordance with NHS guidance on Managing Operating Cash. This includes strict criteria on permitted institutions, including credit ratings from recognised agencies. Financial assets and liabilities are generated by day-to-day operational activities rather than being held to manage the risks facing the Group and Trust in undertaking its activities.

Liquidity Risk

The Trust's net operating income is received under legally binding contracts with local Clinical Commissioning Groups (CCGs), Integrated care boards 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 £39,356,000 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.

35.1 Carrying value of Financial Assets held at amortised cost

	Group Held at amortised cost £000	Trust Held at amortised cost £000
Assets as per the Statement of Financial Position at 31st March 2023:		
Receivables (excluding non financial assets) - with DHSC group bodies	22,482	22,421
Receivables (excluding non financial assets) - with other bodies	2,537	2,523
Other investments / financial assets	0	0
Cash and cash equivalents at bank and in hand	50,651	43,584
Consolidated NHS Charitable Fund assets	977	0
Total at 31st March 2023	76,647	68,528
	Group Held at amortised cost £000	Trust Held at amortised cost £000
Assets as per the Statement of Financial Position at 31st March 2022:		
Receivables (excluding non financial assets) - with DHSC group bodies	7,715	7,033
Receivables (excluding non financial assets) - with other bodies	6,296	6,095
Other investments / financial assets	303	303
Cash and cash equivalents at bank and in hand	65,684	60,557
Consolidated NHS Charitable Fund assets	1,072	0
Total at 31st March 2022	81,070	73,988

Restatement of prior year 'Other investments / financial assets' has been made to remove the non-equity instruments of the wholly owned subsidiary investment the value of which was £23,166k.

35. Financial Instruments (Group and Trust - continued)**35.2 Carrying value of Financial Liabilities held at amortised cost**

	Group Held at amortised cost £000	Trust Held at amortised cost £000
Liabilities as per the Statement of Financial Position at 31st March 2023:		
Department of Health and Social Care Loans	39,356	39,356
Obligations under leases	56,895	22,008
Obligations under Private Finance Initiative contracts	32,358	32,358
Trade and other payables with NHS and DH bodies	6,160	11,467
Trade and other payables with other bodies	54,937	45,808
Total at 31st March 2023	189,706	150,997
Liabilities as per the Statement of Financial Position at 31st March 2022:		
Department of Health and Social Care Loans	41,916	41,916
Obligations under leases	773	773
Obligations under Private Finance Initiative contracts	34,398	34,398
Trade and other payables with NHS and DH bodies	7,983	15,571
Trade and other payables with other bodies	41,960	32,038
Total at 31st March 2022	127,030	124,696

35.3 Maturity of Financial Liabilities

	Group 31st March 2023 £000	Trust 31st March 2023 £000	Group 31st March 2022 £000	Trust 31st March 2022 £000
In one year or less	72,371	67,012	57,198	54,864
In more than one year but not more than five years	38,804	32,966	25,645	25,645
In more than five years	101,910	69,323	63,722	63,722
Total at 31st March	213,085	169,301	146,565	144,231

36. Pensions (Group)

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March 2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

(b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

37. Losses and Special Payments (Group and Trust)**37.1 Losses**

	Group	Group	Group	Group
	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	2022/23	2022/23	2021/22	2021/22
	Number	£000	Number	£000
Losses of cash due to:				
- theft, fraud etc	8	0	7	0
- overpayment of salaries	0	0	0	0
Fruitless payments and constructive losses	328	34	31	3
Bad debts and claims abandoned	62	40	130	96
Stores losses	1	9	1	9
Total losses	399	83	169	108

Special Payments

	Group	Group	Group	Group
	Total	Total value	Total	Total value
	number of	of cases	number of	of cases
	2022/23	2022/23	2021/22	2021/22
	Number	£000	Number	£000
Ex gratia payments in respect of:				
- loss of personal effects	30	3	25	6
- clinical negligence with advice	0	0	0	0
- personal injury with advice	2	11	12	65
- other employment payments	0	0	1	22
- other *	1	1,205	0	0
Total Special Payments	33	1,219	38	93
Total Losses and Special Payments	432	1,302	207	201

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.

* other special payments relates to VAT tribunal claim settlements made to employees and former employees in relation to lease cars. This was approved by HM Treasury for NHS organisations to make these payments as part of a blanket approval.

These amounts are reported on an accruals basis but exclude provisions for future losses.

37.2 Recovered Losses (Group and Trust)

The Group received no compensation payments in relation to losses as at 31st March 2023 (31st March 2022 : £nil).

38. Gifts (Group and Trust)

The Group received no gifts in 2022/23 (2021/22 : £nil).

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

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust ('the Trust') and its subsidiary (the Group) for the year ended 31 March 2023 which comprise the Trust and Group Statement of Comprehensive Income, the Trust and Group Statement of Financial Position, the Trust and Group Statement of Changes in Taxpayers' Equity, the Trust and Group Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual 2022/23 as contained in the Department of Health and Social Care Group Accounting Manual 2022/23, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2023 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2022/23; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006..

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are

required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements

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

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual 2022/23 and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another public sector entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Based on our understanding of the Trust and Group, we identified that the principal risks of non-compliance with laws and regulations related to the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012), and we considered the extent to which non-compliance might have a material effect on the financial statements.

We evaluated the Accounting Officer's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates, significant one off or unusual transactions and the risk of fraud in revenue recognition.

Our audit procedures were designed to respond to those identified risks, including non-compliance with laws and regulations (irregularities) and fraud that are material to the financial statements. Our audit procedures included but were not limited to:

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

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

- making enquiries of management and the Audit Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and

- addressing the risks of fraud through management override of controls by performing journal entry testing.
- addressing the risk of fraud through revenue recognition by testing a sample of revenue around the year-end; considering information provided by the Department of Health and Social Care in respect of year end intra-NHS transactions; and review of management oversight of material accounting estimates and changes to accounting policies.

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

We are also required to conclude on whether the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in April 2021.

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

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

Matter on which we are required to report by exception

We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer

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

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

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

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2022/23; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

We are required to report to you if:

- in our opinion the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2022/23; or
- the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements; or
- we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006; or
- we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.

We have nothing to report in respect of these matters.

Use of the audit report

This report is made solely to the Council of Governors of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust and Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust Group in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Signature: 
Mark Kirkham (Jun 29, 2023 20:16 GMT+1)

Email: mark.kirkham@mazars.co.uk

Mark Kirkham, Partner
For and on behalf of Mazars LLP

The Corner
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29 June 2023

