The Newcastle upon Tyne Hospitals
NHS Foundation Trust

The Newcastle upon Tyne Hospitals
NHS Foundation Trust and Group

Annual Report and Accounts

2024/2025

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3. Annual Accounts 2024/25

Chair and Acting Chief Executive Introduction

Overview of performance: Statement from the Chair, Sir Paul Ennals CBE

I was delighted to be appointed as Interim Shared Chair of the Newcastle upon Tyne Hospitals NHS Foundation Trust ('Newcastle Hospitals') in July alongside my existing role as Chair at Northumbria Healthcare NHS Foundation Trust ('Northumbria Healthcare'). This signals another step towards closer arrangements across the Great North Healthcare Alliance (GNHA) – our partnership with Northumbria Healthcare, Gateshead Health NHS Foundation Trust ('Gateshead Health') and North Cumbria Integrated Care (NCIC) NHS Foundation Trust.

I joined an organisation which was driving rapid improvement and change, in response to the serious concerns raised by the Care Quality Commission (CQC) and driven by the new Chief Executive, Sir James Mackey who joined the Trust in January 2024.

That focus on clinical standards and purposeful change has continued unrelentingly. As the Trust's new Board of Directors and leadership team we have clearly heard the concerns expressed by the CQC about our previous standards of governance. We have continued with our programme of Board development supported by our external expert partners The Value Circle (TVC). We have committed to engaging with and listening to our staff and stakeholders to reset our approach, whilst ensuring that we continue to provide high quality clinical care to patients and their families.

We have taken significant steps to improve the transparency of our Board business, holding more detailed and sometimes difficult discussions at our public Board meetings so that we can be held accountable by the public. This includes publishing more information than previously, particularly around health inequalities and maternity data.

There is no shying away though, from where more needs to be done as we challenge ourselves on how we can continue to improve, be held accountable and reach the standards we aspire to.

There is still much more to be done to stabilise the organisation, but we are lifting our sights now towards improving our services for the future, and we are creating a new 5-year strategy, with partners in the GNHA and Newcastle City Council, to set a clear strategic direction for the longer term.

We have always benefitted from having a wonderful staff team, and we have been richly supported by our governors and by so many other volunteers. Thank you everyone – you make the Trust the wonderful organisation that it is.

Sir Paul Ennals CBE
Chair

26 June 2025

Statement from the Acting Chief Executive

Thank you for taking the time to read our Annual Report which gives us an opportunity to reflect on the last year and to openly share our performance and outcomes with you.

It's a pleasure to present this report in my role as acting Chief Executive, having taken over from Sir Jim Mackey as he moved to be the transition Chief Executive at NHS England (NHSE). My focus in this role is on continuity, ensuring that we make progress with the clear plans and the improvements that Jim led during his time as Chief Executive Officer (CEO).

Our commitment to providing high-quality care remains the central focus, and over this year, we have worked hard to continue with our improvement journey, in particular strengthening our clinical and quality governance approach which enables us to implement learning so that we can improve care for patients; and developing our People Plan to support our staff.

Due to the efforts of all our colleagues, we are able to report significant progress in key areas of service delivery, patient safety, performance and overall patient experience which are set out in this account. This progress was recognised by the CQC and this enabled the conditions on our licence, which had been imposed in December 2023, to be lifted in August 2024.

We have worked hard to become more transparent and open in our decision making so that we are able to be held accountable for our actions and the choices we make.

In this report, we highlight our achievements, challenges, and provide an overview of progress against the patient safety priorities for 2024/25. We are focused on embedding quality improvements across all services and engaging with our staff, patients, and stakeholders to better understand their needs and aspirations.

I would like to thank all our staff and volunteers for their incredibly hard work, dedication and compassionate care throughout the year.

Mr Rob Harrison
Acting Chief Executive Officer

26 June 2025

Our Trust Strategy, Vision and Values

Our current strategy finished at the end of 2024. Therefore, over the last few months, the Board has been engaged in a process to develop a new strategy for the organisation. This is being done in two phases, firstly the development of an interim strategy for 2025/26. This interim strategy will focus on some of the more immediate goals and ambitions we want to achieve for the next 12 months. The rationale for this approach was to allow time for the second phase, developing a meaningful longer term strategic direction for the organisation in terms of a 5-year strategy, in collaboration with staff, patients and other stakeholders. Our longer-term strategy will also align with the published North East and North Cumbria (NENC) Integrated Care Partnership (ICP) Strategy and the expected 10-year plan for the NHS.

The interim strategy will be based on the 'Big Signals' that were developed in January 2024. Over 1,000 staff attended a series of events, and their feedback and subsequent engagement helped develop these. They set out the key issues to address and allow staff to hold the Executive Team and Trust Board to account for their delivery. The CEO reports progress against these Big Signals regularly at the Board meetings held in public, and other management meetings.

During the year our vision and values remained the same and these will be tested through our wider engagement in the long-term strategy development.

Our vision is:

'Newcastle Hospitals – Achieving local excellence and global reach through compassionate and innovative healthcare, education and research'

Our values, which were developed wholly by our staff and guide everything that we do as we grow to achieve our vision, are:

- **We care and are kind**
  We care for our patients and their families, and we care for each other as colleagues.

- **We have high standards**
  We work hard to make sure that we deliver the very best standards of care in the NHS. We are constantly seeking to improve.

- **We are inclusive**
  Everyone is welcome here. We value and celebrate diversity, challenge discrimination and support equality. We actively listen to different voices.

- **We are innovative**
  We value research, we seek to learn and to create and apply new knowledge.

- **We are proud**
  We take huge pride in working here and we all contribute to our ongoing success.

Service Developments and Achievements

Patient safety

The Patient Safety Incident Response Framework (PSIRF) was introduced in the Trust in January 2024 and sets out and strengthens the way the whole NHS responds to patient safety incidents. It includes:

- Compassionate engagement and the involvement of everyone affected by incidents.
- Applying a range of system-based approaches to learning from incidents.
- A considered and proportionate response to incidents.
- Supportive oversight focused on strengthening how we respond to incidents, learn and improve.

We deliver good care to our patients. However, when things go wrong, we want to make sure that we learn, change and improve, as well as support and include patients and families more effectively so that their voices are heard.

Most Patient Safety Incidents (PSI) are investigated by Clinical Teams within the Clinical Boards who understand the area in which they work and will provide a proportionate response to the incident.

A small number of cross-cutting or complex incidents or events are investigated centrally by the Clinical Governance and Risk Department (CGARD) before being fed back to the local Clinical Team and wider learning shared across the Trust.

Learning and improvement, which is the most important part of the process, is shared in a variety of ways including team meetings, safety boards, audit meetings, morbidity and mortality meetings, trust-wide patient safety bulletins, the intranet, dedicated patient safety briefings and our patient safety incident forum which is attended by Clinical Board representatives.

Governance

The 2024/25 Board Assurance Framework (BAF) was re-designed to ensure it can effectively capture all the relevant information to allow effective discussion and assurance to be received by each Committee and Trust Board.

This approach will support and inform the Committee agenda and regular management information received will help them make informed judgements as to:

- The level of assurance that they can take, which can then be approved by the Audit, Risk and Assurance Committee and reported to the Trust Board; and
- Identify any further actions required to mitigate risk.

People Plan

Our People Plan – launched in the summer of 2024 - outlines priorities and actions to create a stronger and improved work environment across all of our teams and sites. It guides our journey to make Newcastle Hospitals a place where everyone feels welcome, supported and valued.

Content was shaped and developed by over 8,000 staff who shared their experiences, stories and views over several months, through a range of routes such as the Chief Executive roadshows, focus groups, staff networks, staff side representatives, our Freedom to Speak Up (FTSU) Guardian, the NHS staff survey and our internal staff survey.

Through this we identified the most important priorities to support colleagues and improve how it feels to work here with four key themes forming our Plan for 2024 to 2027, being:

- Health and wellbeing.
- Behaviours and civilities.
- Valued and heard.
- Leadership and management.

Delivery will be through development of improved services and processes to support staff, through our People Department and leadership in Clinical Boards and Corporate Services.

Key milestones in year-one:

- The launch of our Behaviour and Civility Charter which has been developed to shape a more inclusive workplace, where everyone feels safe and where we treat each other with kindness and respect.
- Ensuring staff know how to speak up safely within their own teams, departments and within the wider organisation, including promoting the role of our new Freedom to Speak Up Guardian, Jill Taylor, who commenced in May 2024. Jill made a significant contribution to the role prior to her leaving the Trust in April 2025. As at 20 May 2025, interim arrangements have been put in place whilst a permanent Guardian is recruited.
- Implementing a new leadership and management training model based on compassionate and responsive leadership.

Accrediting Excellence Programme

Our patients and their families should be confident that they are going to be cared for effectively, and together, we want to ensure we meet the highest standards for them wherever they are in our care.

During the year we launched a new programme of Accreditation for our wards which is a framework that provides a comprehensive view of the quality of care delivered across our wards and departments in Newcastle Hospitals.

It allows us to recognise, improve and celebrate the care we provide and through this structured approach, we:

- Have a clear set of standards and a measure of how well a team is delivering quality care. This is so teams can understand what is expected and have the tools and support to achieve and exceed these standards.
- Provide ward-to-board assurance on the quality of excellence in clinical and professional standards.
- Promote accountability, which reduces unwarranted variation by providing an evidence-based, standardised approach to supporting the delivery of excellence in nursing and midwifery care and improving quality.
- Create a platform for continuous quality improvement (QI) and help embed staff engagement in locally created and owned QI projects.
- Provide a platform for shared learning so that wards and departments can learn from each other and disseminate excellent practice.
- Create a culture of pride and accomplishment and support collective leadership and personal and professional development.

Every day, colleagues are working on wards and departments to identify opportunities for change and are uniquely positioned to understand the things that can improve services, outcomes and experience for patients.

Our ACE programme, supported by Newcastle Hospitals Charity, is about recognising and celebrating the excellence we see every day and having a very clear focus on clinical and professional standards, aligned to the Trust's nursing, midwifery and Allied Healthcare Professionals (AHP) strategy, to help staff understand where they currently are in delivering excellent patient care and where improvements can be made.

World class treatment for Parkinson's

The Royal Victoria Infirmary (RVI) is one of only four hospitals in the world to offer high tech treatment for Parkinson's disease by using 'adaptive' technology to improve electrical signals in the brain and reduce symptoms.

Over the last few years, a number of Newcastle patients have had their condition improved through deep brain stimulation, which involves an implant to the brain controlled by a tiny computer in the chest that sends electrical messages to manage symptoms and restore quality of life.

This currently involves multiple trips to hospital so implant settings can be adjusted in response to a patient's ongoing needs and once optimised, there is little or no adjustment unless the patient reports a problem.

The current technology, known as Brainsense™, allowed surgeons to learn that individual patients' needs for stimulation can vary throughout the day, sometimes by the minute but until recently there was no way to change the settings frequently enough to adapt to this need.

Now ground-breaking technology, known as 'adaptive deep brain stimulation', can provide this level of responsiveness – taking the treatment to the next level as it can be much more tailored and personalised to individuals, using the body's own signals to adapt and adjust to meet their needs, potentially on a minute-by-minute basis.

'World first' heart surgery

Patient Patrick Mulholland became the first patient in the world to undergo life-saving surgery, involving the use of four specialist valves to replace all of the natural valves in his heart.

The operation, described as 'ultra-rare' by surgeon Professor Stephen Clark, is offered as a last resort for patients who have a very uncommon type of heart failure, known as carcinoid heart disease.

Doctors first discovered Mr Mulholland's heart was very damaged when he was referred for tests relating to symptoms involving his stomach and bowel. Investigations found a rare heart condition caused by a tumour in Patrick's abdomen, which was releasing a chemical into his bloodstream and causing significant damage to all of his heart valves.

It is rare for these tumours to damage heart valves and, when they do, usually only one valve is affected. However, all four of Mr Mulholland's valves were damaged and he was admitted urgently to the Freeman Hospital (FH) with severe heart failure and just days to live.

The team used 'state-of-the-art' valves which hadn't been used before anywhere in the world in a quadruple surgery and in a move to help other heart units in the United Kingdom (UK) and rest of the world, the patient's operation was recorded to provide a training resource for other surgeons who may be faced with this extremely rare situation.

Pioneering surgery on UK's youngest patient

A nine-year-old boy with a rare genetic condition became the youngest in the UK to undergo an operation to remove his pancreas and transplant his own insulin producing cells at the same time.

Archie Routledge, from Workington, Cumbria, carries a rare genetic mutation which causes hereditary pancreatitis – a serious condition where the pancreas

becomes inflamed, causing significant abdominal pain and carries a significantly increased risk of pancreatic cancer later in life.

After spending five months in the Great North Children's Hospital (GNCH) with pancreatitis where he was unable to eat and receiving nutrition only through a drip, surgeons used a small window of opportunity to carry out the life-saving operation.

During the procedure, called a total pancreatectomy and autologous islet cell transplant, the specialist team removed the pancreas, harvested those insulin-secreting islet cells from the pancreas, then reinfused those cells back into the liver to find a home and help manage blood sugar by producing insulin. Archie is now recovering at home and is making good progress.

'World first' for burn injuries

Experts at the RVI's Northern Regional Burn Centre were the first in the world to use a potentially revolutionary Artificial Intelligence (AI) tool that helps predict how someone's injuries will heal in less than a second.

The tool called DeepView uses "multispectral imaging and artificial intelligence" to provide information about a burn that is not perceivable by the human eye.

It provides a picture of a patient's wound across different parts of the electromagnet spectrum and can be used as soon as the first day someone is injured, which means clinicians can quickly decide how best to treat a patient.

To date the tool has been used on wards and in theatres, allowing the team to compare their clinical information with how the device is interpreting the wound depth, potentially changing the way they care for – and treat – patients.

Donated placenta used to help save man's sight

A donated placenta was used to make a specialist tissue graft and help save the eyesight of patient, Paul Laskey who was squirted in the face with a corrosive substance.

Paul suffered severe chemical burns to his eye resulting in a significant loss of sight. The burn caused limbal stem cell failure and severe neurotrophic keratopathy, meaning the cells within his eye could not properly repair or regenerate the surface of the cornea, and the nerves within the eye were failing to function properly.

As a result, both the inner and outer layers of the cornea broke down, or 'melted', causing extremely limited vision in the affected eye. Over 8 months, several procedures were carried out in our Eye Centre to save Paul's sight including two emergency corneal transplants and three amnion grafts – tissue taken from the inner lining of a donated placenta, made into small patches.

The tissue was taken and made into the patches by scientists in NHS Blood and Transplant's tissue and eye services and used to treat ocular injuries. The amnion grafts served to stabilise the eye, avoid further melting, saving the sight that Paul still has and prepare it for further treatment with the aim of restoring full vision.

Latest implant technology to lower back pain

A new device, which is implanted into the lower back to stimulate muscles and prevent debilitating pain, is having life-changing effects for patients who receive it.

The specialist Pain Management Team at the RVI have brought in the new technology which can bring major improvements for

patients who may have suffered with severe mechanical low back pain for years.

Electrodes are placed in the lower back muscles which stimulate neuromuscular control – the signals between the brain and the muscles – in the hard-to-reach area around the spine.

The location of the device and the impact it can have means patients who can benefit will have the potential to be active again and recover wider aspects of their health and wellbeing.

Leading the way for robotic heart surgery

Surgeons became the first in the UK to perform a procedure using a robot to tackle blood clots in the heart.

The patient was believed to be the first person outside of America and Italy to undergo the keyhole procedure, which uses a robotic device to attach a clip in the heart, making the surgery much less invasive.

Surgeon's Mr Dharmendra Agrawal and Professor Stephen Clark from the FH combined their cardiac and thoracic expertise to devise the minimally invasive procedure to correct the patient's heart rhythm and prevent any blood clots being released from his heart.

The operation lasted 30 minutes with the patient returning home the next day to a full recovery.

Team marks their 2,000th 'TAVI'

The Heart Team carried out their 2,000th Transcatheter Aortic Valve Implantation (TAVI) to replace 77-year-old Kathleen Scarth's heart valve after she developed aortic stenosis, a narrowing of the valve.

Under local anaesthetic, a TAVI procedure uses a catheter which is inserted into a blood vessel in the leg. The catheter is then used to guide and fix a replacement valve over the top of the old one.

The Freeman Hospital has been performing TAVIs since 2008 and now, due to advancements in technology, the team can offer this far less invasive procedure under local anaesthetic. It means patients do not require a long stay in hospital and the outcome is transformative.

Blood-borne virus testing

Patients attending the Emergency Department (ED) at the RVI are being offered potentially lifesaving opt-out testing for Blood-Borne Viruses (BBVs) like Human Immunodeficiency Virus (HIV).

As part of a national programme, all patients aged 16 and over – and in need of a blood test – will receive screening unless they ask to opt-out. Testing is initially taking place every Tuesday and will be extended to 7 days a week later this year.

Staff test for HIV, Hepatitis B and Hepatitis C – all of which can remain silent for many years and cause serious health problems if left untreated. However, there are now highly effective medical treatments for all three infections meaning they are no longer life-limiting giving people living these viruses healthier, longer lives.

New Urgent Treatment Centre (UTC)

Urgent care in Newcastle is set to be transformed through the construction of a purpose-built facility next to the RVI's Emergency Department.

Formal planning permission was granted in March 2025 for a new UTC, which will provide same day care for people who have

a healthcare need that cannot wait, for example an illness or injury that can't be treated at home or with the support of a pharmacist.

Each year, increasing numbers of people attend the RVI's Emergency Department. Many do not have a life-threatening health emergency, but they do need to be cared for quickly and with the help of a doctor or nurse.

Preliminary work started on the new centre this year, which will provide more space and better facilities for treating minor, but urgent, injuries and illnesses in a separate setting, safely and conveniently away from major emergencies.

Services will be open 24 hours a day, seven days a week, and the centre's location alongside the Emergency Department will make it accessible to patients. This proximity to the main hospital will also allow for more flexible staffing and provide access to additional services if needed. It is hoped the building will be complete before the end of the calendar year 2025.

Balloon treatment in North East first

Eight-year-old Kayah Tulip from Cramlington was one of the first children in the North East to have a minimally invasive procedure – known as a balloon eustachian tuboplasty – for the treatment of glue ear.

Glue ear occurs when the eustachian tube (a tube that connects the middle ear to the back of the nose) does not work correctly. This tube naturally opens and closes to relieve pressure and prevent fluid collecting behind the ear drum. For patients with glue ear, this happens less frequently or not at all and can lead to hearing loss.

While treatment usually involves insertion of grommets, consultant paediatric Ear, Nose and Throat (ENT) surgeon Jason Powell, is paving the way for an alternative treatment which uses a deflated balloon catheter guided up the nostril and into the back of the nose.

A small camera is also passed up the nose to guide the balloon catheter into the opening of the eustachian tube. Using water, the balloon is inflated and kept in place for a couple of minutes before being deflated and removed – stretching the eustachian tube to encourage a return to the natural mechanism of opening and closing.

For most children, this is a procedure is a permanent fix for their ears and as we gain more understanding and evidence, it could change how we treat glue ear in children in the future.

World legacy for transplant training

Delegates from across the world travelled to the Freeman Hospital to take part in the only programme of its kind which teaches and trains surgeons how to do heart and lung transplantation.

The intensive two-day course 'Surgical Aspects of Cardiopulmonary Transplantation' provided all aspects of training experience in this highly specialist field of medicine including lectures, debate and hands-on practice.

The Freeman Hospital is one of the UK's most experienced and successful solid organ transplant centres with over 30 years of experience providing adult transplants for heart, lungs, heart and lungs, liver, kidneys, kidney and pancreas and, more recently, pancreatic islets, as well as heart and lung transplants for children.

The course run through Newcastle Surgical Training Centre (NSTC) teaches surgeons in a simulated environment – so it's as close to real life as possible in a safe and controlled way.

Showcasing latest endoscopic techniques across the globe

Physicians from the Trust joined experts across the globe to showcase the latest innovations and advancements in endoscopic ultrasound techniques.

For the first time gastroenterology consultants, Manu Nayar and Professor John Leeds, took part in a 14-hour education course involving more than 20 academic medical centres throughout the world.

The course featured live streams into different theatres throughout the day and early evening, giving clinicians the opportunity to share their knowledge and expertise with others. A total of 28 endosonography live procedures were aired involving patients from Asia, Australia, Africa, Europe, and North and South America.

Newcastle's endoscopy service provides specialist screening for the diagnosis and treatment of a wide range of disorders affecting the digestive system, with the team carrying out more than 20,000 endoscopic procedures each year.

Milestone marked for CAR T-cell therapy

Medics at the Northern Centre for Cancer Care (NCCC), working with our scientists, have brought together the most innovative advanced therapies to patients delivering CAR T-cell (Chimeric Antigen Receptor T-cell) therapy to the 100th person in-year.

Over 100 adult patients with lymphoma and leukaemia have undergone life-saving specialist CAR T-cell therapy which is a type of cancer immunotherapy treatment that is life changing for these people.

Previously other treatments such as chemotherapy may have failed, or for some patients there were no other treatment options, so this is bringing vital treatment and better outcomes for these patients.

Newcastle was one of the first hospitals in the country to be able to take on this innovative medicine and has significant expertise in the development and production of high-quality advanced therapy products, initially through clinical research trials before moving to cutting-edge NHS treatment.

Trust pilots new 'world first' technology to read the Deoxyribonucleic Acid (DNA) of infection causing bugs

Scientists and medics are part of a national technology pilot to rapidly diagnose the cause of serious respiratory infections in critically ill patients.

The first of its kind test reads the DNA of bacteria, fungi and viruses in samples from patients in intensive care, bringing faster and more accurate results to target the most effective treatment.

Infections which affect the lungs, such as bronchitis and pneumonia, are the fourth biggest killers worldwide and speedy diagnosis is critical to guide effective treatment and recovery. These severe chest infections can also lead to sepsis for patients already requiring round the clock intensive care.

The pilot involves scientists at the North East Innovation Lab (NEIL), microbiologists, virologists and the trust's intensive care department. It could be a 'game changer' not only for speeding up diagnosis but also identifying if the organism causing the disease is resistant to any antibiotics which is important for guiding the most effective therapy and treatment for patients who are critically ill.

Day Treatment Centre accreditation

The Day Treatment Centre at the FH was formally accredited as an elective surgery hub for adults as part of a scheme run by NHSE's Getting it Right First Time (GIRFT) in collaboration with the Royal College of Surgeons.

The centre was assessed against a framework of standards relating to:

- Patient pathway.
- Staff and training.
- Clinical governance and outcomes.
- Utilisation and productivity.
- Facilities and ring-fencing.

Surgical hubs are part of NHSE's elective recovery plans to increase surgical capacity and to offer hundreds of thousands more patients quicker access to some of the most common procedures.

The final report said: *"It was a privilege to meet such a committed, talented, and enthusiastic team. They shared examples and information on good practice and innovation and were open and transparent during interviews and focus sessions. It is encouraging to meet the teams who are supporting the elective recovery process for this system and to better understand the pressures and daily challenges they face."*

Centre of excellence status

Newcastle's paediatric neuro-oncology services was designated a 'Tessa Jowell Centre of Excellence' – one of six in the country to achieve this status.

The Trust and Newcastle University team was commended for their service which provides excellent psychological care, comprehensive education throughout the patient journey, dedicated late-effects care, well-resourced play therapy services and excellent clinical trial opportunities.

The award was part of The Tessa Jowell Brain Cancer Mission's announcement of a new network of 15 strong brain tumour centres for children – a new initiative marking the first stage in a national effort to further elevate the treatment, care and research for children with brain tumours.

New clinical facilities to transform dental education and training

Newcastle's 125-year history of dentistry education, treatment and research was further cemented with the launch of new dental clinical simulation facilities – a partnership between the Trust and Newcastle University.

The £5.5m facilities, funded by Newcastle University and the Office For Students, will transform the learning and experience of students, dental clinicians and patients, allowing students to train with cutting-edge equipment to keep up-to-date with the latest technology in their field.

They will benefit from enhancements in audio visual equipment, with the ability for patient treatments to be streamed live from a demonstration dental surgery into their seminar room.

Each year, around 30,000 patients are treated by Newcastle University students at the Trust's Dental Hospital, based at the RVI and clinics in the city's Arthur's Hill, Byker and Kenton. These modern facilities will help to train the next generation of dentists and greatly benefit our patients.

Improving quality of life for cancer patients

Sarcoma patients who have lost a limb due to amputation can benefit from a quicker recovery thanks to an alternative method of restoring skin.

Sarcomas are a group of rare cancers affecting the tissues that connect, support, and surround other body structures and organs. Surgery is the main treatment for soft tissue sarcoma and surgeons try to remove the cancer without damaging or removing the affected limb. Sometimes, however, limb amputation is recommended if the cancer has returned to the same site.

During amputation, surgeons usually reconstruct the area by using skin taken from another part of the body which can, sometimes, be challenging if the site is located next to a major blood vessel or nerve.

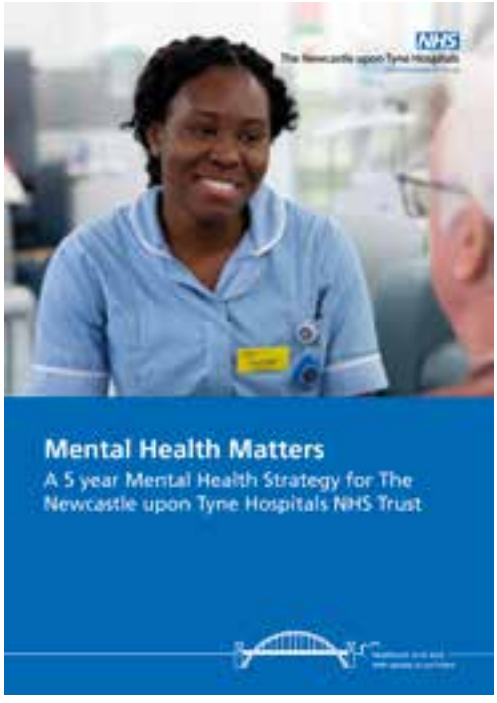
In an alternative method used by our surgeons, tissue that is free from cancer is used to reconstruct the area, instead of being thrown away.

Because there is only one wound, recovery time for patients is often shorter with less time spent in hospital and a decreased risk of complications and in a review published in the Journal of Plastic, Reconstructive and Aesthetic Surgery, it was evidenced that this approach benefitted patients.

Mental health strategy

Our 5-year mental health strategy – Mental Health Matters – was launched to provide a clear framework for the Trust to deliver care for patients, carers and staff with mental health needs.

Nearly half (47%) of all people discharged from our wards and departments have both a mental and physical health condition. The strategy applies to people of all ages and covers all aspects of mental health and wellbeing including mental illness, psychological distress, dementia, autism and learning disabilities.



New website for cancer research

Young people treated for cancer across the North East and Cumbria joined forces with Teenage Cancer Trust and Cancer Research UK to create and launch a new website that aims to describe in simple terms how teenagers and young adults can take part in research.

The website provides clear, understandable and age-appropriate information about taking part in three key areas of cancer research – clinical trials, genomics and biobanking.

The project was spearheaded by Teenage Cancer Trust Lead Nurse Karen Hamlen, and Cancer Research Nurse Consultant Ben Hood.

Rock Legend lends his voice to new book for children with sensory differences

AC/DC's frontman Brian Johnson narrated Bobby's Day Out – an illustrated short-storybook for children with sensory differences.

Written by occupational therapist Alice Gair and Dr Philippa Gaunt, with illustrations by Sarah Dickson, the book was jointly funded by The GNCH Foundation and the Newcastle United Football Club players.

It is part of the trust's Sensational Thinking Project which supports children and families living with sensory processing differences and the book aims to raise some of the challenges when coming into hospital.

As not all children are able to access the book in written format, Brian stepped in to record an audio version so it is more widely accessible.

Digital Developments

Context

In line with the national push to accelerate the use and impact of digital solutions across the NHS, as a Trust we continue to digitise many of our daily processes. We are also prioritising innovative digital solutions to help staff complete tasks more efficiently than before.

As part of our ongoing efforts to improve productivity and deliver cost savings, we have implemented several digital solutions that enhance the efficiency of services. These developments focus on the optimisation of systems, streamlining workflows, and reducing administrative burdens. The initiatives not only support the improvement of patient care but also deliver financial and environmental efficiencies, supporting the Trust's sustainability and strategic goals.

Addressing digital inequalities and literacy

The Trust has continued its commitment to addressing digital inequalities, ensuring that more patients and staff benefit equally from technological advancements. Recognising the potential barriers that can arise by switching from traditional and paper-based processes to accessing to digital services, we have introduced targeted initiatives to support vulnerable groups, including those in remote or underserved areas, and individuals who may face challenges with digital literacy.

We have expanded patient access to digital tools such as the NHS App, ensuring more people can digitally engage with services at Newcastle Hospitals.

We are working closely with the regional partners and the region's Digital Inclusion Steering Group, ran by the NENC Integrated Care System (ICS), to share best practice and determine how patients across the region can benefit from digital technologies to manage their healthcare.

Across all the digital messaging and content we produce, accessibility remains paramount and a key focus. This is to ensure staff and patients can find the information they need easily, quickly and written as clearly as possible.

Improving patient's digital experiences

Over the last 12 months we have made positive progress implementing the Patient Engagement Portal (PEP) further across the Trust and our outpatient departments. The PEP helps patients securely access their hospital information through the NHS App, on their phone, tablet or computer.

In November 2024, Newcastle Hospitals' patients began to see their outpatient letters displayed in the NHS App. This helps people to see more of their healthcare correspondence and appointments in one place. By April 2024, over 1 million appointments, have been added to the NHS App. There are also over 350,000 outpatient letters available to access within the NHS App.

These updates not only allow patients to manage their healthcare appointments and

letters with more ease, but also improve the speed of patient communication, and help to reduce our carbon emissions and printing/posting savings.

Additionally, in 2024 frailty and respiratory patients became the first to be introduced to virtual wards at Newcastle Hospitals. Virtual wards are a vital initiative to deliver care for patients who are clinically stable but require ongoing observation or treatment. Patients measure, record and share certain vital signs using equipment containing a digital tablet, which are then shared with staff via an online platform.

Virtual wards at the Trust are allowing patients to get safe hospital-level care at home, close to their friends and family. This supports early discharge out of hospital, helps speed up recovery, while freeing up hospital beds for patients that need them most.

Service Management

To deliver all the Trust's day-to-day digital activity, and to be able to run multiple innovative projects, we need an adequate digital infrastructure, and which complies with cyber security guidance. Our Service Management Team are integral to keeping digital platforms and physical hardware running efficiently and grow with ongoing demands. Over the last 12 months the Service Desk has taken over 158,000 calls, answering 80% within 60 seconds, with over 193,000 tickets raised and resolved through Service Now.

We continue to refresh devices across the Trust, with over 2,000 devices being replaced or upgraded across various departments. This ensures our staff are equipped with the most up-to-date technology, enabling them to perform their roles more effectively and efficiently. 2024/25 is the first year internal staff have been used to complete device refreshes rather than agency staff, which has been completed ahead of schedule.

Work also remains underway to upgrade nearly 15,000 devices digital to Windows 11. This upgrade is ensuring all our systems remain secure, compatible, and efficient in delivering. This is crucial to keeping our Information Technology (IT) infrastructure modern, enhancing performance and supporting future digital transformations.

Improvements to the bandwidth of both our patient and staff Wi-Fi networks have also taken place over the last year. Additionally, our telephony coverage and equipment have also been maintained effectively, with upgrades to the stability and performance of both DECT phone and IP phone servers.

Strengthening our cyber security

As one of the biggest organisations and employers in the region, we have a duty to protect the data that we hold for both patients and staff at the Trust. Our Cyber Security Team continue to support colleagues and defend them against an endless list of digital viruses and scam attempts. In line with national guidance, multi-factor authentication is now in place for all our NHSmail users and the Trust's new intranet platform, helping to keep the information we share internally safe and secure. We also keep staff informed of any new potential cyber-attacks and risks to handling patient information.

As more Trust services, systems and processes become digitised, cyber security remains a critical priority for the Trust. Throughout the past year, the Trust have continued to strengthen cyber resilience through the implementation of advanced threat detection technologies and established response protocols. These measures are helping to prevent unauthorised access, reduce the risk of malware and phishing attacks, and ensure the confidentiality, integrity and availability of Trust data. Our approach remains aligned with national NHS guidance and supports our ongoing compliance with the Data Security and Protection Toolkit (DSPT).

Improving digital solutions

User experience for our healthcare systems remains paramount. This is why in November we carried out a Trust-wide survey for all staff who use our Electronic Patient Records (EPR). Over 1,000 responses

from staff helped us to identify areas of focus for our systems within primary care, maternity, ophthalmology and the main EPR we use across all specialties in the Trust. Key issues included slow system speed, data accessibility and documentation burden. The quantitative and qualitative feedback from the survey will help shape the digital governance, infrastructure and education we can provide for staff for them to carry out their tasks as quickly and simply as possible.

Our move to remotely hosted EPR servers has enabled further improvements to be made and deliver staff time savings. It has also strengthened our cyber security and reduced the risk of datacentre outages. The work around upgrading the EPR server has been an ongoing Trust-wide effort and one which will benefit all users.

A major internal milestone this year was the successful launch of our new intranet platform. It replaces the previous platform which struggled to cope with the demands of continuous updates and hosting accessible and up-to-date content. The new platform allows staff to access critical resources, share knowledge, and communicate more efficiently, contributing to improved team cohesion and operational effectiveness. Further improvements continue to be made to help provide the best platform for staff, optimising accessibility and allow contributors throughout the Trust.

The latest update to Newcastle Hospital's infection control platform, ICNet, saw the integration of surgery patient data, making it one of a few Trusts in the country to integrate this kind of patient data. The second phase of ICNet targets post-surgery infection, bringing further benefit around infection prevention, identification and responsiveness through monitoring and surveying hip, knee and spinal surgeries.

Significant strides have been made in optimising care plans through digital tools. The Trust has continued to refine and improve its inpatient care plan systems, ensuring that care is tailored to individual patient needs and is documented efficiently, helping to improve care outcomes. Prior to the optimisation, 989 care plans were used within a 6-month period, compared to over 147,000 used as of March 2025.

Progress has also been made optimising care plans within our EPR, covering Pain, Pressure Ulcer Prevention, Fall Prevention, Nutrition and Hydration, Hygiene and Moving and Handling. In addition to this, three dynamic End of Shift documents have also been improved, consolidating documentation to create a holistic summary of the patient care delivered and bringing standardisation to nursing documentation. Over 900 nurses have been trained on the update and necessary changes have been made following staff feedback. This change is a key aspect to our fundamental nursing practices and critical to improving patient care, and one which continues to be optimised.

The long awaited EPR upgrade within ophthalmology has also been successfully launched, with Digital and Technology Services working closely with the department and suppliers to achieve this. The new mediSIGHT platform is helping to improve the quality of our data collection for national reporting, medication management and device integration. It will also help provide digital resilience, automated printing and savings in print costs.

Service and organisation digital transformation

The Digital and Technology Services Department continue to play a vital role in digital transformation across specific services and areas within the organisation which

have a wide regional reach. This includes:

- **Dental Hospital -** The digitisation of our Dental Hospital is well underway, with key updates to patient management systems and digital workflows. The initial phase has delivered training to staff around using new digital processes and ordering through the EPR and enabled staff to transition from wet film to digital x-rays. These improvements will enhance the patient experience, streamline administrative processes, and help manage patient data more effectively.
- **Community Diagnostic Centre (CDC) opening -** Towards the end of 2024, the Department played an active role in the set up and opening of the new CDC, supporting the integration of digital technologies that improve diagnostic processes and future order workflow. This was in collaboration with Gateshead Health and has enabled patients to be treated at a more convenient location to suit their needs, for a range of modalities, including sleep studies, electrocardiograms (ECGs) and echo.
- **SystmOne -** Community staff have benefitted from a large-scale merge of two SystmOne units, Health Visiting and School Health, to one single 0-19 unit. This has resulted in improved data reporting, record keeping and governance across the whole services. Staff no longer need to navigate two systems when dealing with the safeguarding of vulnerable children, young people and adults.

Several improvement workshops, covering safeguarding, safety dashboards and manual handling, have also been carried out with service owners. This is helping to standardise templates which support data collation, increase record keeping consistency and reduce template duplication.

Automated door process

An update to the Trust's digital door access system has helped save up to 8 hours a week for the Workforce and Registration Authority Team. Daily automation has been introduced to the Winpak system, which controls badge profiles and door access across our sites. This work strengthens building security, ensuring only authorised staff can access relevant areas. This is part of the first phase of the wider, ongoing Joiners, Movers and Leavers project delivered collaboratively by Digital and Technology Services staff and colleagues in Workforce, which will impact further services across the organisation.

Supporting our ICS

a. Connect NENC

Working closely with neighbouring Trusts, in November 2024 we launched the region's new digital patient referral platform, Connect NENC hosted on behalf the NENC ICS. This initiative has been much needed across medical specialties in our region, and replaces outdated inter-hospital patient referrals – previously relying on telephone and paper-based processes.

Over the past 6 months, we have successfully onboarded several specialties within the first phase, including renal, neurosurgery and spinal surgery; rapid expansion expected throughout 2025/26.

b. Great North Care Record (GNCR)

Newcastle Hospitals also hosts the region's shared care record system, the GNCR, on behalf of the NENC. In March 2025, the GNCR celebrated its 5th anniversary, along with reaching a milestone of 1 million monthly views from over 30 thousand members of staff that provide care. The GNCR continues to play a crucial role in improving patient outcomes and ensuring that health and care professionals have access to the most up-to-date and accurate information available.

In November 2024, Newcastle Hospitals joined several other regional Trusts in sharing maternity data to the GNCR – helping to provide a more connected user experience for pregnant people across the NENC. The system continues to strengthen each year, and the team behind the GNCR were awarded Team of the Year at the Digital Health Network Awards in 2024.

Partnerships

Commercial Strategy

Our Commercial Enterprise Team (CET) works with partners in industry, academia, and the NHS to develop commercial opportunities and generate valuable income to reinvest into our NHS services and the care we provide.

Our Commercial Strategy launched in summer 2024 and work has taken place to embed this throughout the organisation. We have reshaped and strengthened our skills, expertise and capacity without incurring any additional costs to focus on delivering more commercial activity across a range of departments and teams.

The team is working with clinical and non-clinical colleagues and the broader health and life science sector to generate more commercial income through key projects and initiatives across the portfolio areas below.

Digital and data partnerships – this year, we've signed two data partnerships with Flatiron and Promptly Health, which will allow better use of high-quality data for the development of better treatment and care. The partnerships will mean Newcastle Hospitals anonymised data can be used to inform more research, service improvement, drug discovery and medical innovation.

There are strict controls on who can access the anonymised data produced by the partnerships, and on what they can do with it. Access can only be granted following a robust approval process and must be for purposes with a clear benefit to patients. If they wish to do so, patients have the right to opt-out of sharing their data.

Strategic partnerships – collaboration is instrumental to achieving our aims and we've signed three key partnerships with Novartis Pharmaceuticals UK, Leica Biosystems and Roche Diagnostics to support the development and adoption of health innovation and increase clinical trial research capacity.

Developments during 2024/25 included:

- **Driving diagnostic innovation in the North East**

The new partnership between Roche Diagnostics UK and Ireland, Newcastle University and the Trust was launched during the year, playing a key role in developing cutting-edge medical diagnostics.

The partnership strengthens the collaboration between NHS, academia and industry, with the aim of revolutionising how diagnostics, including tests and scans, can transform healthcare and treatment outcomes. Benefits for patients would include faster results, easier access to tests, tailored and personalised treatments and improved health.

Priorities will focus on a number of key clinical areas, including cancer, rare disease, liver and cardiovascular disease, infectious diseases, neurodegenerative disease and women's health.

Much of the work is taking place at Newcastle University's evolving £500m Health Innovation Neighbourhood, which will provide the infrastructure to upskill and train diagnostic developers, and support education opportunities, including:

- Mentorship.
- Skills and training.
- Secondments for students and staff.
- Outreach programmes.
- Future research.

- **£2.56million funding to advance diagnostic tests**

Advancing diagnostic tests and shaping the most effective treatment took a step forward for patients after £2.56million was awarded by the National Institute for Health and Care Research (NIHR) Invention for Innovation Product Development Award competition for a collaboration between the NEIL, the Trust and Newcastle University.

The NHS and academic partners work together under Newcastle's National Institute for Health and Care HealthTech Research Centre supported innovators to secure funding to continue to develop two key projects to diagnose a wide range of illness and identify the most effective antibiotic treatment.

Over £1 million was awarded to Linear Diagnostics to fund a three-year programme to develop their technology into a portable device which rapidly detects DNA to diagnose sexually transmitted and urinary tract infections. The device is expected to improve the speed and accuracy of diagnosis and the effectiveness of treatments.

A further £1.5m went to Microplate Dx to fund a two-year programme to develop their technology, which selects the most appropriate antibiotic to treat urinary tract infections and speeds up results for patients, into a final product. By potentially improving how antibiotics are prescribed the technology could also help to tackle antimicrobial resistance, a major global health problem.

These are exciting opportunities to continue our work with innovators to support the development and evaluation of their devices, which aim to improve the detection of illness and help to guide the most effective treatment for patients.

Private and international healthcare – our activity in these areas is growing year on year, providing access to our highly regarded, research-led treatment and care, which delivers some of the best health outcomes for patients.

Education, training and experiences – our Newcastle Hospitals Skills Academy (NHSAc) has a new leadership team and strategy focusing on meeting the needs of the NHS. We have grown our international clinical observer and fellow programme with new partners across the globe, giving access to our clinical and operational expertise and state-of-the-art facilities, whilst generating valuable income to be reinvested into NHS services.

Pharmacy production – We have secured £3.2m to reinvest in our pharmacy production unit at the RVI to upgrade ageing equipment, refurbish the production area and increase our manufacturing capability.

Health and life sciences – Our specialist diagnostic pathology, evaluation and validation laboratories are working together on projects in fields including cutting-edge diagnostic development and artificial intelligence, supporting clients from across the globe.

For more information visit https://commercial.newcastle-hospitals.nhs.uk/

Sharing expertise in global partnership

A new international partnership which provides access to our hospitals' world leading teams and facilities to share knowledge and expertise is underway.

The first clinical observers are in place in surgical and women's services at the Trust as part of a new partnership under our International Clinical Observerships and Fellowships Programme.

The partnership with Beijing based company Good Doctor International (GDI), was set up by the CET, working closely with the medical staffing team and Clinical Boards. It is expected to bring in around 15 to 20 observer placements in the next 12 months.

Partnerships

Some key areas of partnership working are described below including:

1. CDC;
2. Newcastle Health Research Partnership (NHRP);
3. Genomics Medicine Service (GMS) for North East and Yorkshire (NEY); and
4. GNHA

1. CDC

The CDC opened its doors at the Metrocentre in Gateshead to the first patients in October 2024. The centre, a partnership between Newcastle Hospitals and Gateshead Health as part of the GNHA, improves access to a range of diagnostic services with an expected 145,000 appointments a year.

Situated in one of the region's most accessible and well-known areas, the centre offers patients the ability to undergo necessary diagnostic tests without the need to travel to hospital and it aims to relieve pressure on local hospitals. The facility provides services such as Magnetic Resonance Imaging (MRI), Computerised Tomography (CT), ultrasound scans, blood tests and heart and lung functions assessments.

The collaboration between the trusts taking healthcare into the community not only improves healthcare infrastructure and access to essential diagnostics but also created new jobs for the local economy.

2. NHRP

NHRP brings together a workforce of over 42,000 across our five partners to translate cutting-edge research into excellent patient care and support world-class training and education.

Previously known as Newcastle Health Innovation Partners (NHIP), NHRP emerged in 2020 to enhance population health and drive economic prosperity through collaborative research, innovation, education, and training. Five years on, remarkable growth has been witnessed in research awareness, activity and income across the partnership. We have embarked on impactful projects, forged new industry partnerships, formalised our public partnership approach and nurtured healthcare professionals and researchers through innovative educational and training programmes. Our academy has also emerged as an acclaimed beacon of success for local academic career development.

Quote from Professor David Burn (Pro-Vice Chancellor for the Faculty of Medical Sciences at Newcastle University and Director of NHRP)

'As we embark on a new strategy for the future, I am delighted to announce our new name: Newcastle Health Research Partnership - reflecting our historical and future emphasis on research, including researcher career development and public partnership for research. This name change signifies our unwavering commitment to research as the cornerstone of our efforts.

We aim to build upon our collective strength and deliver a significantly increased contribution to our region. Alongside the stronger emphasis on research is a commitment to equity in all we do, from fostering an inclusive research culture to ensuring more inclusive representation in research cohorts and across academic careers.

We also recognise the changes to the regional landscape and will work closely with all relevant stakeholders to ensure we effectively drive improvements in health, reduce health inequalities and generate economic growth for our region. Together, we are poised for an exciting future, confident that our renewed focus and collaborative spirit will propel us to new heights. Newcastle Health Research Partnership stands ready to make a lasting impact, fostering innovation and excellence in research for the benefit of people in our communities.'

The NHRP Vision is **to be a globally recognised health research partnership that delivers significant local impact.**

Its mission is to **improve health, reduce health inequalities and generate economic growth through research, training and education that leverages the combined strengths of our partners.**

The NHRP strategic objectives are:

- Cultivate Collaborative culture for research and adoption.
- Build capacity and capability in training and education.
- Build patient and public involvement in research.

The four workstreams are:

1. Scoping and progressing expanded academic research opportunities.
2. Establishing the NHRP partnership Directors forum.
3. Expanding the Newcastle Joint Research Office (NJRO).
4. Developing Diagnostics North East and Therapeutics North East.

3. GMS for the NEY

The GMS for the NEY has continued to provide exceptional service over the past year, contributing to advancements in personalised medicine and ensuring that genomics is at the frontline of patient care. As part of the NHS ambition to revolutionise healthcare through genomics, the service has demonstrated resilience and innovation, especially in addressing the challenges felt by testing backlogs.

Tackling the backlog

A key priority for the NEY GMS has been to address the backlog of genomic testing. By embracing cutting-edge digital tools and redeveloping clinical pathways, testing processes have been streamlined and fantastic progress has been seen with significantly reduced backlogs.

We are proud that over 79% of non Whole Genome Sequencing (WGS) backlog has been cleared, alongside 93% of the oldest WGS cases. Our backlog in Cancer testing has been completely cleared.

This is a truly remarkable achievement and is testament to the dedication and commitment of our teams. The benefits of our reduced backlog are already being felt, with patients receiving more timely results to inform diagnosis and any associated treatment decisions. The impact of this cannot be overstated.

Improving communications and engagement

This year we have enhanced communications and engagement within the GMS and across our laboratories. Clear communication is essential to successful collaboration, and we've worked hard to engage our colleagues in our shared vision for our service.

Following a period of staff engagement online and through face-to-face sessions, we have identified areas of focus to improve how we communicate across the region.

Our communications and engagement strategy is focussed on three key areas; supporting great internal communications and engagement, maximising opportunities to raise our profile, and delivering effective stakeholder communications. Over the next 12 months we will be delivering an action plan in these three pillars to support a more engaged community, and raise our profile as a GMS that is delivering a high-quality service.

Strategic priority - becoming one GMS

Our strategic focus will be on the full integration of Genomics Medicine Service Alliance (GMSA) and Genomics Laboratory Hub (GLH) into a single, streamlined NEY GMS. Based on national guidance, this will help us meet the growing demand for genomic services while ensuring patients across the region have equitable access to our services.

There is a clear clinical need for closer collaboration, enabling us to deliver earlier diagnoses, more targeted treatments, and ultimately improve outcomes for patients.

Consultation and engagement will continue with colleagues and stakeholders over the next year to refine and develop our approach to this. Our priority is to continue our focus on patient engagement, enhancing communication with stakeholders and strengthening the connections between laboratory teams and clinicians, so that we can ensure NEY GMS remains at the cutting edge of genomic medicine.

Conclusion

From clearing backlogs to developing a more collaborative service, this year has been one of significant progress and positive change for NEY GMS.

As we continue to refine our services and focus on continuous improvement, we remain committed to delivering equitable, high-quality care that enhances patient outcomes across our region.

We are proud of what our teams have achieved and look forward to building on these successes in the year ahead, driving forward the genomic agenda as part of the NHS and continuing to make a real difference to the health and wellbeing of patients in our region and beyond.

4. GNHA – progress during 2024/25

Overview and vision

Newcastle Hospitals, Gateshead Health, Northumbria Healthcare and NCIC have been working together as the Great North Healthcare Alliance since January 2024. The Alliance has continued to develop through 2024/25 in line with the wider national direction to support productive collaborations between NHS organisations.

An overview of the Alliance and its guiding objectives are as follows:

The Alliance has changed ways of working across the four trusts, strengthening partnership between neighbouring organisations to drive better decision making for the benefit of patients, staff and external partners.

Our Alliance vision has been developed and approved by each of the Alliance Trust Boards and there has been positive engagement and feedback on it from partners including the ICB, local authorities, the wider NHS and Universities.

How we will work – our foundations:

How we will work – our principles:

Acting together	• Patients see us as *'one NHS'*, so we must work and design our services to meet this. • We will speak with one voice to influence collectively and ensure our communities get the investment and support we deserve. • We will keep focused on the fact that we are first and foremost healthcare delivery organisations. • We exist to serve patients with rapid access to care, positive experiences, the best possible outcomes, and preventing illness in the first place. • Excellence – our ambition is to achieve the highest possible standards in healthcare, national and global leaders, supported by technology, commercial, innovation, education, research and development.

Subsidiarity	• We understand the value in care being delivered locally – we will take every opportunity to provide the widest range of services in local settings, whilst recognising that services need the appropriate infrastructure to be safe. • The identities of and sense of belonging in our individual organisations must be retained and built on – no Trust wants to lose what is special about them, and what is good for one Trust is good for all. • We will leverage the best of each organisation for the benefit of all, building on the distinct strengths of each organisation. • We will trust, empower and give permission to all leaders to work across the Alliance to co-design services, feeling both accountable for and supported to deliver, under pinned by our ICB-wide leadership compact.
Effective Planning	• Our Alliance activities will be made where opportunities to do so arise, and to an agreed plan. We will plan and deliver jointly where possible and desirable, and work with commissioners jointly. • We want to grow the support and opportunities our teams have, and our work plan will have this at its heart. • We want to put as much money as possible into frontline care treating and preventing illness, which is why our planning will seek to maximise value for the Alliance £ ensuring affordability, productivity, minimal waste and duplication, and maximising external investment. • Our collective planning and decision making will be supported by strong governance processes that are shared where desirable and possible.
Accountability and Engagement	• In delivering our work plan and ways of working, we want to maintain and increase our lines of local accountability, to our staff, communities and our local partners. • We will retain accountability within our individual places and the visibility of local leaders in local places. Alongside this, we want to improve the accountability that local places have over issues that are greater, multi-place scale. • Our principles of partnership working and behaviours will be led by our ICB-wide leadership compact. • We want genuine and honest engagement with partners both within our organisations and externally. • Local partners will have a say in the decisions that affect them, and we will continue to develop our Alliance work plan and vision with their input.

What we aim to deliver in the next five years:

Clinical pathways	• CQC *'good'* or above rating in each organisation, exceeding the constitutional standards, simplified patient flow using all available resources, and a reputation for being best in the country. • Improved and sustainable footing for fragile and vulnerable services, starting with urology, oral and maxillofacial surgery, urgent and emergency care, cancer, and women's services. • Brought together clinical teams from across the Trusts to review jointly each clinical specialty and to prioritise a programme of clinical pathway redesigns to improve services for patients. This will be informed by rich access, experience and outcomes insights and data, demographic pressures that we know are coming, and the views of patients, staff and partners. • Improved local access to all constituent parts of specialised service pathways and clinical research – from tertiary settings, to acute and community, so that more patients can benefit. • Boosted and prioritised primary and community care. We will work closely with PCNs, and provide a strong, dedicated strategic leadership to deliver integration with community and secondary care. • Made a positive step change in tackling health inequalities - including in reducing poverty by helping local people not at work due to sickness to get healthcare support to get back to work. • Ensure individuals are treated in the right place at the right time by working with social care partners in local government and private providers to maximise our delivery of social care integration and respond to national policy.
People and processes	• Remove the barriers and annoyances for our people that stop them from making full use of their professional skills, creating new opportunities, delegating power and responsibility so they work to their potential level. • Opportunities for joined up recruitment and workforce development programmes that supports local people into stretching careers, with succession and that recognises specific fragile staffing areas. • Community promise that supports local growth - including promotion of health careers, social value, and a healthy green environment. • Single point of contact for local and regional partners to raise and discuss issues and opportunities – including the ICB, LAs / NECA, Universities, PCNs. • Innovation, research and development to help design and deliver improvements to patient services, reaches its commercial potential, is led by our centres of internationally recognised excellence. • NHSE System Oversight Framework (SOF) 2 or better positions for each organisation, with financial sustainability across the Alliance. • Explore joined up corporate services to support value for money and reduce outliers – e.g., coordinated procurement. • Commercial strategy delivery that takes rapid decisions, moves first, and is based on our combined assets. • Single, unified governance structure for decision-making across the Alliance, supported by a collaboration model that is in itself, innovative.

Physical assets	• Coordinated estates strategy and decisions with *'big build'* developments in each Alliance trust that is supported by external investment.
	• Because 20% of our patients already flow between our hospitals, deliver:
	  ◦ Digital interoperability across the Alliance trusts,
	  ◦ Seamless service pathways, whilst not risking system resilience,
	  ◦ A clear & accessible interface for patients that supports patient choice.
	  ◦ Prioritise money for patient care by ensuring organisations maximise the benefits from subsidiaries.

Progress to date

We have had a number of notable successes that demonstrate progress against the objectives and vision outlined above. A few highlights include:

i. **CDC** – the Metrocentre CDC has already enabled over 16,000 people to have a diagnostic test more quickly and/or more closer to home. A CDC in Workington will open in June 2025.

ii. **Cardiology** – positive engagement between clinical teams led to a 30% reduction in waiting times for patients with Acute Coronary Syndromes (ACS) requiring revascularisation to be transferred between the RVI, and Queen Elizabeth Hospital and Northumbria Specialist Emergency Care Hospital.

iii. **Audiology** – improvements in the service provided by Newcastle Hospitals means many more patients are now having their hearing assessments done within the 6-week national waiting time standard. This is creating resource to improve local provision across Northumberland and North Tyneside.

iv. **Paediatrics** – this joint workstream has built positive relationships between the four trust teams, leading to increased hospital capacity being opened compared to the past ten years and better sharing of best practice.

v. **Urology** – honest and positive discussions between the trusts led to joint solutions to issues in these patient services. Although performance is still not where any trust would want it to be, positive progress has been seen.

vi. **Interstitial Lung Disease (ILD)** – changing pathways for patients with ILD to transfer to more local provision for them in Northumbria. Around 120 patients are being offered the opportunity to transfer their care.

vii. **Hepato-pancreato-biliary (HPB)** – Northumbria taking on appropriate patients to share capacity more evenly, and Northumbria surgeons looking to use the FH DTC to increase capacity.

viii. **Digital** – Agreed a longer-term plan to deliver an interoperable set of digital services to enable information and data exchange across the Alliance will support patients and frontline services. A lead Chief Digital Officer was appointed to coordinate this work across Newcastle, Gateshead and Northumbria, working closely with North Cumbria.

ix. **Research and innovation** – driving an Alliance-wide agenda to agree priority areas for our combined research and innovation experience, expertise and assets to work together for the benefit of the Alliance.

x. **Estates planning** – a shared business case looking at long-term estates opportunities across the four trusts has been developed, for discussion on possible investment sources to deliver this.

xi. **Financial planning** – open engagement between Finance Directors to support short and medium-term financial planning in particular, to plan a path for the Alliance trusts to return to a sustainable balanced financial position.

Governance arrangements

Relationships across the four organisations have developed at pace to support joint working on Alliance priorities. The Alliance Steering Group of the Chairs and CEOs from the four organisations meets monthly as Committees in Common. During 2024/25, these arrangements have been strengthened through a Joint Committee and three sets of bilateral arrangements:

- **Joint Committee:** a tighter form of governance, with delegations from Trust Boards, has been established between Newcastle Hospitals, Northumbria Healthcare and Gateshead Health as members, and with North Cumbria colleagues attending. The Joint Committee has a specific focus initially on certain financial planning for 2025/26, digital interoperability, and research and innovation.
- **Bilateral arrangements:** to progress work bilaterally between organisations, more formal arrangements have been put in place between Newcastle Hospitals and North Cumbria. Sub-Committees in Common will help ensure high quality tertiary services across North Cumbria alongside other clinical and corporate workstreams. Other bilateral arrangements have also been established between organisations, for instance Newcastle and Northumbria, and Newcastle and Gateshead who meet regularly to work through shared clinical service issues and improve service delivery for patients.

Developing and delivering the work plan in collaboration

We have developed the work plan in collaboration with Trust Boards and Governing Bodies, as well as external partners where appropriate.

The members of the four Trust Boards have met together twice for half day workshops looking at progress made and future opportunities. A joint event for Governors has also taken place.

In addition, we have ensured that the ICB for the NENC has been involved in informing the vision, work plan and governance arrangements for the Alliance. In December 2024 the Alliance Steering Group met with the ICB Chair and Chief Executive. The ICB provided an update on some stakeholder engagement work on the Alliance vision and work plan that they had supported with external partners. This included important and helpful feedback from local universities, primary care groups, and local authorities. This has informed the work plan and will be built on in the next 12 months.

The governance arrangements are intended to be as *de minimus* as possible and support collaborative working relationships across all levels of the Alliance partners. They have been established and agreed by Trust Boards in such a way to not change the independence of Trust Boards and Governing Bodies, or the delegations, powers and authorities held by CEOs.

Summary assessment:

Looking back over the first year of the Alliance, progress has been good. Enthusiasm for working together across organisations has delivered a number of tangible benefits, and there is momentum in support of greater collaboration.

Trust and relationships between the organisations have never been in such a positive position. Leadership and communication have been critical parts of our work at different levels throughout our organisations. We have also recognised that there is a strong need to measure and celebrate progress, and that project governance and management works best for the Alliance where it is kept as light touch as possible.

Research

Clinical research continues to play a fundamental role in changing and advancing treatments, discovering new drugs, and improving our understanding of health conditions. In the last year, around 14,000 people took part in clinical research at Newcastle Hospitals.

At any one time, we have approximately 500 studies running across most clinical specialities, ranging from first-in-human trials to observational studies.

Whether it's detecting conditions in the first few days of life or finding better treatment options for heart attack patients, research can truly change lives.

AI a 'gamechanger' for treatment

AI has been found to improve the outcome of patients with voice box cancer, which is a step closer to personalised treatment.

In the first-of-its-kind research into advanced laryngeal cancer (or voice box cancer), Amar Rajgor and his team at Newcastle University tapped into the power of AI to analyse medical imaging from CT scans, which is aimed at predicting survival.

Laryngeal cancer is a tough battle for many in the UK, with around 2,400 new cases diagnosed each year, with half of those in advanced stages not surviving beyond three years. This study – a partnership between the Trust and Newcastle University – offers hope for those battling laryngeal cancer.

AI technology to spot the early signs of bowel cancer is also set for a prominent role after the COLO-DETECT trial – a research study involving 11 sites across the county including the Trust - showed greater efficiency in detecting potential new cases.

The randomised controlled trial used the GI Genius™ AI device, a computer module powered by AI which was added to existing technology used during a colonoscopy - a procedure where a camera is used to look inside the bowel, with the aim of spotting cancerous and precancerous polyps (called adenomas).

The module put a green box around possible polyps on the screen to show what the

camera can see with the clinician then deciding whether to remove the polyp.

Half of the participants had colonoscopy using AI and half had 'traditional' colonoscopy and the findings, published in Lancet Gastroenterology and Hepatology, showed that using artificial intelligence can significantly increase detection of the kind of abnormalities in the bowel that may progress to cancer.

In a third study in-year, AI was used to determine the course and severity of aggressive skin cancers, such as Merkel Cell Carcinoma (MCC), to help clinical decision making by generating personalised predictions of treatment specific outcomes for patients and their doctors.

An international team, led by Newcastle researchers, combined machine learning with clinical expertise to develop a web-based system called "DeepMerkel" which offers the power to predict MCC treatment specific outcomes based on personal and tumour specific features.

They propose that this system could be applied to other aggressive skin cancers for precision prognostication, the enhancement of informed clinical decision making and improved patient choice.

The research was conducted with Penny Lovat, Professor of Dermato-oncology, Newcastle University, and Mr Aidan Rose, Senior Clinical Lecturer, Newcastle University and Consultant Plastic Surgeon at Newcastle Hospitals.

Stem cell research to assess painful knee injuries

Researchers received funding from the British Medical Association Foundation's *J Moulton* grant to see if stem cells can help heal an Anterior Cruciate Ligament (ACL) rupture – a common knee injury which usually requires/involves taking a piece of tendon from another part of the body and grafting it to the injury site.

Healing can take up to 12 months and there is a high possibility that the grafted tendon will rupture again. Other factors such as age and the body's mechanics also influence how well the injury heals.

Researchers have adopted various methods to promote healing of a transplanted tendon, including the use of stem cells and in this trial, researchers will focus on a specific type of stem cell, called Mesenchymal Stem Cells (MSCs) which can self-renew and split into several different types of cells, including bone, cartilage, and muscle.

The overarching aim of the research, led by Professor Lyle Armstrong, professor of cellular regeneration at Newcastle University, and Professor David Deehan, orthopaedic surgeon at the Trust, is to see if MSCs can survive on the membrane and promote healing post-surgery.

Research into reducing heart attacks

New research found that an invasive treatment approach is a safe option to help reduce risk of subsequent heart attacks in older patients.

With older heart attack patients often less likely to be offered these procedures, the findings reveal important insights into potential benefits of surgery, that could help clinicians better tailor treatment plans to individuals.

In the largest and longest study of its kind – called SENIOR RITA – a team of Newcastle researchers tested treatment approaches in more than 1,500 patients aged 75 or older who had had a non–ST-segment elevation myocardial infarction (NSTEMI) heart attack.

Current guidelines recommend that patients who are considered at risk of further events have an invasive coronary angiogram which involves inserting a small tube into an artery allowing doctors to check for blockages - within 72 hours.

Researchers compared a non-invasive approach (which included treatment with drugs such as statins) to an invasive approach (which included the same drug treatment options, with the addition of angiography and revascularisation – a medical intervention to restore blood flow).

They found a 25 percent reduction in the risk of non-fatal heart attacks in patients in the invasive group compared to those in the non-invasive group – the latter of which also required over three times as many subsequent procedures.

First UK patient recruited to children's heart study

Teenager Robert Davidson, who lives with a rare muscle-wasting disease Duchenne Muscular Dystrophy, was the first patient in the UK to be recruited by the Trust to the VALOR trial – a children's heart study.

Newcastle Hospitals is one of two hospitals in the UK running the study which is looking to see if an investigational medicine (Vericiguat) can be safely given to infants, children, and teenagers to improve heart failure.

Vericiguat works by relaxing the blood vessels in the lungs to allow blood to flow easily. Previous studies in adults have found that it lowers the chance of hospital admission and death from heart failure, however the medication has not been tested specifically in children.

In the study, it will be trialled in children aged 28 days to 18 years of age. The study is double-blinded and randomised, meaning patients will be randomly allocated to receive Vericiguat or the placebo dose, neither of which will be known to the patient or clinical team. The trial is an important step in building a body of evidence to help clinical teams decide the most effective treatment for children with heart failure.

Helping children with food allergies live without fear of reaction

The GNCH is one of nine hospitals taking part in the pioneering Natasha clinical trial – a £2.5million three-year trial, funded by The Natasha Allergy Research Foundation, to help children with milk or peanut allergies.

It uses daily doses of everyday food products, under strict medical guidance, to help the immune system become 'used to' the allergen and less likely to react. This approach – known as oral immunotherapy (OIT) – means children living with food allergies may no longer have an allergic reaction if they eat something which accidentally contains the food allergen, for example, due to cross-contamination.

Dr Louise Michaelis, consultant paediatrician in immunology and allergy, is running the trial from the RVI's NIHR Clinical Research Facility (CRF), supported by the Paediatric Research Team. If successful, it will provide the evidence for the treatment to be made available on the NHS.

Tracking dental health over 100s of years

Dental researchers are carrying out a new study that aims to increase understanding of how the number and type of bacteria in the mouth changes over time, particularly in people who use tobacco or nicotine.

People who smoke or vape have been taking part in the study which involves the team collecting tartar (hardened dental plaque that can form on the tooth) from the surface of the tooth for analysis. Participants have also had cells swabbed from their cheek, helping researchers to monitor the health of the cells and look for differences between the groups in the study.

As well as helping researchers understand how bacteria living in the mouth differs from person to person, compared to our ancestors' mouths, the overall aim is to produce nearly 600 years of data on oral bacteria as part of a collaboration with the University of Leicester. This could give us fascinating insights into how changes in human diet and behaviours have had a long-lasting impact on our mouths today.

World first in research

Research teams at the FH become the first in the world to recruit a patient to a clinical trial for bronchiectasis - a long-term condition where the airways of the lungs become widened, leading to a build-up of excess mucus that can make the lungs more vulnerable to infection.

The trial, sponsored by Sanofi, will evaluate the efficacy and safety of a type of drug known as a monoclonal antibody, which works by blocking proteins that cause inflammation in the lungs.

Led by Professor Tony De Soyza, honorary consultant respiratory physician and UK lead for the trial, it is hoped this investigational treatment can eventually be used along current treatment options for bronchiectasis and improve quality of life for patients living with this debilitating condition.

Groundbreaking cancer trial

A research trial which hopes to predict how well patients will respond to cancer treatment is underway at the FH. The iPREDICT trial uses an investigational imaging agent called CD8 ImmunoPET which illuminates CD8+ cells on a Positron Emission Tomography (PET) scan.

CD8+ cells have been shown to attack and kill cancer cells and where they are located may indicate how well a patient responds to immunotherapy – a treatment which uses the immune system to find and attack cancer cells.

Usually clinicians assess how well a treatment is working after two to three months, but using PET-CT scans before and after a patient starts treatment, should tell them within a matter of weeks whether it is working.

The trial led by consultant clinical oncologist, Dr Rachel Pearson, who works at the NCCC, is supported by the Trust's Oncology and Haematology Research Team.

£2million funding for 'UTI' trial

The trust received over £2m funding from the NIHR to run a clinical trial that aims to find the most effective treatment for recurrent urinary tract infections (rUTIs) that do not respond to first-line treatments.

The VESPER trial will help health researchers to compare the effectiveness of different treatments for UTIs – a common but uncomfortable condition – for six months in over 400 women.

It is hoped it will provide much-needed information on the best treatment for rUTIs and help determine which is the most cost-effective for the NHS.

Pioneering study into inflammatory bowel disease

A pioneering study identified a new disease-inducing mechanism for Inflammatory Bowel Disease (IBD) in which the immune system attacks its own regulatory function.

Interleukin-10 (IL10) is an anti-inflammatory protein that crucially controls intestinal immunity. Children with genetic defects in IL10, or its receptors, suffer from a severe form of IBD that typically presents within the first few months of life.

In a collaboration between Newcastle University, GNCH, Cambridge University Hospital, the universities of Cambridge and Oxford, research in the New England Journal of Medicine identified self-directed antibodies that attacked IL10 in two patients with early onset severe IBD.

Scientists discovered that these antibodies prevented IL10 from binding to its receptor and so caused an increased inflammatory response and a consequence of this discovery, 1 patient received treatment to suppress antibody production, leading to

eventual disappearance of the anti-IL10 autoantibodies, and resolution of IBD.

The study is the result of cutting-edge NHS diagnostics and a successful collaboration between the centres to deliver results with real world implications for new therapies that will ease the burden of suffering in patients with IBD.

Biobank strengthens and expands its services

The Trust's newly named 'biobank' strengthened and expanded its services to give access to a wider range of both tissue and liquid samples.

The biobank collects, stores and provides clinical samples to support a range of projects across the globe aimed at advancing the diagnosis and treatment of conditions, and improving people's health.

In the last year it recruited around 700 patients to donate samples and released over 1,000 samples, supporting 40 research projects with the NHS, academics and industry.

It now gives access to a wider range of both tissue and liquid sample types including multiple types across infectious disease, autoimmune disorders, serology (blood), and multiple oncology specimens and the team has also strengthened how they collect samples prospectively for clients with closer working with hospital teams and departments to provide the worldwide service.

Investment in clinical trials

The Trust secured funding as part of a £100m national investment to give more people the opportunity to take part in clinical trials with the NIHR Commercial Research Delivery Centre (CRDC) – based at the RVI – acting as a regional hub.

The centre will support a network of researchers in hospitals and General Practitioner (GP) practices across the region, delivering trials for a range of health conditions and creating opportunities to test new treatments with the latest equipment and technology.

It will also support the rapid set-up of commercial studies so patients can begin accessing treatments undergoing trials as early as possible.

The funding means Newcastle Hospitals will host the CRDC for the next 7 years, allowing us to reach more people in the community who otherwise might not consider taking part in research.

It is part of a wider £400 million joint public-private investment scheme – the Voluntary Scheme for Branded Medicine Pricing, Access and Growth (VPAG) Investment Programme - a unique partnership between the government and the pharmaceutical industry to boost the global competitiveness of the UK life science sector and stimulate economic growth.

Newcastle joins global efforts to understand scoliosis in children

Newcastle is one of only two trusts in the country to join a renowned Paediatric Spine Support Group (PSSG) which brings together world-leading institutions to help improve care for children with scoliosis – a condition that causes the spine to curve.

To bring together research and clinical care – and gather more information on patterns and treatment of scoliosis – the PSSG set up a paediatric spine registry and our paediatric orthopaedic spinal surgeons are working with the Trust's Paediatric Research Team to enrol eligible patients to the registry. It is hoped this information could inform future research and the most effective treatment options.

Breakthrough unlocks rare disease discovery

A landmark study has found 69 previously unidentified genetic determinants of rare disease, including uncommon forms of epilepsy and schizophrenia.

The breakthrough research, involving the Trust and Newcastle University, which was published in Nature, uses a new analytical approach for identifying the genetic basis of rare diseases, which could diagnose more cases and help develop new treatments for patients.

The City is a recognised world-leader in rare disease research and our teams consistently push the boundaries of genomic medicine to uncover new genetic causes and improve diagnostic and therapeutic approaches for rare conditions. This study shows how they continue to use the power of genetics to improve patient lives.

Trial aims to explore connection between covid and type 1 diabetes in children

A new trial is underway to investigate whether vaccination against COVID-19 in the first year of life can protect children who have an increased genetic risk of developing type 1 diabetes.

In people with type 1 diabetes, the immune system produces proteins (auto-antibodies) that destroy the cells in the pancreas that produce insulin (islet cells) – which plays a vital role in controlling the levels of glucose (sugar) in the body.

The exact cause of why this happens is unknown but viral infections are known triggers in some cases. During the COVID-19 pandemic, researchers found that children who had the virus before the age of 18 months were five times more likely to develop these autoantibodies, indicating the beginning of type 1 diabetes (pre-diabetes).

The AVAnT1A double-blinded study (AntiViral Action Against Type 1 Autoimmunity) will assess whether vaccination against COVID-19 at the age of six months can prevent these autoantibodies from developing.

Second stage of rheumatoid arthritis study

A clinical trial led by researchers in Newcastle is investigating the best way to administer a potential treatment for rheumatoid arthritis.

Research to-date has shown promise for a potential treatment for rheumatoid arthritis called Tolerogenic Dendritic Cell (tolDC) therapy. This works by taking a sample of white blood cells which are then sent to a specialist laboratory.

The cells are stabilised and then injected back into the body to help calm the overactive immune system. In phase I of the AuToDeCRA trial, Newcastle researchers tested a tolDC therapy and determined it was safe to give to patients.

Now phase II of the trial – AuToDeCRA2 – will assess where the treatment should be injected and its effect on the immune system.

Generation study

Newborn babies will be offered testing for over 200 rare genetic conditions as part of a world-leading study in NHS hospitals, including the RVI.

The Generation Study, led by Genomics England in partnership with NHSE, will use a blood sample taken from the umbilical cord shortly after birth to test for a range of conditions.

As part of the study, a process called WGS will be carried out on the collected blood sample which generates information on the entire set of DNA. A machine reads the codes that make up DNA to identify variations or differences that could indicate a disease or condition.

It means if any issues are identified, clinicians can treat babies as soon as possible, making sure families have the right support, monitoring, and treatment much earlier on.

Awards and Achievements

Chief Nursing and Midwifery Officer awards

The dedication of four of Newcastle's healthcare and maternity support workers were recognised by NHSE's Chief Nursing Officer and Chief Midwifery Officer awards.

The awards are only presented to those who have demonstrated the highest of standards and excellence in their practice and were given to healthcare assistants Debbie Evans, Alison Niman, Dawn Rose and community midwifery support worker Julie Carr.

Prestigious charity award

Meredith James, a clinical specialist neuromuscular physiotherapist at the John Walton Muscular Dystrophy Research Centre, received one of six President's Awards from Muscular Dystrophy UK – the leading charity for children and adults living with one of over 60 muscle wasting and weakening conditions in the UK.

The awards recognise heroes within the muscle wasting and weakening community who have gone above and beyond the call of duty to make a difference and Meredith won the 'Early Career Scientist of the Year' Award in recognition of the impact her work has made for patients living with a specific type of muscular dystrophy called dysferlinopathy.

1,000th apprenticeship

In-year we marked a milestone after the work-based learning team enrolled their newest cohort of trainee nursing associates in partnership with Teesside University – taking the numbers enrolled onto our apprenticeship programme to over 1,000.

The Trust has offered apprenticeship opportunities since the apprenticeship levy was introduced in April 2017 and has subsequently supported many NHS career pathways, the local labour market and development opportunities to the existing workforce. In addition, our apprenticeship offer has allowed many the opportunity to reskill or advance into managerial roles, expanding the diversity of apprenticeships throughout Newcastle Hospitals.

35 years of breast screening

Newcastle breast screening service celebrated its 35th anniversary in May 2024. As well as providing a vital service for people in Newcastle, North Tyneside, Northumberland and Derwentside including around 40,000 screening mammograms every year, the team has also been at the forefront of research and technological advances.

National accreditation

Newcastle's Pulmonary Rehabilitation Team was accredited by the national Pulmonary Rehabilitation Services Accreditation Scheme (PRSAS) - run by the Royal College of Physicians (RCP) - following a rigorous assessment of their rehabilitation programme for patients with lung disease.

The team was cited as a nationally leading provider of high quality care for patients with long-term respiratory conditions and followed a review involving submitting hundreds of pieces of evidence / documentation and a site visit with patients and staff interviews.

Laboratory awards

Newcastle Advanced Therapies Team won Laboratory of the Year Award 2024 at the Institute of Biomedical Science Awards 2024 in recognition of their work to deliver significant impact for patients in both research and clinical service.

The specialised service crosses the boundaries of clinical service, research, and clinical trials across the laboratories at Newcastle University Medical School and the Centre for Life to support both the Trust and University.

Our Integrated Laboratory Medicine (ILM) Sustainability Team also won the Sustainability Award for their work in making sustainability 'business-as-usual' within their area of work.

Our extended 'Geordie' family

Newcastle's original cohort of overseas nurses – many of whom were working in hospitals in the Philippines, Singapore and India – celebrated 20 years working at the Trust.

A total of 36 nurses were part of our first international nursing community in 2004, followed by a further two cohorts later in the year, and they all gathered for a very special event to mark their time in the North East where they have forged great friendships with work colleagues and others, as well as bringing up their own families.

Transplant Games

Transplant nurse Georgia Wilding, who gave one of her kidneys to an anonymous recipient in 2023 after her own cousin underwent two liver transplants as a child, was one of 11 athletes to take part in the European Transplant Sport Championships.

The group, who between them have had surgery including heart, lungs, kidney, liver, pancreas and stem cell transplants at the Trust, represented Team Great Britain and Northern Ireland in Lisbon which won 211 medals in total – the most they have achieved in the competition.

The FH's Institute of Transplantation (IoT) is the first centre in the UK to combine multiple transplants and services under one roof and is a national leader in the field of solid organ transplants with some of the highest success rates in the UK.

Queen's Nurse

Health visitor Rachel Henshall was awarded the national Dora Roylance Memorial Prize - a Queen's Nurse Initiative Award – which is dedicated to outstanding health visiting students.

Rachel received the academic prize for her outstanding performance while completing a Specialist Community Public Health Nursing (SCPHN) health visitor programme at Northumbria University.

Staff showcase poetry and artwork in Metro stations across the city

Poems and artwork by Newcastle Hospitals staff was showcased on Metro platforms as part of a poetry exhibition.

The new works were the result of Newcastle Hospitals Charity's writer-in-residence programme for staff, hosted in partnership with writing development agency for the North of England, New Writing North.

Creative results were displayed on poster sites in four Metro stations: Hebburn, Wallsend, West Jesmond as well as Longbenton with staff writing about the joy and frustrations of their professional lives; their personal experience of illness and being a carer; and the value of the NHS.

National award for 'gold standard' end of life care

Ward 46 at the RVI was awarded a national Gold Standards Framework (GSF) Quality Hallmark Award in recognition of the excellent end of life care they provide.

The GSF is a registered charity whose aim is to enable a 'gold standard' of care for everyone, with any condition, in any setting, given by any care provider, at any time in a person's last years of life. GSF quoted:

"The standard of care and compassionate cultures that have been observed is truly inspiring, showing a commitment to ensuring people receive the right care at the right time which has a positive impact on the people are for and their families."

Nursing Times Award for Newcastle diabetes specialists

The commitment of specialists dedicated to caring for children and young adults with diabetes was recognised with a prestigious Nursing Times award.

The team won His Royal Highness (HRH) The King's Award for Integrated Approaches to Care which recognises nurses who work in partnership with colleagues and other organisations to improve quality of life and independence for patients by supporting them to self-manage their long-term condition.

Newcastle's award-winning project worked to overcome the barriers that were getting in the way of young people successfully managing their diabetes.

National appointment

Phil Henman, Consultant Orthopaedic Surgeon, was named as president-elect for the British Society for Children's Orthopaedic Surgery.

'Meritorious' service

Nurse consultant Dr Karen Heslop-Marshall, who has dedicated over 35 years to respiratory medicine, received the 2024 Meritorious Service Award from the British Thoracic Society.

The award was in acknowledgement of her 'exceptional service to the Society far above that which one would normally expect for their position or role'. Karen is only the second nurse to receive this prestigious accolade since the awards began in 2008.

Towards Net Zero

A Trust project led by Fatima Tahir, a sustainability fellow at the NCCC, to reduce emissions relating to medicine won a towards net zero award at the Bright Ideas in Health Awards.

The project looked at the environmental benefits of switching from oral liquid morphine (Oramorph), a commonly prescribed pain relief medication used for moderate to severe pain, to an oral immediate-release tablet (Actimorph) version.

Sustainable transport

The Travel and Transport Team were awarded the Public Transport Champion Award in the Mobilityways Commute Zero Hero Awards for support staff to make greener journeys.

Hosted by the climate tech provider Mobilityways, the awards honour organisations and individuals driving innovative commuting solutions that reduce carbon emissions and foster a culture of sustainability.

Double accolade

Academic trainee surgeon, Amar Rajgor, who works with the FH's ear, nose and throat programme, was recognised for his research into using AI to improve throat cancer outcomes for patients.

He won two regional awards 'Thought Leader' and 'Digital and Technology' in the Northern NPH Ethnic Minority Powerlist 2024.

10th anniversary for blood cancer diagnostic

A specialist service bringing together doctors and scientists to diagnose and shape life-saving treatment for patients with complex blood cancers has reached its ten-year milestone.

The Northern England Haemato-oncology Diagnostics Service (NEHODS) consisting of teams at both the FH and the RVI provides expert analysis and diagnosis for people with suspected blood cancers from across the region.

The service diagnoses approximately 2,000 new people each year using a detailed 'jigsaw' of different samples from a person's bone marrow, blood and lymph nodes to inform the most effective treatment and prognosis.

Lifetime Achievement

Dr Elizbeth Murphy, Clinic Director of Newcastle's Occupational Health Service (OHS), received a Lifetime Achievement Award from The Society of Occupational Medicine for her key role in helping to establish a sustainable and innovative training programme for the next generation of occupational health specialists across the region.

Golden years

Retired head of radiotherapy physics Chris Walker was awarded the Institute of Physics and Engineering in Medicine's (IPEM) gold medal in recognition of his outstanding contribution to healthcare over the last 20 years.

Chris has made significant contributions to national policy for radiotherapy services and been involved in reviewing radiotherapy services in England, as well as providing consultation internationally to various governments.

Women of innovation

Four colleagues Corrine Johnson, Melanie Shield, Jo Noble and Kim Keltie were recognised in the Northern Health Science Alliance (NHSA) 'North Innovation Women' campaign 2025, which recognises women who are pushing the boundaries of innovation.

City of Sanctuary Award

The 0-19 service, a Community Nursing Team dedicated to supporting some of Newcastle's most vulnerable families, received a City of Sanctuary Award.

The team of Specialist Nurses, Health Visitors, School Nurses, Nursery Nurses and Staff Nurses were recognised for their supportive role to those seeking sanctuary in the city. They provide full health and wellbeing assessments to help identify any needs that require additional support from the NHS, partner or voluntary organisations.

Oncology nurse of the year

Teenager Cancer Trust lead nurse Karen Hamlen and cancer research nurse, Ben Hood, were named winners of 2025's British Journal of Nursing 'Oncology Nurse of the Year' Award.

The pair, based at the NCCC, worked closely with young people being treated for cancer across the North East and Cumbria in collaboration with Teenage Cancer Trust and Cancer Research UK to create and launch a new website that aims to describe in simple terms how teenagers and young adults can take part in research.

Newcastle Hospitals Pharmaservices Limited

On 1 December 2024, Newcastle Hospital Pharmaservices Limited (NHPL) was formed at short notice due to Lloyds Pharmacy deciding, throughout the UK, to stop providing outpatient dispensing services. On establishment of the company, it was evident that several operational issues required resolving, this covered:

- Staffing shortages;
- Staff training;
- Pharmacy stock control;
- Policies and procedures; and
- Operational leadership and management.

In addition to these, new challenges arose, including the need to establish good credit rating due to NHPL being a new company - the consequence of this being initial stock shortages. There was also a requirement to provide an outpatient medicine delivery service requiring logistics management.

The priority for the first quarter has been addressing these issues and challenges.

Progress made to 31 March 2025 includes:

- Staff recruitment progressing well with most vacancies filled or in the process of being filled.
- The Superintendent Pharmacist works two days a week on a temporary basis however from 21 July 2025 this will be replaced by a full-time experienced pharmacist with a good track record of delivering improvements.
- Staff are being given access to the Trusts Learning Lab software to ensure mandatory training, appraisal and other training opportunities are available to them.
- A process is underway to align staff wages to NHS Agenda For Change bandings which will aid staff retention.
- All operational policies and procedures within the Pharmacy have now been written with staff training in place.
- Medicine procurement support and training has been provided by Trust staff which has significantly improved stock control.
- A service level agreement is now in place with QE facilities for the outpatient medicine delivery service, and process mapped. Key Performance Indicators (KPIs) are now being tracked regularly.
- The site of the delivery service hub is due to move to QE facilities Head Office in May 2025 which will provide additional staffing contingencies and a robust method of consistently answering telephone calls.
- The credit rating challenges that were experienced within the first quarter of operation have now stabilised reducing the number of prescription item ‘owings’ from 23% of items in December 2024 to less than 3% in March 2025. ‘Owings’ occur when a pharmacy cannot fully dispense a prescription due to insufficient stock.
- Workload has been reviewed and opportunities to reduce pressures have been identified.

Areas of focus for 2025/26 include:

- Development of a Business Plan once the full time Superintendent Pharmacist has commenced.
- A review of the leadership structure within the NHPL to ensure a robust senior team is in place for operational management of pharmacy sites.
- Continually reviewing workload and staffing requirements to ensure KPIs are achieved whilst ensuring staff are given training / development opportunities. This includes improvements in relation to workload through e.g. Medibox dispensing and medicines delivery management.

Newcastle Hospitals Charity

Newcastle Hospitals Charity (charity registration number 1057213) is the official charity for Newcastle Hospitals. Our mission is to go further for our hospitals, by providing support for compassionate and innovative healthcare, education and research to improve the health and wellbeing of the patients, staff and wider communities of Newcastle Hospitals.

Working in partnership with Newcastle Hospitals we deliver the volunteering service and arts programme and fund a wide range of initiatives, from cutting edge research to improvements to the patient experience and environment.

Over the last year we have raised more than £9.5m and have committed more than £9.5m to support projects and initiatives across Newcastle Hospitals. None of this would be possible without the generosity of our supporters and fundraisers, many of whom are former patients and staff.

Newcastle Hospitals Charity supports the Trust by ensuring that funds are spent where they make the greatest impact, no matter how small or large, and is also the home of a number of designated funds that support specific services, such as:

- The GNCH fund, which supports children and their families who come to the hospital for treatment and care. This includes funding life-changing research, projects to make the hospital more welcoming for children and support services for children and their families, such as a financial hardship fund.
- The Sir Bobby Robson Foundation, which works to help find more effective ways to detect and treat cancer for patients across the North East, Cumbria and beyond. The Foundation funds clinical trials and cancer research, pioneering cancer treatment and innovative cancer support services, such as acupuncture, complementary therapies and counselling.

Impact

In 2024/25 Newcastle Hospitals Charity was proud to commit funding totalling more than £9.5m to over 700 diverse projects across the Trust, all with the aim of creating a positive impact.

This year we refreshed our approach to funding to respond to the new, emerging priorities within the Trust to make sure they could best serve patients, families, carers, staff, and the wider community.

The Charity worked with the Trust to identify projects which were priorities for charity support. Often these projects were of a higher value and had the potential to make a difference for a wide number of patients and staff across the hospital sites. During the year more than £3.4m was committed to projects which fell into this category. Examples of projects include:

- £1,999,950 to purchase a Photon Counting CT scanner to keep the Trust at the forefront of diagnostic imaging for patients.
- £434,000 to purchase and implement a patient electronic menu ordering system, providing patients with an easier way to order a wider choice of food with large reductions in the amount of food wasted.
- £154,824 to purchase two domestic cleaning robots to help the tireless work of the domestic teams.
- £375,016 to support the development and piloting of the ACE scheme working with all wards across Newcastle Hospitals to facilitate and celebrate excellent care for patients.
- £343,000 to support a range of initiatives designed by the Trust's Sustainable Healthcare Team ranging from new noise reduction measures through to a fellowship specialising in sustainable healthcare practices.
- £715,840 for the entry stage fellowships programme that will create up to seven fellowships all addressing clinical research areas identified by the Trust as one of its priority knowledge areas.

Additionally, over £4.6m was committed to 86 projects developed at Clinical Board level. These projects are typically more focused on specific departments within the Trust, often supporting patients with specific conditions, or supporting the staff to offer the very best treatment and care. As well as supporting patients, Newcastle Hospitals Charity enables research and innovation which otherwise would not be possible. Examples of projects include:

- £126,117 for a family bereavement keyworker post, a new role responding to evidence based best practice of how to provide support to bereaved families following the loss of a child.
- £116,276 for ultrasound scanners for neurosurgery theatres, to enhance ultrasound scanning and offering new enhancements for the treatment of patients with tumours.
- £83,000 for a Bodyworks ultrasound simulator to support a new approach to staff excellence while learning point of focus scanning procedures.
- £75,503 to support Kidzscan, a project that works with children using different techniques to help them undertake an MRI scan without a general anaesthetic where previously one would have been needed.
- £73,500 for the Sophie's Legacy project, supporting the nutrition and hydration needs of resident parents. This is a new scheme to make sure all parents staying with children in hospital receive meals and do not go without.
- £80,000 to support cutting edge research to explore the role of artificial intelligence to increase the availability and selection of organs for transplant.
- £22,727 for wall art in the chemotherapy day unit to help brighten up the environment for patients who attend for regular, and often lengthy chemotherapy sessions.

- £11,420 to support staff to furnish a new relatives' room on ward 18 at the RVI.
- £35,000 to create a transplant patient fund for accommodation and travel to meet the needs of families and carers of patients awaiting transplant. Often patients are from different parts of the country and can have long stays in hospital.

Finally, more than £1.1m of funding was distributed in easy to access, smaller project funding for projects seeking £5,000 or less. Any member of Trust staff is encouraged to apply and over 600 projects were submitted. Examples of other projects in this category include:

- £3,917 for a shower chair which enables patients who have had a stroke to have a more comfortable shower.
- £1,092 for memory boxes to support families during their time of bereavement.
- £2,610 to purchase a gaming console on an accessible kart that can be placed in various positions around a child or young person's bed.
- £2,490 to purchase a tilting wheelchair, enabling patients on critical care to have additional mobility while recovering.
- £2,704 for dementia friendly clocks for critical care ward 37 at the FH to help support patients with dementia.

While most of the Charity's funding supports initiatives within Newcastle Hospitals, we remain committed to supporting external partner charities and organisations to deliver collaborative initiatives.

Some of the partner organisations that were funded in this way included:

- Chemo Duck and Huggable Hope with The Give a Duck Foundation. Chemo Duck is a small cuddly toy duck to help children understand how chemotherapy is administered and how blood pressure is taken.
- Durham Cricket Foundation Play / Learn / Inspire School with Durham County Cricket Club, a provision of half day sessions at the Bridges School delivering the play, learn and inspire sessions around active learning.
- A helping hand, social welfare advice for Trust staff with Citizens Advice Gateshead to provide a programme of social welfare advice for Trust employees on the hospital sites.
- Movement and motivation project with Newcastle United Foundation, a provision of funding to support the Foundation's staff to deliver a movement and motivation project to children requiring long stays at the GNCH.
- Funding for a GNCH youth worker with Youth Focus North East (NE) to work with teenage patients within the hospital, supporting them with the challenges of dealing with their illnesses and reintegrating back into their communities.

Newcastle Hospitals Charity remains committed to supporting the Trust to respond to what is most needed, and by doing so adding as much as possible to the experience of patients and staff.

In 2025/26 the focus will continue to be on patient care and wellbeing, developing staff excellence and wellbeing, enabling innovation, and throughout, addressing health inequity in the wider community. All of this will seek to make sure that we are able to direct supporters' donations to the projects and ideas that will make the greatest difference.

Fundraising

Newcastle Hospitals Charity raised more than £9.5m in 2024/25. Our fundraising team raise income though a wide range of fundraising programmes including community fundraising initiatives, large scale events including the Great North Run, corporate partnership opportunities, philanthropic donations, regular giving programmes, legacy giving, developing programmes for Trust and foundation support as well as charity retail. This all raises important funds that help make a transformative difference to patients' lives every single day.

Thank you to everyone who has shown their support, dedicated their time and championed our work – we could not do it without you.

Community fundraising

A team of amazing community fundraisers take on all kinds of events and challenges to fundraise for Newcastle Hospitals Charity, the GNCH and The Sir Bobby Robson Foundation. We can only achieve our work through the kindness, dedication and support of these incredible supporters who often have very personal reasons for supporting their local hospitals. We have shared some of their stories below.

- Cody Stewart was a typical young local lad, healthy and strong, when what began as flu-like symptoms became septic shock.

  He was first treated at Cramlington Hospital but needed further specialist care at Newcastle Hospitals. Cody spent five weeks in the paediatric Intensive Care Unit (ICU) at the RVI and was then transferred to the FH on Extracorporeal Membrane Oxygenation (ECMO) - a heart and lung bypass machine - and fitted with a vent to help his heart cope with the machine.

  Cody's family have raised £1,600 so far for Newcastle Hospitals Charity and two other local charities as a thank you to the staff members who were involved in his care.

- South Moor Golf Club's 2024 captain, Tom Wilkinson, chose The Sir Bobby Robson Foundation as his charity of the year because Sir Bobby was much-loved in the local area. Lady Elsie Robson visited the County Durham golf club and proudly received a cheque for the £1,360 raised.
- Tilery Primary School in Stockton raised £310 for The GNCH by organising a princess and superhero dress up day. The school wanted to give something back to the hospital as one of their pupils is currently receiving treatment.
- The 2024 NE1 Dragon Boat Race weekend raised an amazing £22,500 for Newcastle Hospitals Charity. The GNCH has been chosen as the official charity partner for the 2025 race.

Corporate support

Newcastle Hospitals Charity is working with businesses across the region that share our vision, developing meaningful partnerships that help support business needs and charity objectives. Below are some of the ways our corporate partners are supporting us:

- Bradley Hall held their 8th annual festive fundraiser event, as charity partner, £8,330 was raised for The GNCH.
- Anderson and Garland Auctioneers have kindly chosen The Sir Bobby Robson Foundation as their charity of the year for 2024/25. They held an auction preview event attracting 250 attendees who donated on the evening raising over £1,000 for the Foundation.
- Tyre Spot hosted a fundraising campaign during February 2024 donating £1 for every Yokohama tyre purchased in support of the Northern Oesophageal Gastric Cancer Unit. They successfully raised £824 and will repeat the promotion in July 2025.
- Our corporate volunteering programme invites employees to join us to take part in activities to help improve the experience of patients, staff and wider communities. An example of this is supporting the Trust's Palliative Care Team to create care packages for families and carers of patients receiving end-of-life care. These sessions were supported by:
  - Starbucks
  - L&C Mortgages
  - Earl Grey House
- Sharpsmart have worked closely with Newcastle Hospitals for more than 20 years. As a provider of sharps waste disposal for the Trust they see first-hand the pressures of a busy hospital environment. In recognition of their 20th anniversary Sharpsmart made a £1,000 donation to Newcastle Hospitals Charity to mark the occasion.

The festive season continues to be a highlight in terms of charitable support. From companies who help fund gifts for patients in hospital over the festive period to visits and events to help spread festive cheer and decorations to bring some welcome brightness across Newcastle Hospitals.

A special thanks to all those companies that supported the patients, staff and wider communities of Newcastle Hospitals:

- Albany Contract Furniture
- McNally & Thompson and H. Malone
- Rider Hunt
- Nearby Group
- DTA Consulting Engineers
- Bradley Hall
- Robertsons
- Geoffery Robinson

Individuals

Individual support is shown in many ways – spend in our charity retail shops, the regular monthly donation made, or the philanthropic donations received – each contributes to how the Trust can better support its patients, staff and wider communities.

Special thanks to those donors that chose to remain anonymous – their philanthropic support is helping to shape the future of healthcare.

Legacies

A gift to Newcastle Hospitals Charity in the form of a legacy is the greatest honour the charity can receive and this year we received 70 legacy donations with an income of £6.1m.

Some examples of the generous individuals who chose to support us with a legacy donation are:

- Patricia Farmer
- Margaret Glendenning
- Peter Elvey Hedley
- Angela Hodgkinson
- Shirley Anne Hudson
- Margaret Spence
- Sylvia Lilian Steel
- Anthony Turner
- Kenneth Walsh
- Linda Webber

Gifts in kind

We are constantly amazed by the generosity of those who provide gifts to help support patients across Newcastle Hospitals. From books and Lego to toys and arts and crafts, we have received wonderful items from a variety of organisations and individuals bringing a smile to patients in our hospitals.

Thank you to the following who have supported with gifts in kind across the year in addition to those who prefer to remain anonymous:

- Arnold Clark
- Atomhawk
- Bestway Gateshead
- Bidfood
- Coca Cola
- DMUSE
- Dunelm Team Valley
- Fairy Bricks
- Fenwick
- Hope4Kids
- L&C Mortgages
- McNally & Thompson
- Mercy's Mighty Foundation
- Nearby Group
- Newcastle United Football Club
- RBC Brewin Dolphin
- Standout
- Starbucks Jesmond
- Tesco Kingston Park
- Theatre Royal Bidfood
- Thomas Owen
- Tyne and Wear Fire and Rescue Service
- Wagamama

Arts programme

The Newcastle Hospitals Charity arts programme is a core charity activity. Our team deliver regular participatory creative programmes both across Trust sites and in the community. Over the past 12 months, sessions have reached more than 250,000 patients, visitors, staff and members of the wider community. With over 140 creative engagement sessions, the arts programme has offered a range of activities, such as photography, printmaking, pottery, creative writing, crafting and live music.

It has been proven that arts and health (or creative health) programmes have potential to hasten recovery times, address health inequalities and challenges facing healthcare, including ageing, long-term conditions, loneliness, isolation and mental health.

Live music has returned to our sites through a new hospital sessions programme which has seen the recruitment of 7 freelance musicians, who provide 20 sessions a week across wards, clinics and waiting areas. We had an extensive live performance programme over the festive period, with pop-up performances from choirs, bands and dancers.

We also have a Singing for Lung Health programme that brings people together who have breathing or lung issues like Chronic Obstructive Pulmonary Disease (COPD), lung cancer or asthma, to sing in groups. Singing has been proven to help reduce being short of breath, strengthens muscles and helps people to manage their symptoms better. As a group activity it also reduces social isolation and loneliness and improves quality of life.

This year has also seen the continuation of a strategic partnership between our arts programme and the city parks authority - formerly known as Urban Green Newcastle - through the Springbank Pavilion project. Together, with local arts organisations, Chilli Studios, Curious Arts and GemArts, we have funded free artist-led workshops that all centre around creative practice in nature.

We partnered again with Northern Lights Newcastle in Leazes Park, which saw 94,000 attendees experience the 'Beacons of Light' which featured the drawings of children and young people who are patients of Newcastle Hospitals, accompanied by a new composition full of musical sounds by young patients.

A continued partnership with writing development agency New Writing North, has enabled the specialist training of shared reading volunteers who read to, and talk with patients. This can help negate social isolation, providing mental stimulation and alleviating boredom during hospital stays.

A new partnership with Seven Stories, the National Centre for Children's Books, based in Newcastle has brought storytelling into the FH and the GNCH, delivering both group and 1:1 sessions.

The arts programme also includes visual arts exhibitions and site-specific artworks across Trust sites, the Handing on our History project has seen a new phase, which brings visibility to Lesbian, Gay, Bisexual, Transgender, Queer/Questioning (LGBTQ+) staff and allies in blue light services, sharing what Pride means to them.

Following the publication of a staff anthology After the Applause that included creative writing and stories from Newcastle Hospitals staff, we developed a series of displays across 40 community boards in the Nexus Metro system. This has brought wider public visibility of staff experience and creativity. Following this project, we have continued to provide free monthly online keep writing sessions, giving Trust staff the opportunity to develop their confidence in their creative writing skills and find ways to communicate their own stories, on their own terms.

Our arts programme has demonstrated how it can support new connections and understanding, while improving wellbeing by taking part in creative activity.

Volunteer service

Our exceptional team of Newcastle Hospitals Charity volunteers continue to go above and beyond to help support patients, visitors and staff across Newcastle Hospitals. Each year our volunteers complete around 37,000 hours of volunteering in a variety of roles including meet and greet, mealtime support, charity events and retail and ward-based support.

Their support is invaluable and makes a real difference to patient experience. We currently have over 220 volunteers with their ages ranging from 16 to 92 years old. In a recent independent survey, we discovered that and just over 90% of our volunteers give up their time to volunteer at least once a week and 95% of these shared that they were very happy in their role, and that they felt valued and supported by staff and patients.

We recently introduced two new volunteer initiatives:

- The adult theatres chaperone volunteer programme, where volunteers assist with alleviating patient anxiety and providing support to patients in pre-operative areas.
- The North East (NE) Assisted Ventilation volunteer driver service where our dedicated drivers deliver and pick up vital life-supporting equipment for patients in their homes, averaging around 200 miles per shift.

This year, we will also reintroduce our student volunteer programme. This initiative will provide students from local schools and colleges - who are interested in pursuing a career in healthcare - with the opportunity to gain valuable insights into a healthcare environment while also developing their communication skills and building confidence.

We officially launched our partnership with North East charity Wag & Company to help bring more therapy dogs to patients across Newcastle Hospitals. Volunteers and their four-legged friends will visit patients at the FH, RVI and GNCH and this will eventually extend to patients in the community.

We also work in partnership with other voluntary organisations to support with volunteer recruitment checks. Partner organisations include:

- Daft as a Brush
- Children's Heart Unit Foundation (CHUF)
- Berwick Cancer Cars
- Tiny Lives
- Freeman Heart and Lung Transplant
- Radio Lollipop
- Tyneside Kidney Patients Association

Throughout 2025/26 we will also collaborate with Helpforce - an independent charity dedicated to partnering with NHS volunteer services to create impactful volunteering programmes. They will assist us in creating a three-year volunteering strategy aimed at enhancing the growth and effectiveness of volunteering across our services. This initiative will focus on a volunteer program that will address frailty, falls prevention, as well as establishing a responder volunteer programme to help expedite discharge times.

Charity strategy

The work of Newcastle Hospitals Charity is led by three goals:

1. Improve the patient and visitor experience, enhancing care for the patients and the wider community.
2. Improve staff health, wellbeing and development.
3. Tackle health inequalities and key health issues for our region and nationally.

Following the launch of our 5-year strategic plan (2021 – 2026), these goals have informed all our work during this period, including becoming an integral part of the funding approval process – making sure all funding provided helps us to achieve these goals. We look forward to bringing regular updates on the progress of the strategy as it continues to grow and develop.

Connecting with Newcastle Hospitals Charity

If you would like to find out more about our work including our latest events, projects, fundraising opportunities and how to donate, please visit the Newcastle Hospitals Charity website: https://charity.newcastle-hospitals.nhs.uk/.

You can get in touch with the charity team by calling the charity office on **0191 213 7235** or by emailing nuth.charity@nhs.net.

You can also find us on the following social media channels:

Newcastle_NHS

NewcastleHospitalsCharity

Newcastle_NHS

Newcastle Hospitals Charity

1. Performance Report

A. Overview of Performance

During the past 12 months the Trust made positive progress against several of the key operational targets that were outlined within the 2024/25 operational planning guidance, despite facing some longstanding challenges. Focus has remained on improving and recovering waiting times across all performance areas. The Trust also aimed to improve both patient outcomes across all services, as well as the reinstatement of productivity levels back to pre-pandemic thresholds.

Our Activities

Newcastle Hospitals is one of the largest teaching NHS Trusts in the UK, offering its communities a wider range of specialist services than any other.

The sites listed below provide pioneering local, regional and national services of the highest quality:

- FH, including the IoT, the NCCC, and Renal Services Centre;
- The RVI, including the GNCH and the Great North Trauma and Emergency Centre;
- The Health Innovation Neighbourhood (formerly the Centre for Aging and Vitality (CAV) / Newcastle General Hospital site) which is home to the region's North East and Cumbria Transport and Retrieval (NECTAR) service, Newcastle Diabetes Service, Newcastle Westgate Cataract Centre and Clinics for Research and Service in Themed Assessment (CRESTA);
- Newcastle Dental Hospital;
- Newcastle Fertility Centre;
- Northern Genetics Centre;
- Molineux Urgent Treatment Centre;
- Ponteland Road Urgent Treatment Centre; and
- Manor Walks Leisure Centre (Cramlington).

Every one of our services makes an invaluable contribution to the lives of those people requiring our care, but our flagship services include:

- The **Great North Trauma and Emergency Centre** at the RVI – the major trauma centre treats people from as far afield as Cumbria and the Scottish Borders.
- The **Cardiothoracic Centre** at the FH – a regional and national centre of excellence for respiratory and cardiac care, providing specialist treatment for adults and children.
- The **GNCH** – one of a small number of major children's medical centres in the UK, GNCH provides treatment for children across the whole of the North of England.
- The **NCCC** in Newcastle – the largest centre of its kind in the North of England, providing state-of-the-art cancer care for the people of Newcastle and beyond, as well as world leading clinical research.
- The **IoT** – where the first successful heart transplant on a child was carried out in 1987. It was also the site for the first single and dual lung transplants in Europe and continues to deliver exceptional results.
- The **Bubble Unit** at the RVI – one of few units in the country where children with severely compromised immune systems can be treated in an air-tight isolation ward.
- **Newcastle Birthing Centre** at the RVI – one of the UK's largest maternity units.

Exercise of functions in relation to the ICS and ICB plans

As a Foundation Trust, Newcastle Hospitals has worked with System ICB colleagues to build a five-year joint forward plan from action plans from each of the Places, key service areas (e.g. urgent care, elective and mental health), our enablers (e.g. workforce and digital) and our key goal areas from the ICP strategy, particularly healthier and fairer and best start in life. The plan covers the period 2023-28 and is reviewed annually. The aim of the joint forward plan is to set out a longer-term vision, with key priorities, objectives, deliverables and measurable improvement metrics – recognising that this will iterate and improve over time as our system continues to mature and our ways of working and key programmes become clearer.

The Newcastle Place Based plan was developed by the Integrated Care Board's Newcastle Place team in conjunction with Collaborative Newcastle partners through its Joint Directors' Team. The Joint Director Team has worked closely to develop and agree the city's Better Care Fund plan, which supports the health and social care integration agenda, including: (a) enabling people to stay well, safe and independent at home for longer; and (b) providing people with the right care, in the right place, at the right time.

The NENC Integrated Health and Care Partnership strategy – Better health and wellbeing for all – was developed in partnership with the members of the Integrated Care System, of which Newcastle Hospitals is a part.

The Trust has worked closely with ICB and Provider Collaborative colleagues from across the North East and North Cumbria to determine a joint capital resource plan supporting improvements in estate, digital technology and other areas of capital spend.

Key Risks to Delivering our Objectives

The key risks to the achievement of the Trust objectives are detailed within this report as part of the Annual Governance Statement (AGS).

The Trust

Newcastle Hospitals was founded on 1 June 2006 under the provisions of the Health and Social Care (Community Care and Standards) Act 2003 (consolidated on the National Health Service Act 2006).

The previous organisation – The Newcastle upon Tyne Hospitals NHS Trust – was formed on 1 April 1998 following the merger of the Freeman Group of Hospitals NHS Trust with the Royal Victoria Infirmary & Associated Hospitals NHS Trust.

The Trust reviewed its aim, vision and values, and published its five year strategy during 2019/20. A copy of this can be found on the Trust's website.

The Newcastle Hospitals current strategy expired at the end of 2024 and work is underway to refresh, prioritising the clinical aspects first. An interim strategy for 2025-26 has been drafted while engagement and development of the Trust's longer term strategy is undertaken over the next 12 months. We will continue to ensure our developing plans align with those in the NENC ICB.

Our 'Big Signals' allow staff to hold the Executive Team and Trust Board to account for their delivery. They are:

- Quality of care will be our main priority.
- We want this to be a great place to work where everyone feels supported.
- We will restore our focus on excellence.
- Our technology will support our work and patient care.
- We want all of our buildings to be fit for purpose.
- We will take our responsibilities as a public service seriously, carefully managing our money and performance.
- Our communities depend on us – we will make sure we deliver on our commitments.

We will be honest, open and transparent about our challenges and our progress.

Our core aim is to provide 'healthcare at its best with people at our heart' and our core value areas are:

- **We care and are kind**
  We care for our patients and their families, and we care for each other as colleagues.

- **We have high standards**
  We work hard to make sure that we deliver the very best standards of care in the NHS. We are constantly seeking to improve.

- **We are inclusive**
  Everyone is welcome here. We value and celebrate diversity, challenge discrimination and support equality. We actively listen to different voices.

- **We are innovative**
  We value research, we seek to learn and to create and apply new knowledge.

- **We are proud**
  We take huge pride in working here and we all contribute to our ongoing success.

Going Concern

After making enquiries, the Board of Directors have a reasonable expectation that the services provided by the NHS Foundation Trust will continue to be provided with the same assets in the public sector for the foreseeable future. For this reason, the Board of 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 The Government Financial Reporting Manual.

Operating and Financial Performance

1. Financial Performance

The Trust continued to demonstrate financial resilience in the 2024/25 financial year with a break even position on an NHS England (NHSE) Control Total basis (2023/24 surplus of £77k). The Trust remains able to address the funding challenge facing all public services.

2. Income

2024/25 is the second year of a 2 year NHS Payment Scheme covering the Trust's main contracts with North East and North Cumbria ICB and NHS England. The contracts are on an Aligned Payment Incentive basis, with variable elements of the contract for Elective activity under the national Elective Recovery Fund rules and block elements of the contract covering Emergency and Non-Elective activity, Diagnostics and highly Specialised Activity. Drugs and devices excluded from tariff continue to be treated as a pass through cost to NHS England.

The Trust generated total income of £1,766.7 million (2023/24: £1,582.8 million). The increase is due to an inflationary uplift to the block funding (£66 million), funding to deliver additional activity (£25 million), and increased drugs and devices charges (£23 million) with efficiency requirements applied to the Trust's main contracts of £12 million. An increase of £21 million was due to an additional 9.4% pension contribution (6.3% in 2023/24) from central funding. An additional £31 million income resulted from the North East & Yorkshire Genomic Laboratory Hub (NEY GLH) contract arrangement, the Trust acting as a host provider. The ICB system also provided £31 million support funding.

3. Expenditure

Total expenditure for the year was £1,729.7 million (excluding finance costs and impairments), (2023/24: £1,554.2 million). Trust expenditure shows a variance of £126 million, with matched income of around £87 million. There continues to be a number of Elective Recovery Schemes to support and manage the number of elective patients on the waiting list and to increase activity above the 2019/20 activity levels.

The Trust has managed to deliver the Financial Plan during 2024/25 despite pressures relating to drugs and pressure on pay, through the staff bank, overtime (at enhanced rates) and the use of agency and locum staff to cover staff absences during these periods.

The Trust does have variances against specific types of expenditure:

- Pay expenditure includes the cost of the 2024/25 pay award and the additional pension cost of £54.9 million all matched by income. The on-going provision for the cost of enhanced overtime rates to cover for vacancies and the continuing challenge to meet the cost improvement programme over the year.
- Drugs are overspent, mainly related to an underlying growth in cost for 'block' drugs and old Payment by Results (PbR) tariff drugs, as some types of patient activity have increased, off-set by a variance of matched drugs and a contra with income.
- Expenditure in relation to clinical supplies pressures as activity levels have increased, along with higher inflation and where medical devices have moved onto block funding and more items moving onto the visible cost model.
- Additional premises expenses in relation to Estates related projects, non-recurring IT and other equipment and non-delivery of the cost improvement plans.

4. Capital Expenditure Plans

Capital expenditure totalled £57.6 million (2023/24: £40.1 million). This includes replacement of medical equipment, new medical equipment and investment in IT infrastructure. In addition, investment was provided to reduce backlog maintenance and refurbishment of wards and theatres as well as expenditure on property and equipment leases.

5. Delivering Value for Money in the Public Interest

The work to embed a quality improvement methodology has continued, alongside a strategic focus on delivering improved outcome for outpatients and supporting elective care recovery.

The Trust delivered efficiencies of £107 million during 2024/25 with £11 million being delivered recurrently.

6. The Balance Sheet

The assets of the Trust's owned estate were valued at £485.5 million on 31 March 2025. In addition, the Trust has a further £164.2 million of Private Finance Initiative (PFI) assets. The Trust has valued its land and buildings on a single, optimal site basis and funded via an alternative to PFI/PF2 arrangements. Such funding is exempt from Value Added Tax (VAT). The closing year end cash balance on 31 March 2025 was £149.2 million (2023/24: £182.7 million). While this balance provides strength as a leading healthcare provider, the Trust continues to operate in an increasingly challenged financial environment and changing business delivery landscape.

7. Future view

2025/26, will be the third year of the 2023-25 payment scheme where elective activity is incentivised through the national Elective Recovery Fund, to which a national limit has been applied, and other activity remains within a block envelope. There is a continued emphasis on managing finances in partnership with other NHS bodies in the ICS. The Trust is expected to agree an indicative activity plan with commissioners by the end of June 2025 and this is to be managed within a system wide affordability envelope.

The Trust's financial plan includes investment to help support specific pressures, for example urgent care services and includes a £106 million cost improvement target which a combination of recurrent and non-recurrent measures. In addition, the plan is underpinned with non-recurrent income support of £30 million.

The main challenges to the Trust going into 2025/26 are:

- Operating within a finance regime where increasing volumes and acuity of emergency activity are funded within a block envelope.
- Operational challenges to achievement of elective activity valued required in Trust contracts and reduce the backlog of patients on the waiting list within the funding and capacity available.
- Achievement of a £106 million cost improvement target.
- The risk of unplanned cost pressures arising during the year.
- Delivering a capital programme that is adequate to preserve capacity and quality in a NHS-wide constrained capital funding environment.

8. Subsidiaries

The Trust is a stakeholder in a number of spinoffs and commercial ventures. In September 2024 the Trust established at wholly owned subsidiary named Newcastle Hospitals Pharmaservices Ltd. The company began trading on 1st December 2024 offering an outpatient pharmacy service to the Trust which had previously been provided by a third party. The Trust also holds shares in and is represented on the Board of Pulse Diagnostics Limited, which is seeking to commercialise an invention for the non-invasive detection of Peripheral Vascular Disease.

9. In Summary

The Trust has had a successful year in terms of financial performance in that it has met its financial targets without having to compromise clinical quality. Looking to the future, the NHS will continue to face a challenging financial environment in 2025/26.

However, we believe we are well placed to face the future with a financial plan in place that addresses service developments and cost. That plan relies upon recurrent cost improvements and non-recurrent funding; however, the Trust has a track record of transformation to respond to challenges. The Board of Directors recognise 2025/26 will be a challenging year but is confident of maintaining sound financial management and provision of a service portfolio of both national and international esteem and that the accounts are prepared on a going concern basis.

B. Analysis of Performance

Performance

During 2023/24 the organisation was placed within Tier 1 support measures with NHSE for elective care performance, which drove increased focus and scrutiny on the clearance of 104-, 78- and 65-week waiters. In March 2024, the Trust was removed from the Tiering process for elective care, and throughout 2024/25 the Trust have been able to successfully provide assurance to the commitment of reducing waiting times. This has meant that the Trust was not escalated back into tiering for elective care performance. This has been reflected in the improvement in overall 18 Week Referral to Treatment (RTT) performance and the reduction in patients who have breached over 52 weeks.

However, since February 2025 the Trust has been placed within Tier 2 of NHSE's support framework for cancer and diagnostics performance. This elevated tiering status involves regular meetings with NHSE to report on performance and improvement actions being taken, as well as discuss delivery progress and any necessary support which the Trust requires. The Trust is working towards meeting the criteria for cancer and diagnostics performance levels which would lead to de-escalation from Tier 2 status – these include improving compliance with the 62-day RTT cancer standard, the 31-Day cancer standard and the 6-week DM01 Diagnostics target.

Compliance with several urgent and emergency care targets remained challenging in 2024/25 with performance levels comparable to 2023/24. Despite this, the Trust's performance for the key Accident and Emergency (A&E) 4-hour standard and other emergency care metrics benchmarked well when compared to national and Shelford group averages.

The Trust was unable to achieve the national DM01 standard of less than 5% of patients waiting more than 6 weeks for their diagnostic test during 2024/25, with certain test areas being particularly pressured. Whilst the target remains unachieved, performance against the 5% standard improved considerably during the second half of 2024/25, with Audiology particularly successful in implementing a range of improvement actions to clear their backlog of patients waiting over 6 weeks.

Following the changes to the Trust's internal Performance Review process in February 2024, the monthly Quality and Performance reviews across the eight Clinical Boards have provided a forum for ensuring progress and delivery against objectives relating to Operational Performance, Quality and Safety priorities, Human Resources and Finance are robustly monitored.

Management of key challenges and their impact on performance

In managing performance during 2024/25, key challenges have included:

- Demand for both inpatient and outpatient services has continued to place pressure on achieving key waiting time targets, with certain specialties facing particular capacity shortages. Mitigations have been introduced including waiting list initiatives, outsourcing and rigorous validation across specialities.
- The Trust and the wider NHS have faced a challenging financial position, which may impact the ability to achieve national performance targets in future.

- Estates pressures, particularly within the ED, have made it difficult to manage the continuous increase in A&E attendances and the higher acuity of patients.
- Workforce gaps have remained across a few areas which has impacted the activity delivered.
- Follow-up outpatient activity has continued to grow in recent years with an ever increasing demand for ongoing care for long-term conditions post-first treatment. Patient Initiated Follow Up (PIFU) continues to be promoted across services to help reduce this pressure.
- Diagnostic capacity has remained constrained; however pressures have been alleviated slightly with the opening of the CDC.

Priorities for 2024/25 included recovering waiting times across all performance areas and improving patient outcomes across all services, whilst also focusing on the reinstatement of productivity levels back to pre-pandemic thresholds.

Ambitions from NHSE's national 2024/25 Operational Planning Guidance emphasised the need to improve ambulance and A&E waiting times, eliminate over 65 week waits for elective care by September 2024 and achieve 70% compliance against the headline cancer 62-day referral to treatment standard by March 2025. Processes were refined to deliver the highest standard of care for our patients in 2024/25, supported by rigorous performance monitoring. Steps were taken to transform the way care was delivered, with regular reporting and feedback provided to the Executive Team on progress.

Elective Activity

As in the previous financial year, throughout 2024/25 elective activity was funded on a block income basis up to 100% of 2019/20 delivery, with a continued requirement to exceed these levels in order to secure additional income through the Elective Recovery Fund (ERF) as well as facilitate focus on demonstrable recovery and improvement in both waiting times and the size of backlogs.

The 2024/25 operational planning guidance detailed the expectation to deliver or exceed the system specific activity targets with the national value weighted activity target of 107% of 2019/20 delivery levels for elective care. Total elective activity delivery (units of) in 2024/25 was equivalent to 101% of target/plan, with particular overperformance within the Outpatient procedure setting. For value-weighted activity the Trust exceeded the 107% target for 2024/25 at 108.1%, an 11.8% improvement compared to 2023/24.

PIFUs

The national target remains at 5% of outpatient appointments outcomes resulting in a PIFU. PIFU is one of the key drivers for reducing follow up appointments and consequently the Trust have been able to increase PIFU rates from 1.99% in March 2024 to 2.44% in February 2025. On average over 2,600 patients per month were placed onto a PIFU pathway in 2024/25, up from under 1,900 per month in 2023/24. The Medicine and Emergency Care Clinical Board had the highest PIFU rate of all Clinical Boards. The Trust is aiming for further improvement in 2025/26 and continues to encourage the use of PIFU, which allows patients to initiate an appointment and facilitate shared decision making.

Outpatient Follow-Up Reduction

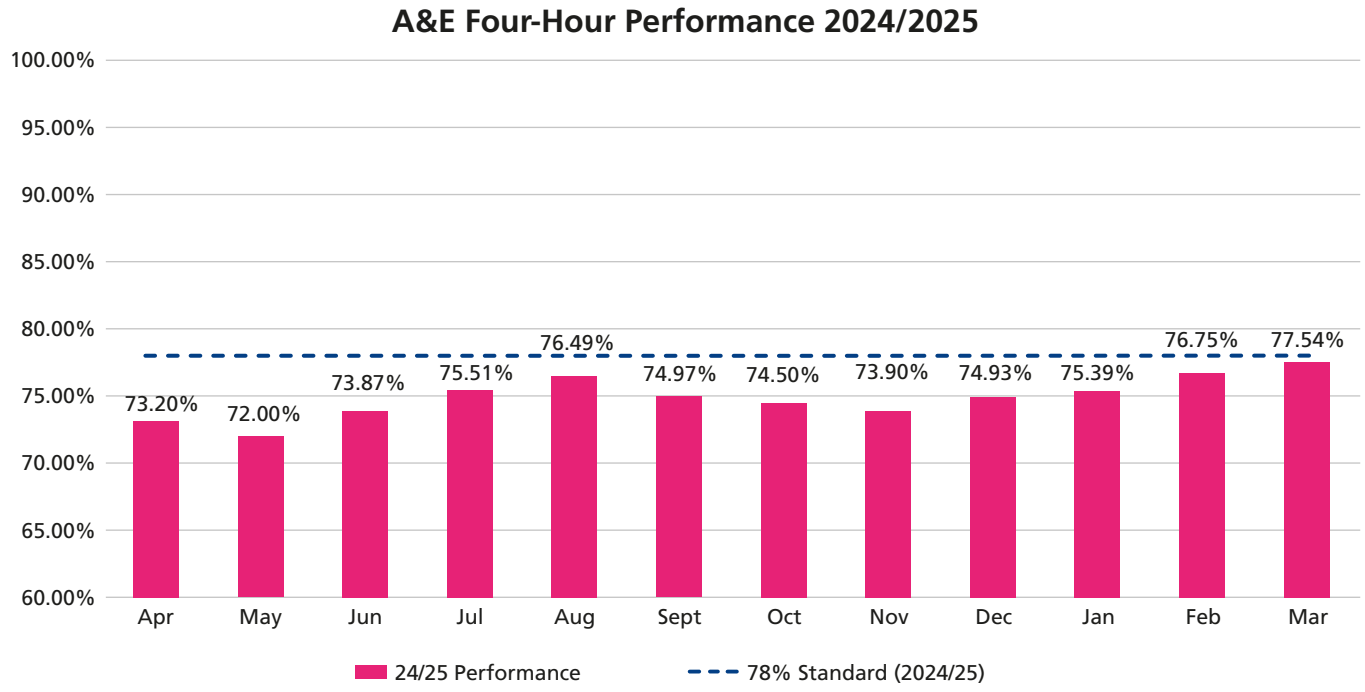
2024/25 saw the continued drive to reduce the number of outpatient follow ups to below 2019/20 levels. However, in 2024/25 outpatient review activity actually continued to exceed both 2019/20 actual and 2024/25 planned levels. The focus to reduce the number of unnecessary appointments remains, however the number of patients requiring long term review and management of chronic conditions is increasing both locally and nationally, which is a barrier to significant improvement.

Urgent & Emergency Care

The national target for the A&E standard in 2024/25 was to see 78% of patients within 4 hours, revised up from 76% in 2023/24. The Trust consistently fell slightly short of this 78% target throughout the financial year, however the 76% target was exceeded in certain months. Overall in 2024/25, 74.89% of patients were admitted, transferred or discharged within 4 hours. Attendance levels were in line with the previous year. As per previous years, seasonal demand placed increased pressure on the department over winter.

Despite the challenges the Trust have consistently been in top three Shelford Group Trusts for performance against the ED 4-hour standard.

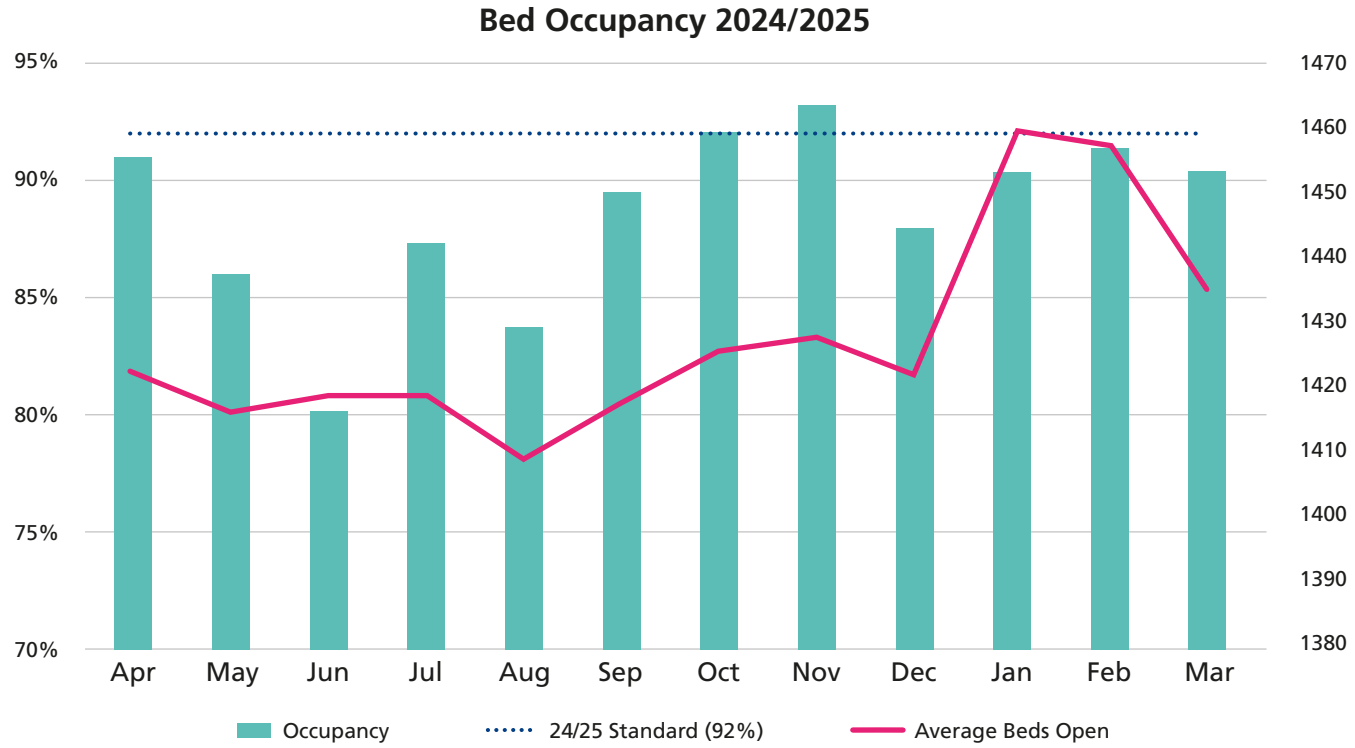
Initiatives were introduced throughout the year to address challenges with the aim to improve compliance with the 4-hour target. This included reviewing estates and implementing changes to improve patient flow. Longer term solutions being progressed to address this challenge include the development of a co-located UTC and a re-design of the Same Day Emergency Care (SDEC) Centre. A workforce review has also been undertaken to reduce the waiting times to see a clinician and this was supported by investment in additional medical staff and the recruitment of patient flow coordinators to support and improve patient flow.



2024/25 saw Type 1 A&E attendances remain in line with the level seen in 2023/24, with breach levels also remaining broadly static. There was increased pressure on the Type 2 Eye Emergency Department with attendances growing by 5.2% and this led to a drop in compliance against the 4-hour target in the department with compliance at 92.5% against the 4-hour target for the year overall. Type 3 attendances fell by 2.8% compared to the previous year and 99.99% of these patients were seen within 4 hours. Overall performance has not recovered to pre-pandemic levels and other key metrics reflect the pressures within the department, such as the number of ambulance arrivals in 2024/25 being 6.4% higher than 2023/24 and 12.5% above 2022/23 volumes. This surge contributed to a rise in the number of ambulance handovers over 60 mins, which more than doubled compared to the previous year. The Trust are looking into implementing time trials in ambulance handovers which aim to improve processes and equipment in the handover area.

Bed Occupancy

General and acute bed occupancy levels averaged 89.4% in 2024/25, a 1% increase compared to 2023/24. Levels were consistently high throughout the year, and the monthly average occupancy in both October and November 2024 exceeded the threshold of 92% set in the national planning guidance. The higher occupancy reduced bed availability and restricted patient flow, which alongside estates limitations contributed to a 16% rise in the number of patients having a Length of Stay (LoS) over 12 hours in A&E.

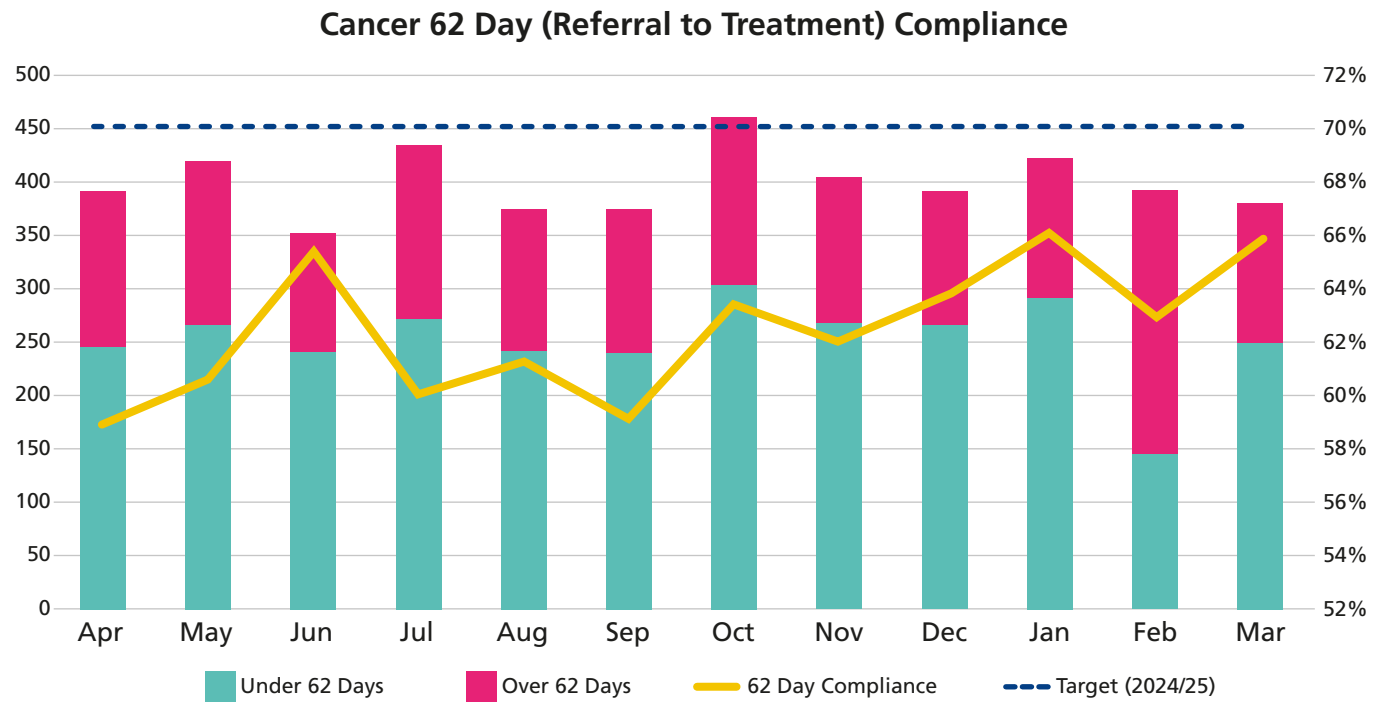


Cancer Care

The Cancer 28 Day Faster Diagnosis Standard (FDS) target rose from 75% in 2023/24 to 77% for 2024/25, with the ultimate target of 80% by March 2026. The Trust was able to meet the 77% target in six of the first 11 months of 2024/25. Achievement of the target is largely dependent on skin cancer performance as this is the single largest tumour group contributing to patient volumes. During 2024/25, the skin cancer service saw high seasonal peaks in demand and issues with teledermatology engagement in primary care which impacted whether the FDS standard could be met.

Similarly to 2023/24, the Trust continued to struggle to achieve the 96% target for patients to receive their first treatment within 31 days of a decision to treat. The yearly average for 31-day performance was 81%. Compliance particularly declined in the second half of 2024/25 with radiotherapy demand increasing whilst capacity declined due to workforce shortages. Improvement work has commenced in the scheduling process for patients on the 31-day pathway, along with in depth 'perfect pathway' analysis being undertaken across a number of tumour sites.

The 2024/25 national Operational Planning Guidance shifted the focus from the 62-day backlog back towards monthly performance against the 62-day cancer target for RTT. The Trust was unable to achieve the 70% target for the 62-day standard but annual compliance did improve from 56.7% in 2023/24 to 63.1% in 2024/25. The Trust attempted to address diagnostic challenges throughout the year by using mobile units for MRI and CT scans to provide extra temporary capacity, as well as utilising capacity at the new CDC.

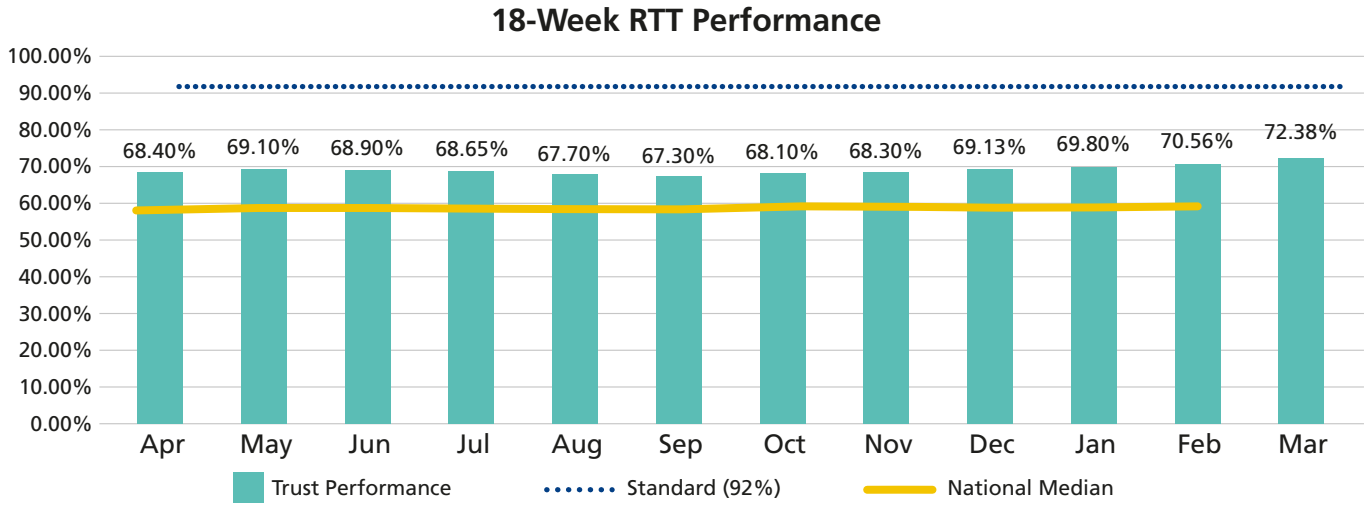


Referral to Treatment Waiting Times (RTT)

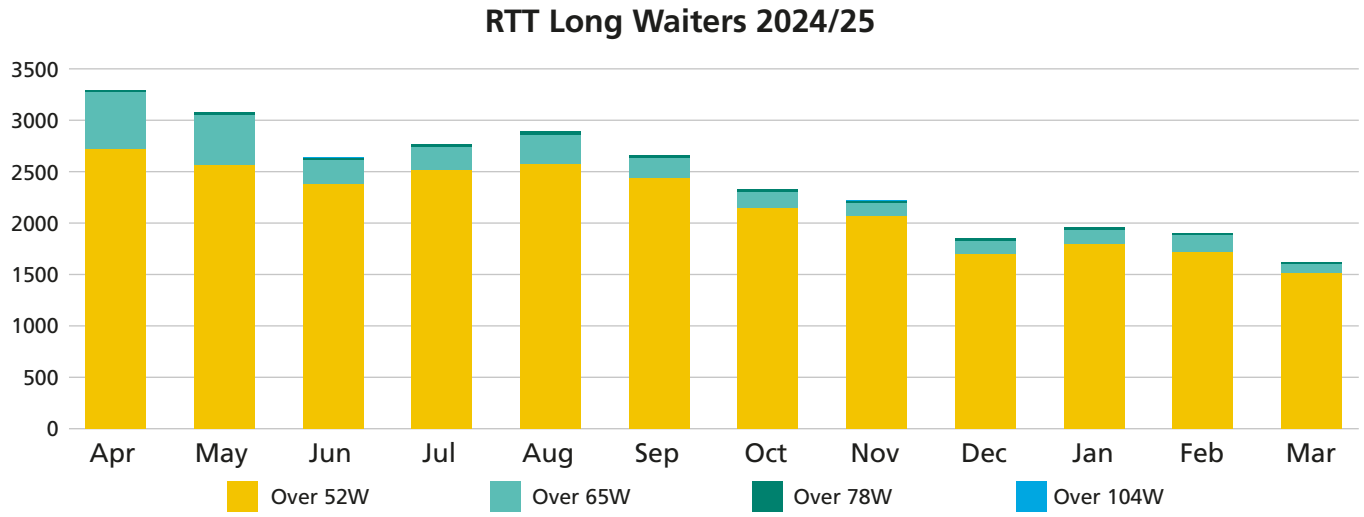
During 2024/25 the Trust's performance gradually improved against the national RTT Standard for 92% of patients on an incomplete pathway to be waiting less than 18 weeks.

Compliance improved for six successive months in the second half of 2024/25 from 67.3% in September 2024 to 72.4% in March 2025, well above the national average. The Trust was the highest performing Shelford Group Trust for 18-week performance. The overall waiting list size was also reduced by 4% during the year.

In addition, NHSE set all Trusts the target of eliminating 65 week waits by 30 September 2024. The Trust was unable to achieve this target with 199 patients remaining as over 65-week breaches in September 2024 - this was however an 87% decrease compared to September 2023's position. The number of 52-week breaches also reduced by 80% during 2024/25.



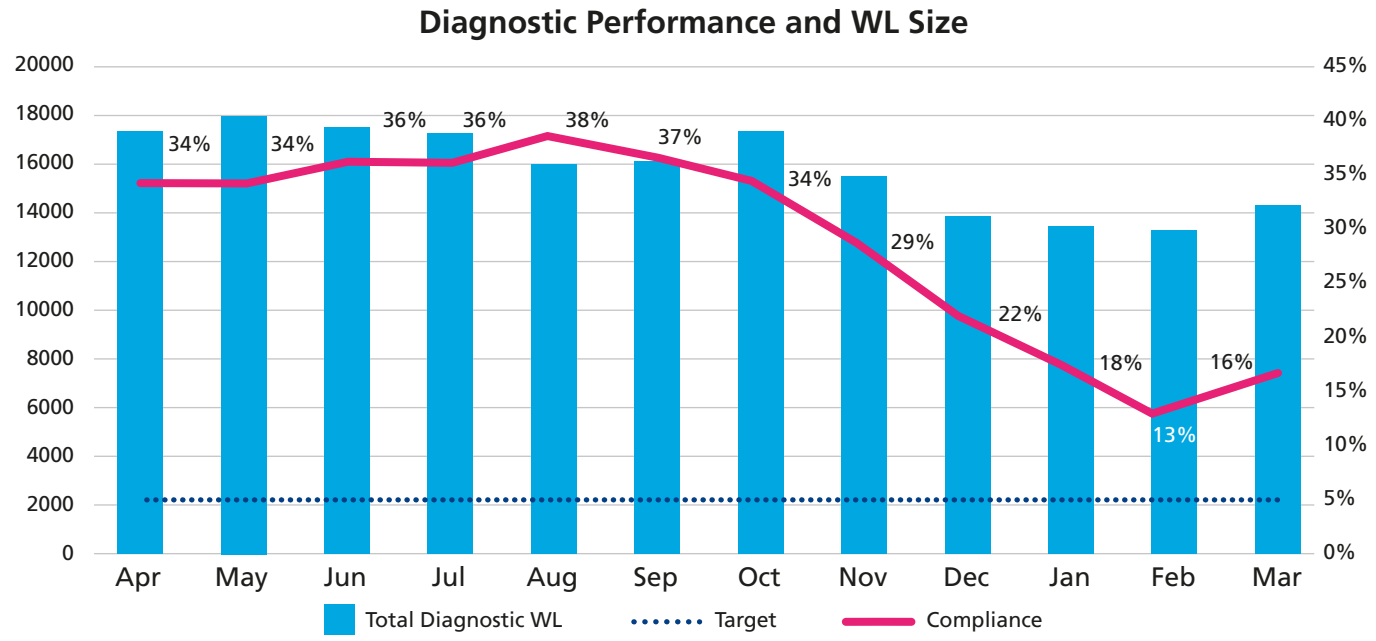
The Trust continued to tackle backlogs by sourcing mutual aid from other organisations in challenging areas such as orthopaedic foot and ankle patients. The Trust have also utilised the agreed Access Policy and undertaken validation sprints to ensure waiting lists are fully accurate and representative, closing pathways erroneously remaining active following the commencement of treatment, and thus ensuring service capacity is utilised appropriately.



Diagnostics

Throughout 2024/25 the Trust was able to gradually improve compliance with the 5% DM01 6 Week (W) Standard. Organisational performance improved for 6 months in a row from 38.3% of patients waiting over 6 weeks in August 2024 to 13.0% in February 2025. The Trust's overall waiting list (WL) size also steadily decreased, with a 20% reduction when comparing March 2025 with March 2024.

Whilst the Trust faced challenges such as significant growth in MRI referrals, and Audiology staffing challenges, measures were put in place to mitigate these issues. The CDC has increased capacity in numerous tests. The reduced Trust WL size and improved performance was largely attributable to higher levels of audiology activity in the second half of 2024/25. This was a result of initiatives such as insourcing, direct access clinic sessions and greater efficiency thanks to a new screening tool and changes to clinic templates.



Countering Fraud

The Trust strives to protect public funds from fraud, bribery and corruption, through an environment that is resilient and intolerant of these economic crimes, and that aligns with the NHS Counter Fraud Authority strategy. This includes proactively seeking to prevent fraud from entering the system, detecting fraud that already exists and in the professional investigation of suspicions of wrongdoing and the protection of anyone who raises concerns of this nature.

A volume of high quality referrals of suspected fraud have been made to the Fraud Team during the year, all of which have been recorded on the prescribed national database, CLUE. The investigations into these have resulted in positive financial benefit to the Trust, as well as allowing other appropriate sanctions to be pursued.

The Trust has a Fraud, Bribery and Corruption Policy and Response Plan in place with regular updates on activity, policies and processes presented to the Trust Audit, Risk and Assurance Committee.

Health inequalities

The section provides the context, data and relevant narrative to describe progress made in meeting the requirements set out in the NHSE Statement on Information on Health Inequalities. This is a spotlight on two indicators namely emergency admissions and tooth extractions due to dental caries in 0-10 year olds, disaggregated by sex, gender, age, deprivation and ethnicity. There is ongoing work on indicators relevant to elective recovery and smoking cessation. These will be included in a future Trust Annual Report.

Context

Health inequalities are avoidable, unfair and systematic differences in health between different groups of people in a population. Although 80-85% of factors that contribute to ill health sit outside of healthcare, NHS providers have a key role to play in prevention and addressing health inequalities. This in turn will drive down preventable demand on health services. In addressing healthcare inequalities, the focus is on inequalities in access, outcomes and experience of care.

Health inequalities are often stark for inclusion groups or those who have more than one type of disadvantage. For example the Child Death Review Data Release: Year ending 31 March 2023 for England shows infant mortality rate in black ethnic minority population to be double that seen for white infants. The same pattern was reported for all child deaths. The estimated infant death rate continued to be highest for infants of black or black British ethnicity (8.7 per 1,000 live births), approximately three time that of infants of white ethnicity. Moreover, the death rate of infants resident in the most deprived neighbourhoods of England was more than twice that of infants resident in the least deprived neighbourhoods (source: https://www.ncmd.info/publications/child-death-data-2023/). Ethnicity and deprivation are highly relevant to our Trust catchment population.

Understanding our population

It is important there is an understanding of the population and communities that the Trust serves to enable effective planning and delivery of services and evaluate impact. We use the Office for Health Improvement and Disparities (OHID) modelled estimates of our catchment populations. OHID has estimated catchment population for each hospital provider trust in England - that is the number of people who are using each hospital trust (elective and emergency admissions) or have the capacity to do so. Public Health England (PHE) dashboard 2020 – OHID (2022).

The Newcastle Hospitals catchment population has a younger age profile evidenced by the proportion of those in the under 19 age categories and actual size of the population in the 0-19 age catchment population. To assess socioeconomic deprivation, the Indices of Multiple Deprivation (IMD) are used. These are overall relative measures of deprivation at a small geographical area constructed by combining 7 domains of deprivation according to respective weights (income, employment, education, skills and training; health and disability; crime; barriers to housing and services and living environments). The concept of the 'core 20' refers to the most deprived 20% of the national population, as identified by the IMD. The Trust has a disproportionately socioeconomically deprived population compared to national average.

The upper tier local authority is that of Newcastle upon Tyne. The 2021 Census estimates that Newcastle upon Tyne has a population of 300,135. According to the Office for National Statistics (ONS), 17.8% of Newcastle's population is classed as income-deprived, making Newcastle the 36th most income-deprived local authority (of all 316 local authorities in England excluding the Isles of Scilly). In the most recent census there has been an increase in the ethnic minority population across all ethnic categories in the city (20.1% in 2021 compared to 14.5% in 2011). Newcastle is significantly more ethnically diverse than the North East region (79.97% of residents classified as White British in Newcastle compared to 93.04% in the North East and 81.05% in England). More than half of the emergency admissions (54.4%) to the Trust in 2023/24 came from Newcastle local authority with about 25% coming from Northumberland and North Tyneside. This contrasts with a patient flow of 29.3% from Newcastle and an almost similar proportion from Northumberland and North Tyneside combined for elective admissions in 2023/24 (patient flow by type of admission and Local Authority to Newcastle Hospitals).

NHS statement on information on health inequalities

The statement published on 27 November 2023 and updated in March 2024 provided information on how powers should be exercised in connection with health inequalities for the period 1 April 2023 – 31 March 2025. It requires NHS bodies to report in their annual reports the extent to which they have exercised their functions in addressing health inequalities to understand healthcare needs, inequities in access and use data to inform action. The statement identifies the metrics that trust level data need to be reported and disaggregated by deprivation, ethnicity, sex, and age (source: https://www.england.nhs.uk/wp-content/uploads/2023/11/PR2128-i-nhs-englands-statement-on-information-on-health-inequalities.pdf).

Spotlight: Describing progress in reporting on indicators in the NHS statement on information on health inequalities

This report focuses on health inequalities in emergency admissions, including for under 18s and tooth extractions due to dental caries in 0-10 year olds, disaggregated by sex, gender, age, deprivation and ethnicity. These were the focus of a health inequality report as part of the Trust Integrated Board Report (IBR) in September and December 2024 respectively.

Health inequalities in emergency admissions

Background

Across England the increase seen in emergency admission is driven by a sharp rise in emergency admissions for patients aged 85 years or older and those with complex needs and multiple morbidities, the latter disproportionately overrepresented in patients living in areas of socioeconomic deprivation. There is evidence that nearly half of emergency admissions result from socioeconomic inequalities (i.e. preventable emergency admissions would be nearly halved if everyone has the same rate of A&E admissions as patients living in the least deprived areas). The NHS Long Term Plan promotes different emergency pathways and models of care outside hospital to reduce avoidable emergency attendance and admissions as well as the length of hospital stay while improving patient outcomes. A better understanding of hospital admissions to the Trust, mainly patient flows and the demographic profile comparing to the catchment population enables a data driven equitable approach to reducing emergency hospital demand. The data sources used for this section include when mentioned OHID data on the Trust catchment population, otherwise it would be extracts from hospital data pertaining to inpatients that flow centrally.

Findings

Emergency admissions constitute a third of all admissions at Newcastle Hospitals. According to OHID, 6.6% of the catchment population of 558,551 was admitted as an emergency admission to Newcastle Hospitals in 2020. This was driven mainly by the age groups 80+ and also by the under 5s (actual numbers).

The Trust age and sex pyramid for emergency admissions does not mirror that of the catchment population (Figures 1 and 2 overleaf). The older age population, especially 80+ in both sexes is overrepresented in emergency admissions. That is evidenced in the high proportion of catchment population admitted from the older age categories. However, the total number of admissions from the 80+ compared to that of the under 19s is small. The absolute number for emergency admissions for the younger age categories (up to 19 years old) is large, especially for under 5s.

The emergency admission population of patients at Newcastle Hospitals are relatively more socioeconomically disadvantaged compared to the catchment and to the overall population of Newcastle with 2 out of 5 (over 40%) patients living in the most deprived 20% of areas nationally. This is especially the case for babies, children and young people, (0-2 and under 18 year old categories). There is a clear socioeconomic gradient observed in emergency admissions for both White British and ethnic minority populations (Figure 3 overleaf).

Trust Catchment Summary

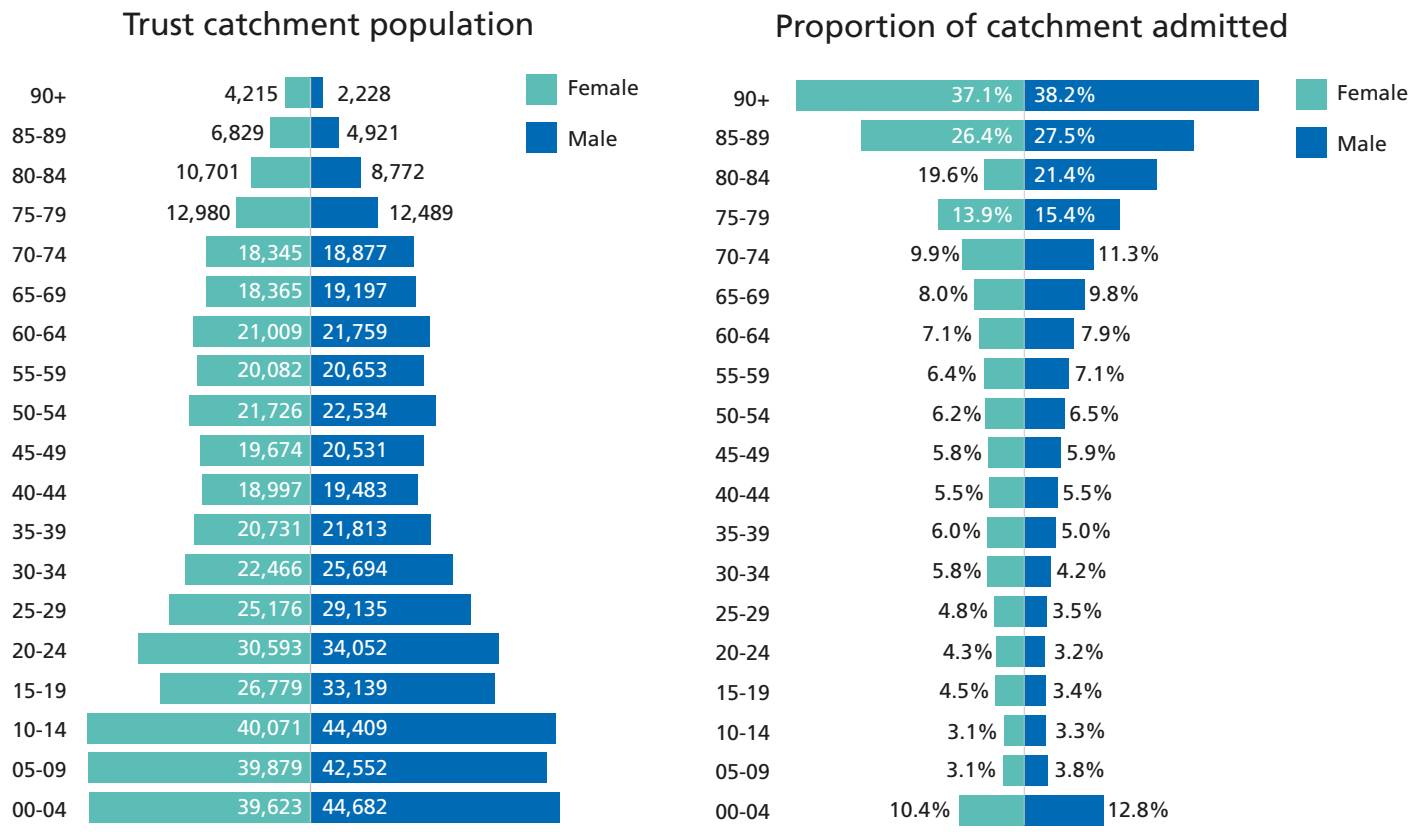


Figure 1: NHS Acute (hospital) trust catchment population - Emergency Admissions (2020) - OHID (2022)

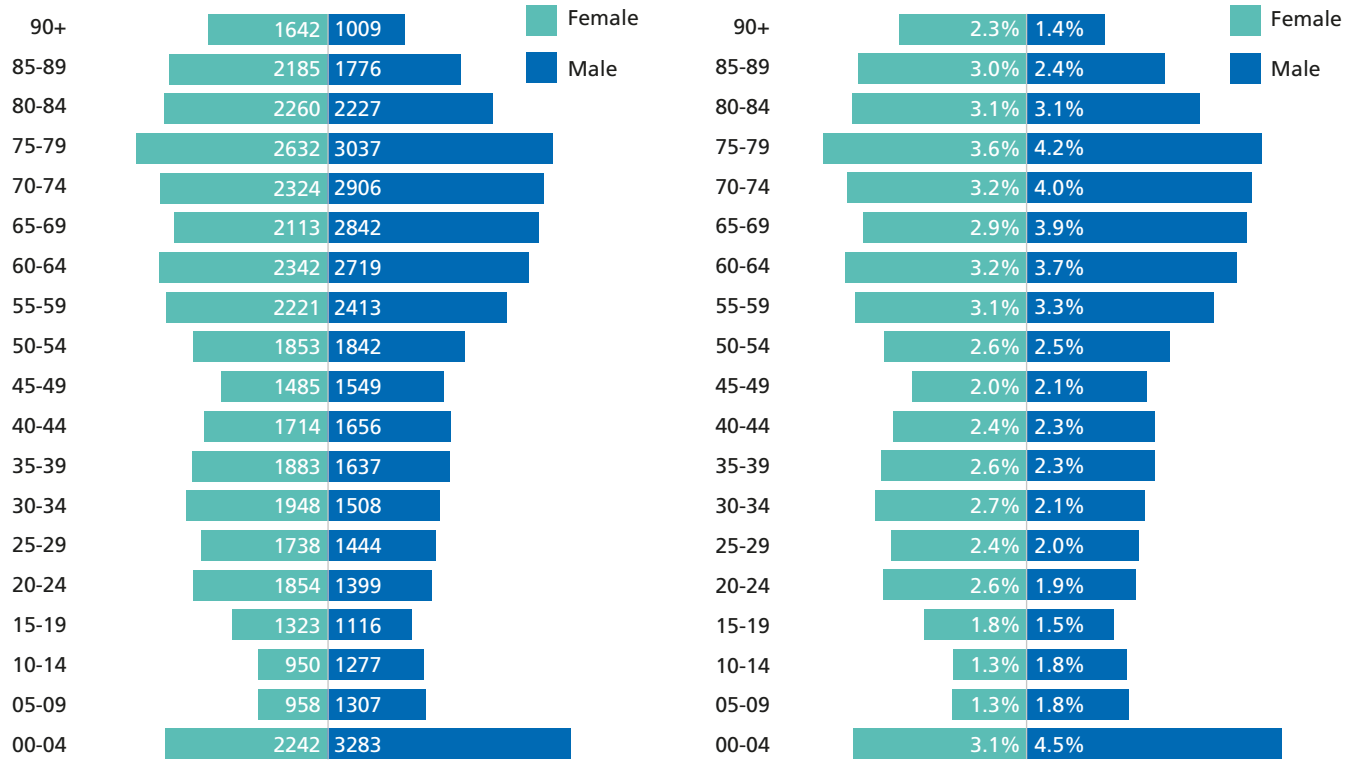


Figure 2: Age and sex pyramid - Newcastle Hospitals emergency admissions 2023/24 (Note: Total emergency admissions is the denominator)

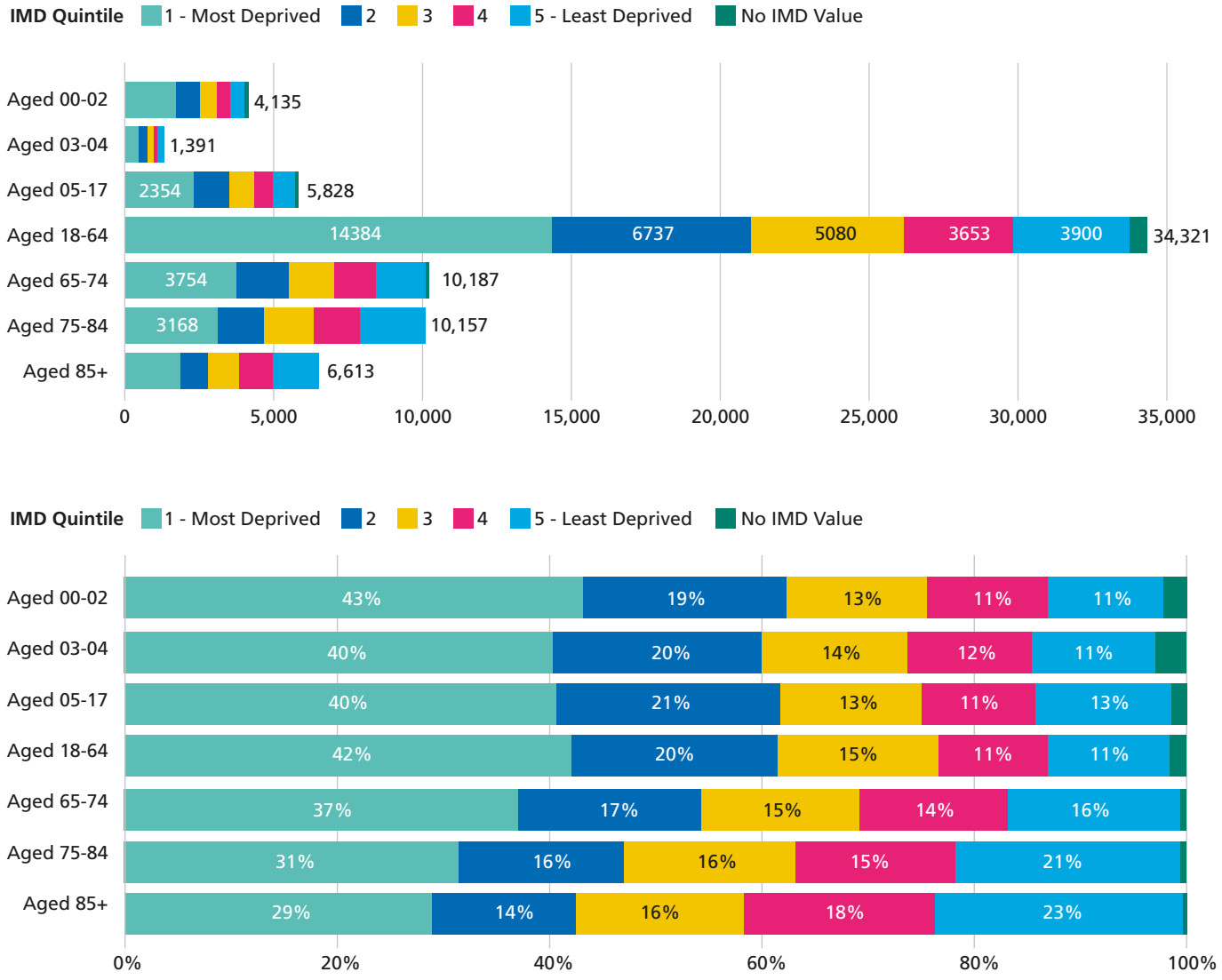


Figure 3: Emergency Admissions by socioeconomic deprivation and age group 2023/24

In 2023/24 emergency admission data shows an increase in the proportion of ethnic minorities among all emergency admission age groups. However, the increase is more notable in under 18s, especially for 0-2 year olds. Among the 0-2 age category with a known and recorded ethnicity 22% were from an ethnic minority in 2023/24 compared to 19% before the pandemic 2019/20 (Figure 4 - data for the latter year not presented here).

There is a clear socioeconomic gradient observed in emergency admissions for both White British and ethnic minority populations (Figure 5). From a data quality view, there is relatively more numbers in the 'not stated' category from the most deprived areas (IMD quintiles Q1 and Q2). Ethnicity can be closely linked to health inequalities and socioeconomic deprivation. Therefore, it is important to pay attention to improving the quality of data by improving coding of ethnicity (both completeness and accuracy).

Although the Trust has made significant progress in improving the quality of ethnicity data, there is more work to be done. While many demographic data items that impact on health inequalities are almost 100% complete (age, gender, postcode) ethnicity is not as well populated. A patient's ethnicity is not a NHS spine data item so organisations need to collect this information directly from patients when they provide care.

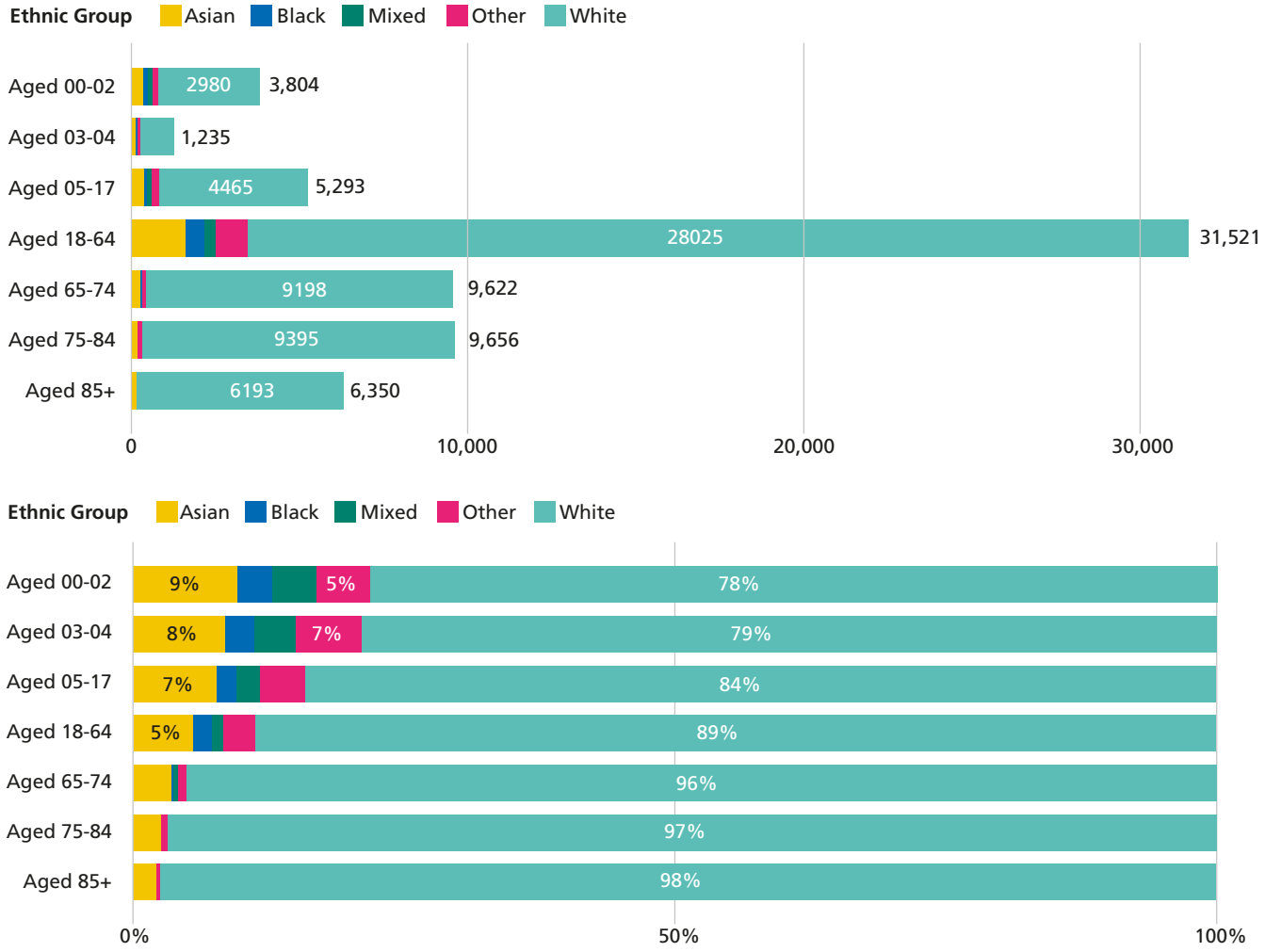


Figure 4: Emergency Admissions by age category and Ethnic Group

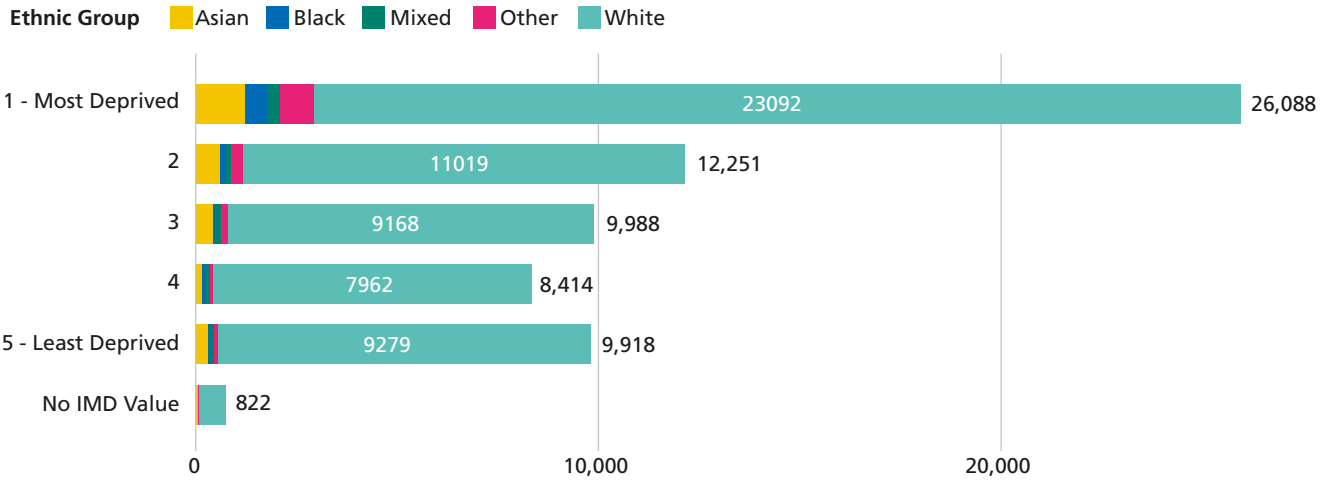


Figure 5: Emergency admissions at Newcastle Hospitals by Ethnic Group and IMD Quintile 2023/24

Health Inequalities in tooth extractions due to dental caries in 0-10 year olds

Background

Tooth decay is the most common reason for hospital admission in children aged between 5 and 9 years. The North East Region had the highest rate of any region in England after Yorkshire and Humber of decayed tooth extraction episode rate per 100,000 population in 0 to 19 year olds in the financial year 2022 to 2023 (397 per 100,000 population compared to the national average in England of 236 per 100,000 population). It is believed that the majority of cases could be prevented with better dental care and dentist intervention. In England tooth extractions with a primary diagnosis of tooth decay for 0 to 19 year olds represented 66% of all tooth extractions for this age group in 2022/23. According to OHID (2023), a 17% increase has been observed in the number of episodes of decay-related tooth extractions in hospital for 0 to 19 year olds compared to 2021/22.

In 2022/23 the decay-related tooth extraction episode rate for children and young people living in the most deprived communities was nearly 3 and a half times that of those living in the most affluent communities (Source https://www.gov.uk/government/statistics/hospital-tooth-extractions-in-0-to-19-year-olds-2023/hospital-tooth-extractions-in-0-to-19-year-olds-short-statistical-commentary-2023).

The NHSE Statement on Information on Health Inequalities requires trusts to report and publish in their annual report tooth extractions in children aged 10 and under (at the start of the episode of care) due to tooth decay disaggregated by sex, ethnicity and deprivation.

For this report we further disaggregated age for the under 5s and 5-10 year olds to understand needs and inform targeted interventions for each group, particularly as relevant to addressing the backlog in waiting lists for tooth extractions in hospital for children aged 10 and younger (the Core 20 Plus 5 Framework for Children and Young People (CYP)).

The indicator described here relates to spells of care rather than Finished Consultant Episodes (FCEs) where a tooth extraction was performed on a child aged 10 years or under at the start of the episode of care, due to tooth decay. A spell is defined as a continuous period of time spent as a patient with the Trust and may include more than one episode.

Results

There has been a 17% reduction in the number of tooth extraction spells due to decay in children aged 10 and younger between 2019/20 and 2022/23. Almost 96% (59.9%) of all spells at Newcastle Hospitals are completed as day cases and 94% of all tooth extractions due to decay are performed under a General Anaesthetic. On average just over a third of the activity (32%) relates to Newcastle residents with some variation up and down over the years.

In 2023/24, the number of tooth extraction spells due to decay was higher in males compared to females across all age groups. What is notable is the significant socioeconomic disadvantage in children aged 0-10 who have experienced tooth extractions due to dental caries (tooth decay). In 2023/24 the proportion of children aged 0-4 and 5-10 experiencing dental extractions due to tooth decay and living in the 20% most socioeconomically deprived areas nationally (IMD quintile 1) was 57% and 53% respectively (Figure 6). That is almost two thirds of the children aged 0-10 years who had tooth extractions due to dental decay in 2023/24 live in the most deprived 20% of areas nationally (what should be the Core 20 population) (Figure 7). It is worth noting the disproportionate socioeconomic disadvantage in the cohort of children experiencing dental extractions at the Newcastle Hospitals. These compare to almost 33% of the Trust catchment in IMD Quintile 1 in 2020 (just over 3 in 10).

In line with the ONS data there is considerable ethnic diversity observed in children who have had tooth extractions due to dental caries in 2023/24, particularly in the 4 years old and under with over a quarter of those children being from an ethnic minority group (24% in 2023/24) (Figure 7). The proportion of 'not known' and not stated' allows us to judge the quality of data reporting for ethnicity.

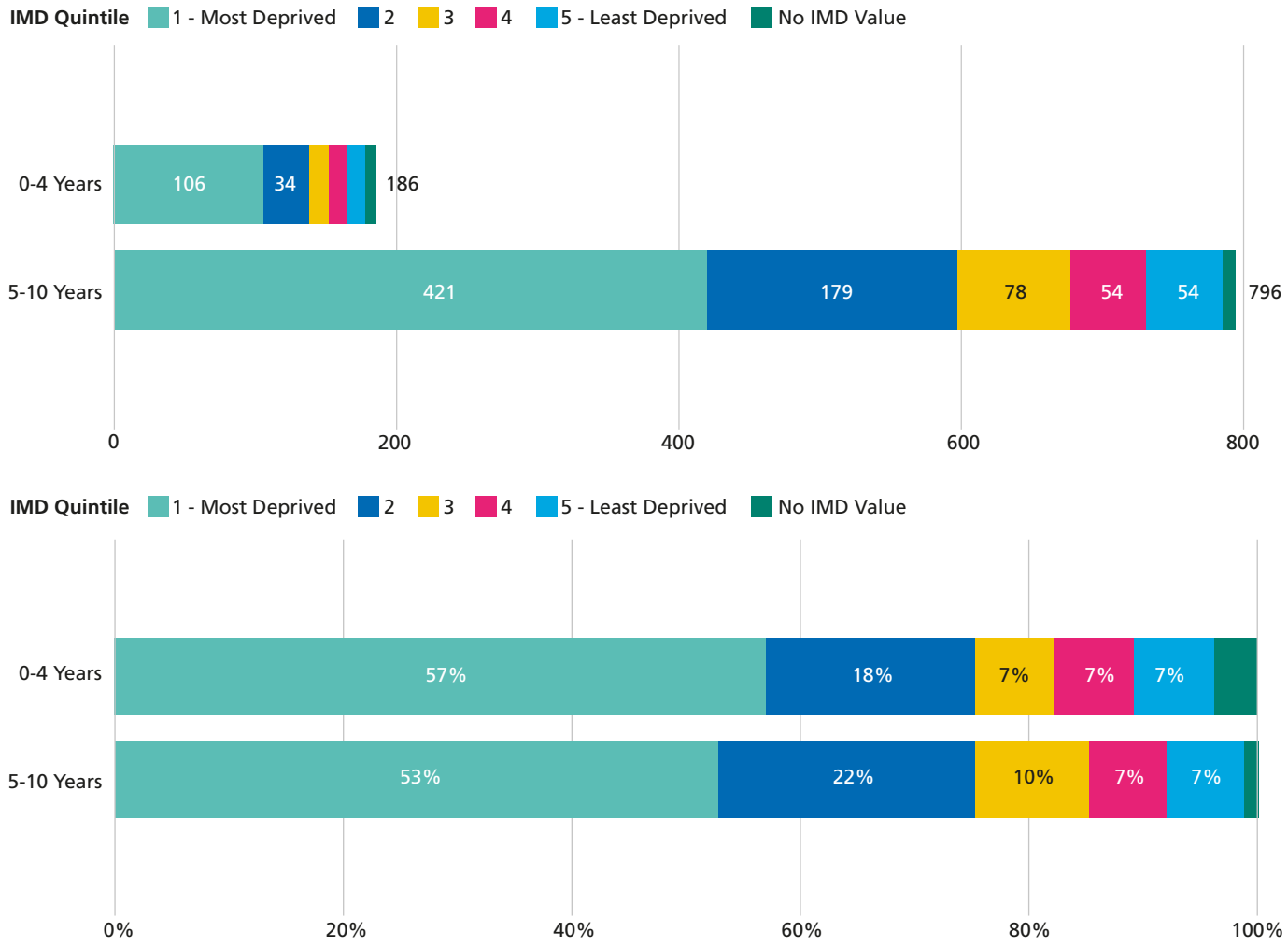


Figure 6: Removal of teeth due to dental caries in children aged 0-4 & 5-10 by Index of Multiple Deprivation

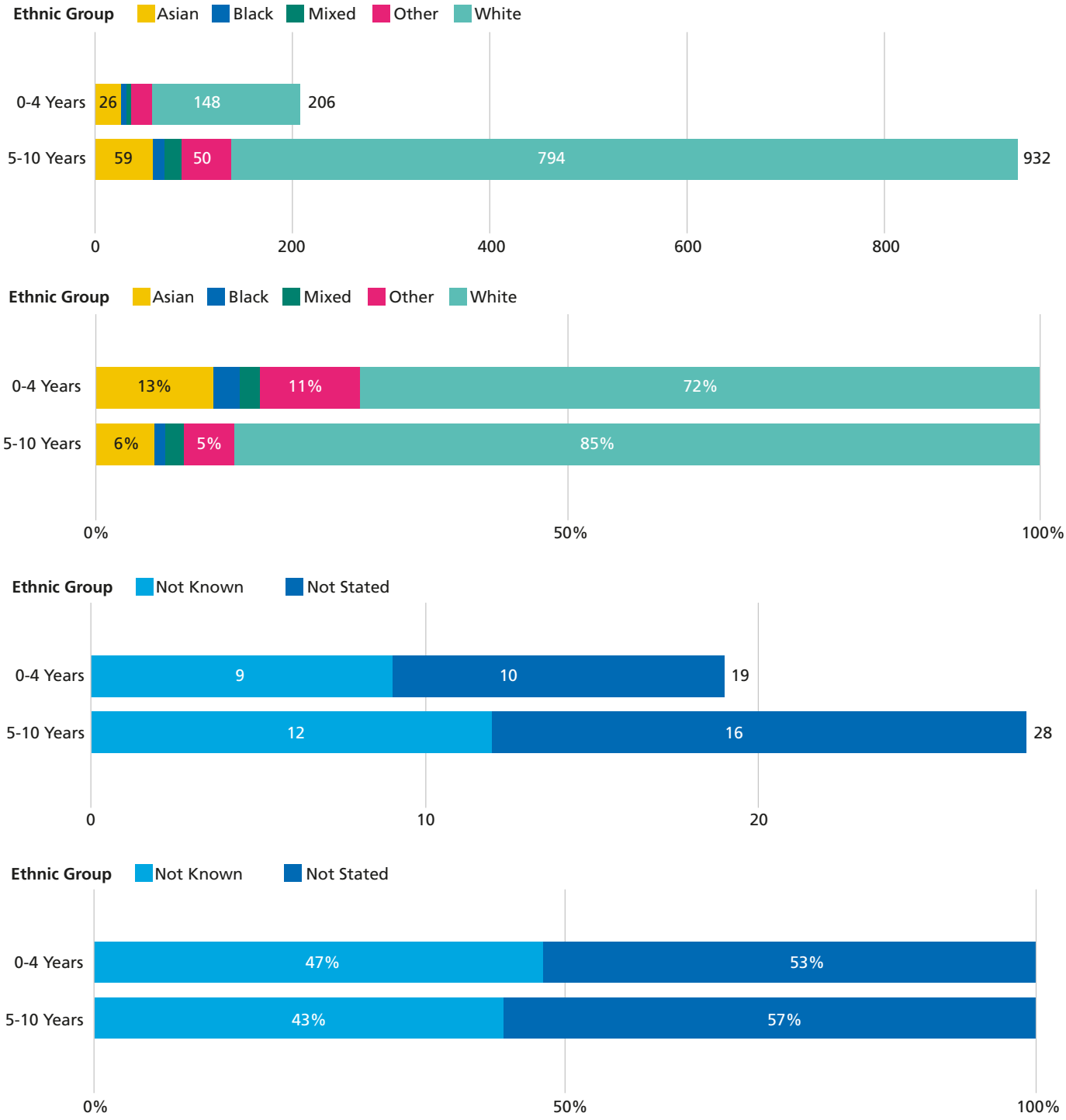


Figure 7: Removal of teeth due to dental caries in children aged 0-4 & 5-10 by ethnic group

Next steps

Underpinning our work on health inequalities there is ongoing commitment to ensure we have the leadership and governance in place to drive this forward. In 2024, one of the Joint Medical Directors became the Executive Lead for Health Inequalities and the Director of Communications and Corporate Affairs in the Trust as Executive Sponsor for Smoke Free and smoking cessation.

An Oversight Group for health inequalities reporting directly to the Trust's Quality Committee is being formed alongside a structure for reporting. There is ongoing work and progress made in developing a Trust wide strategy on health inequalities including 6 priorities: Prevention, Maternity, Children and Young People, Elective Care, Emergency and Urgent Care and Research and Innovation. As part of the implementation of the strategy and action planning, it is planned that Clinical Boards undertake self-assessments in order to inform action planning and identify priority areas of work relevant to staff and patients. There is further work planned to address health inequalities in elective recovery by disaggregating waiting lists using existing Trust PowerBi dashboards such as the Inpatient Waiting List (IPWL) and the Outpatient Waiting List (OPWL) dashboards.

A Population Health Management (PHM) approach is increasingly being used across the organisation to help us understand current, and predict future health and care needs to ensure better service planning, improve efficiency by targeting resources to areas of highest need. There is also a continuous drive to improve data quality and reporting and to support the cultural and operational change to drive this. This includes among others, the implementation of national requirements for accessible information standards as well as undertaking quality improvement projects to improve data quality and reporting for the Tobacco Dependency Treatment Service in Maternity and Acute pathways and health inequality reporting for the Tier 3 Weight Management Service. With financial sustainability, improved efficiency and productivity being key drivers in the NHS, reorientation of services to earlier intervention and prevention becomes an imperative in order to reduce preventable demand and address health inequalities. To do so we will continue to strengthen further collaboration with partners including the local authority, universities, the Voluntary and Community Sector and the ICB.

Sustainability

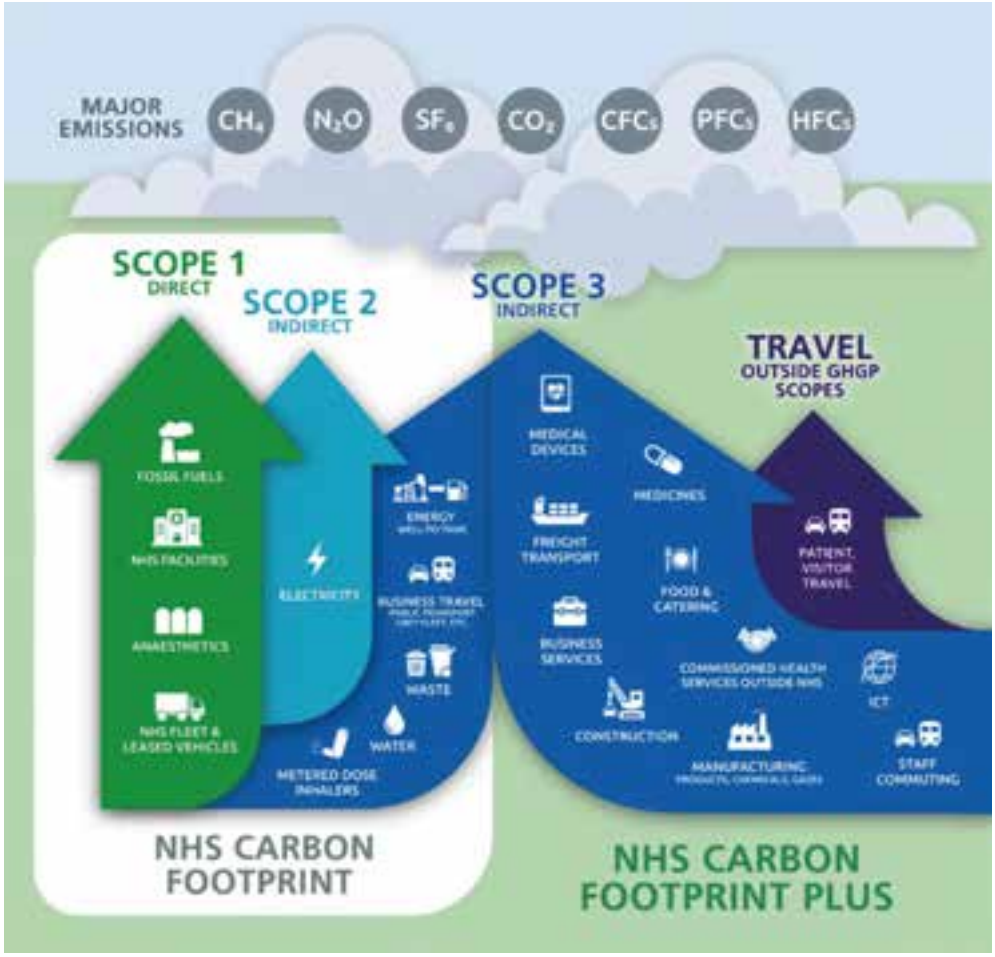
We have produced a detailed, stand-alone, Sustainable Healthcare in Newcastle (Shine) Report for 2024-25. This is available on the Trust website and includes an in-depth explanation of our carbon footprint as well as more information on our performance against a full range of sustainability actions to date and our future plans.

We have included summary information, in the table overleaf, about our progress under each of our Shine themes. Whilst we are pleased to report achievements across the breadth of our Shine programme, we are not on track to achieve the rates of decarbonisation necessary to meet our science-aligned carbon budget and reduce our contribution to the health crisis that is the climate crisis.

Transitioning from fossil-fuel heat to low carbon heat for our hospital estate remains our biggest challenge. To help overcome this challenge we have completed the installation of solar panels and heat pumps (https://www.newcastle-hospitals.nhs.uk/about/sustainable-healthcare/climate-news/regent-point-decarbonisation/) at our non-clinical office building, Regent Point, and we have employed an Estates Net Zero Team to work on funding bids and proposals for the work required at our more complex hospital buildings.

Funding to deliver Climate Emergency Strategy projects remains a challenge, with no internal project funding available. However, we are pleased to report that we have been successful in securing £1,500,000 in government grants (including funding for Light Emitting Diode (LED) lighting at our RVI site and solar panels at our FH site (https://www.newcastle-hospitals.nhs.uk/news/solar-investment-aims-to-reduce-carbon-emissions-and-energy-bills-at-freeman-hospital/).

Our work to embed sustainability into the culture of our organisation continues, evidenced by our Shine programme being recognised as a strategic priority by the Trust Board and Newcastle Hospitals' charities allocating £500,000 for Shine projects.



As the five years of our Climate Emergency Strategy comes to an end, and in line with national guidance on provider Trust green plans, we will be updating the strategy this coming financial year, ensuring the next version aligns with the Trust's Strategy and the green commitments in the upcoming NHS 10-year plan.

Our Climate Emergency Strategy (https://www.newcastle-hospitals.nhs.uk/wp-content/uploads/2024/06/Climate-strategy-2020-2025.pdf) for 2020-2025 and Annual Shine Reports align with the guidance of the Greener NHS programme as well as the Greenhouse Gas Protocol. The Strategy uses the definitions set out in the 'Delivering a Net Zero NHS' report from NHSE to define our three goals. We are working to embed sustainability across the Trust and we will continue to help deliver the actions required to achieve our goals:

1. Zero Carbon Care

By 2030 the emissions we control will be net zero – our 'Newcastle Hospitals Carbon Footprint'

By 2040 the emissions we can influence will be net zero – our 'Newcastle Hospitals Carbon Footprint Plus'

2. Clean Air

By 2030 our operational transport activities generate no harmful air pollution

By 2040 our healthcare facilities are accessed by only zero emission travel

3. Zero Waste

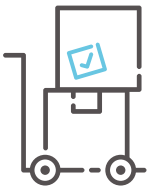
By 2030 we will reuse and repair everything that can be reused and repaired

By 2040 we will produce no waste. We will manage resources within the circular economy, with items surplus to requirements becoming a resource in another part of the system

Our work to achieve our goals is spread across **eight Shine themes**, each with specific actions and performance targets. Progress in each of these Shine themes is covered in detail in the standalone report and a summary has been included in the following table:

Shine Theme	Achievements and Highlights in 2024/25
 Energy	**Carbon emissions from heating and powering our buildings in 2024/25 are forecast to be 4% lower than last year (Scope 1,2 and 3).** The main reason for this reduction was a fall in energy usage (4% reduction from last year and 12% from our 2019/20 baseline) though this was supported by our ongoing investment in energy efficiency projects (LED lighting and building management system upgrades) and increasing on-site renewable energy generation. Work to decarbonise our Regent Point site was completed in the summer of 2024. This £1.7m project, part-funded with a grant from Phase 3b of the Public Sector Decarbonisation Scheme (PSDS), includes the installation of air source heat pumps, solar panels, LED lighting and upgrades to the building management system. **This has resulted in complete heat de-carbonisation of Regent Point and removal of the fossil fuel gas supply, saving 120 tonnes of carbon a year.** **The new Estates Net Zero Team were successful in securing almost £1,500,000 in government grant funding** for LED lighting, solar panels and metering projects. Roughly half was received from the NHS National Energy Efficiency Fund (NEEF) and the other half from the Great British Energy solar funding for projects to be delivered in 2025/26. Working closely with our Energy Team they also submitted a bid for £40,000,000 of PSDS funding to decarbonise heat at our FH, Ponteland Road and Benfield Park sites (we still await the outcome of the bid at the time of writing, April 2025).
 Water	**Carbon emissions from water use for 2024/25 is 63% lower than our baseline year of 2019/20**, largely due to the changes in the national greenhouse gas conversion factors. Our water usage reduced by 13% last year, though this is against a higher-than-average year (2023/24) due to leaks detected at two of our sites. Improved leak detection and automatic meter reading technology has helped to mitigate this in 2024/25. A review of our permeable green spaces on all Trust sites, demonstrating some increases, has resulted in **savings in our annual surface water treatment costs**.

 Waste	As **patient activity increases, overall waste volumes are slightly higher this year than last year and slightly above that of the 2019/20 baseline year.** **Only 1.7% of our waste is now sent for disposal**, the lowest level of the waste hierarchy. This is clinical waste that is required to be incinerated. We have been **zero to landfill since 2011.** **28% of Trust waste is recycled currently.** The figure is down slightly from last year but due to the successful introduction of food waste dewatering at the FH (this reduces the weight of food waste we send for recycling but also reduces carbon from transporting and treating the waste). Temi Taiwo, our new Assistant Waste Manager, was recruited into this vacancy and has been undertaking **waste audits on wards and in community sites** to improve compliance and implementation of the waste hierarchy. During **National Recycling Week** in October, we held a **Waste Awareness Week** and provided targeted training to operational staff to ensure appropriate waste segregation, improved compliance and recycling rates. Our Waste Manager, Jason Mitchell, was presented with the **Waste Management Champion of the Year** award at the inaugural Excellence in Waste Management Awards for the NHS in England.
 Buildings & Land	The Trust have ambitious plans for construction investment in our clinical estate. At our annual Shine Report update to Trust Board in September 2024 it was agreed to embed sustainability and 'Net Zero' infrastructure into the programme, this is evidenced with the earliest phase building agreeing ambitious design criteria of Building Research Establishment Environmental Assessment Method (BREEAM) Outstanding and Net Zero in operation. We are continuing to work on our **30-year Biodiversity Management Plan for the green spaces at RVI, FH and Regent Point.** We are committed to providing green and biodiverse spaces to enhance health and wellbeing of our patients, staff, visitors and communities. We have **installed a pond at the FH site** which is enjoyed by staff, and we are planning a children's nature trail in collaboration with paediatric clinical staff, to encourage use of the green spaces. Continuing with our staff-led **'Green the Grey'** charity-supported project, the radiotherapy courtyard at the NCCC has been revitalised with planters and benches for staff and patients. At Regent Point plants have been installed indoors and in an internal courtyard to support staff wellbeing.

 Procurement	We continue to work with **our Procurement Team to engage our suppliers in our mandatory 5 Step Net Zero Carbon Framework** (https://www.newcastle-hospitals.nhs.uk/about/sustainable-healthcare/sustainable-suppliers/) and embed this into our procurement processes. Suppliers are **required to report and reduce their organisational emissions** which has improved the accuracy of our supply chain carbon footprint (the largest portion of our Carbon Footprint Plus). We have provided a dedicated sustainable supplier webpage, on our main internet site, to host a range of information resources and support tools. Our 4th annual Net Zero Supplier event was a huge success with an **impactful keynote speech from our Chair Sir Paul Ennals**, confirming the Trust's commitment to reach Net Zero by 2040, and underlining the importance of supplier engagement in this ambition. **Sustainability is embedded in our Trust Food and Drink Strategy** (https://www.newcastle-hospitals.nhs.uk/wp-content/uploads/2023/06/Newcastle-Hospitals-Food-and-Drink-Strategy-2022-2027.pdf). A Sustainability Monitoring Plan has been developed and is reviewed at regular meetings. We have signed the **Coolfood Pledge** and are committed to reducing the carbon emissions from the food we serve by at least 25% by 2030. The Trust has secured funding from Newcastle Hospitals Charity to implement an Electronic Meal Ordering system in 2024 which will reduce food waste and allow for healthier, planet friendly meals to be promoted.
 Journeys	**Air pollution is responsible for one in four deaths from stroke and cardiovascular disease worldwide.** We have employed a 4-year Doctor of Philosophy (PhD) Research Student to support our ambition to implement the **Clean Air Hospital Framework (CAHF)** to improve the air quality around our sites. Our score on the framework remains at 38% (*Getting There*). Whilst this benchmarks very well against our peers, we still have a long way to go to achieve our ambition of CAHF *Excellent* (>70%). We hosted a webinar for **Clean Air Day** in June 2024 and a stall at the RVI in partnership with Newcastle City Council. We have also signed a **no-idling commitment** with the North East Ambulance Service NHS Foundation Trust and neighbouring Trusts. An **Active Travel User Group** has been set up to support staff who cycle, wheel and walk to work. The Group are keen to promote active travel and support the Travel and Transport Team to ensure that facilities are suitable for staff. In recognition of our work in this area the Trust has been recognised as a **Gold Cycle Friendly Employer** following external accreditation by Cycling UK.

Care

Anaesthetic gases such as nitrous oxide and Entonox ('gas & air') are significant contributors to global warming. A Trust multi-disciplinary team has achieved success in decommissioning nitrous oxide pipework at the FH and reducing wastage in both maternity and paediatric anaesthesia at the RVI, keeping us on target for our 2030 carbon budget for these important clinical gases.

Dr Fatima Tahir, our Clinical Sustainability Fellow in Adult Oncology, won the **Bright Ideas In Health Towards Net Zero Award 2024** (https://www.newcastle-hospitals.nhs.uk/news/newcastle-hospitals-scoop-regional-award-for-sustainability-project/) for her SusQI project looking at the environmental benefits of switching from oral liquid morphine to oral-dispersible tablets. We have been successful in receiving funding from Newcastle Hospital Charities to continue the **Clinical Sustainability Fellowships**. Dr Emma Vittery has shown the benefit of this in her work with paediatric patients as part of the Eco-Influencers project run by the Northumberland Wildlife Trust.

Our **Theatre Sustainability Working Group** has gone from strength to strength. Winning the Celebrating Excellence Awards 2024 - Newcastle Hospitals NHS Foundation Trust (https://www.newcastle-hospitals.nhs.uk/about/working-for-us/celebrating-excellence-awards-2025/celebrating-excellence-awards-2024/) this year for their work on embedding sustainability into our theatres across the organisation. They are seeking to implement the Green Theatre Checklist and have successfully rolled out projects across the Trust including switching from single use to textile theatre hats.

This year we launched the **Born Green Generation** (https://www.newcastle-hospitals.nhs.uk/about/sustainable-healthcare/case-studies/), a two-year program funded by Health Care Without Harm Europe to address exposure of newborns to plastics and other harmful chemicals. The team have created a Green Caesarean Section list to reduce the carbon footprint of a caesarean Section via easy-to-replicate resource and energy efficiency measures.

Funding has been confirmed from Newcastle Hospitals Charity for the role of Trustwide **Clinical Lead in Sustainability** to provide Clinical Leadership and oversight, ensuring sustainability is embedded from Ward to Board.

People

Our Green Champion network has grown to over 900 members (>5% of all staff). In writing to our CEO they gained support for sustainability training for staff and embedding sustainability into both Clinical Board governance and Trust Strategy. In response to this, over 50% of Trust staff have completed the national e-learning module ***Building a Net Zero NHS*** and sustainability is included in corporate induction. The **Shine 10-step framework** has been mandated for Clinical Boards and Trust Board will be looking to embed sustainability into the new strategy in the coming year.

Sustainability is **embedded in our Human Resources (HR) processes**, from job adverts and job descriptions through to corporate induction.

Regular sustainability **communications** are provided to our staff including weekly InBrief content, quarterly Green News and updates on our **LinkedIn** (https://www.linkedin.com/showcase/sustainable-healthcare-at-newcastle-hospitals/posts/?feedView=all&viewAsMember=true) and **Instagram** (https://www.instagram.com/sustainablenuth/) pages.

Over 1,300 members of staff are signed up to our **Shine Rewards program**, which incentivises staff to take sustainable actions at home and at work. Actions taken by staff, and logged through the program, have resulted in avoiding 46,637 $kgCO_2e$.

Shine

Sustainable Healthcare in Newcastle

CASE STUDY: GREENING THE GREY

Staff in the radiotherapy department at the NCCC have redeveloped a large internal courtyard for the benefit of staff, patients and visitors. They were assisted with funding from **Newcastle Hospitals Charity** (https://charity.newcastle-hospitals.nhs.uk/) and our Climate Emergency Action Fund to purchase benches and plants. The space has gone from an unattractive and underutilised outdoor space to an inviting place for staff, patients and visitors to enjoy.

Sir Jim Mackey, CEO, opening the new Radiotherapy Courtyard Garden

Photograph courtesy of Barry Pells ©

The team have equipped the courtyard with attractive furniture (tables and chairs) so that patients and staff can use the space to sit out, have a drink, and relax whilst waiting for treatment, or while the staff are on a break. They have added large, freestanding planters with large shrubs and scented/sensory plants to increase the attractiveness of the space and make it a more calming environment with increased biodiversity and colourful planting.

Radiotherapy Courtyard Garden after 'Green the Grey' funding

Photograph courtesy of Barry Pells ©

Task Force on Climate-Related Financial Disclosures (TFCD) Compliance statement

NHSE's NHS Foundation Trust (FT) Annual Reporting Manual (ARM) has adopted a phased approach to incorporating the TCFD recommended disclosures as part of sustainability annual reporting requirements for NHS bodies, stemming from HM Treasury's TCFD aligned disclosure guidance for public sector annual reports. TCFD recommended disclosures, as interpreted and adapted for the public sector by the HM Treasury TCFD aligned disclosure application guidance, will be implemented in sustainability reporting requirements on a phased basis up to the 2025/26 financial year. Local NHS bodies are not required to disclose scope 1, 2 and 3 greenhouse gas emissions under TCFD requirements as these are computed nationally by NHSE. However, Newcastle Hospitals have publicly reported our scope 1, 2 and 3 greenhouse gas emissions each year, since our 2019/20 baseline year, in our detailed standalone Annual Shine Reports and Full Carbon Footprint reports and will continue to do so.

TFCD Governance

Dr Victoria McFarlane Reid (Executive Director for Commercial Development and Innovation) is Executive Lead for sustainability on the Trust Board of Directors and chairs the Sustainable Healthcare Committee. Progress towards delivery of our Climate Emergency Strategy (which includes a five-year action plan as our Green Plan and a detailed description of our governance arrangements) is reported to the Trust Board twice a year.

The Sustainable Healthcare Committee (SHC) meets quarterly and oversees climate-related issues and risks. The Trust risk register includes a climate-related risk entry, currently risk rated with score of 20, which is regularly reviewed by the SHC and the Estates Director. The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. The Head of Emergency Preparedness Resilience and Response (EPRR), supported by the Sustainability Team, has undertaken risk assessments on the effects of climate change and has a severe weather plan and climate adaptation plan in place.

TFCD Risk Management

In the standalone Shine Report for 2021-22 a number of Red Flags were identified. These were compiled into a Red Flag Register which was reviewed by our Executive Oversight Group. This Group has since been disbanded and our Internal Auditors recommended that any risks be incorporated into the Trust wide risk processes. The SHC has oversight of this process to ensure that the risks are reviewed and reported to the Trust Board. Action points on the Climate Emergency Strategy are aligned with the risks identified and are reviewed and reported on quarterly. This is in addition to the climate-related risk entry described under the previous governance section.

TFCD Metrics and Targets

Our target is to reach Net Zero for Scope 1 and 2 and some of Scope 3 (our NHS Carbon Footprint) by 2030. For the remainder of Scope 3 (our NHS Carbon Footprint Plus) our target is to reach Net Zero by 2040. We report on our emissions annually and details about this can be found in our standalone Shine report.

Our pledge to improve air quality

The Trust and Northumbria Healthcare signed a commitment alongside the North East Ambulance Service NHS Foundation Trust (NEAS) to ask ambulance crews to turn off their engines when they stop at our hospitals.

Leaving engines running whilst stationary concentrates harmful emissions, such as nitrous oxide, which can have damaging health impacts on patients, staff and visitors, especially those who are vulnerable and have underlying health conditions.

While there are occasions where ambulance crews are unable to turn off their engines – such as cooling or warming vehicles or using critical equipment – the ambulance service believes this small step can have a large impact.

One of the goals of our Climate Emergency Strategy is that we will have clean air in and around our hospitals for patients, staff and visitors and we have signed up to the CAHF to achieve this important goal. Agreeing to go idling free is an essential step to help us improve our air quality.

Health and Safety

We take the health and safety of our staff, patients and visitors very seriously.

We have a dedicated Health and Safety Committee that monitors performance through receiving reports and updates on a range of areas, including:

- Staff related incidents e.g. trips, slips, falls, violence and aggression.
- Quarterly reports on:
  - Health and safety compliance audits; and
  - The health and safety inspection programme.
- Collaborative working with recognised unions and partner agencies.
- Safe working environments.
- Provision and support of lone working devices.
- Work to reduce violence and aggression towards staff.
- Arrangements to manage and reduce staff stress; and
- A range of health and safety related training for example stress at work, Control of Substances Hazardous to Health (COSHH) and risk assessment.

During 2024/25, there were 36 incidents that met the criteria for reporting to the Health and Safety Executive via Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations (RIDDOR). All RIDDOR incidents have been investigated appropriately and, where necessary, remedial action has been implemented and lessons shared.

Mr Rob Harrison
Acting Chief Executive Officer

26 June 2025

2. Accountability Report

Board of Directors

Between 1 April 2024 and 31 March 2025, the Board of Directors met and held

- 12 Private Board meetings;
- 6 Public Board meetings; and
- 2 Extraordinary Board meetings.

One of the extraordinary meetings was convened to discuss the potential outcome of an impending legal case whilst the other focussed on Alliance developments.

In compliance with the requirements of the Health and Social Care Act 2012, the Board holds part of its meetings/some meetings in public. A private session also takes place to discuss confidential business items. During 2024/25 formal meetings of the Board of Directors took place bi-monthly in public, with a private board meeting and a development session held during the alternate months.

Meetings of the Board take place within the Trust and members of the public are able observe proceedings either in person or via Microsoft Teams.

The Board of Directors has overall responsibility for the strategic direction of the Trust, taking into account the views of the Council of Governors. Executive and NEDs have an open invitation to attend meetings of the Council of Governors.

The Board is responsible for ensuring that the day-to-day operation of the Trust is as effective, economical and efficient as possible and that all areas of identified risk are managed appropriately.

A detailed Schedule of Reservation and Delegation of Powers is in place and it sets out explicitly those decisions which are reserved for the Board, those that may be determined by standing committees, and those that are delegated to managers.

The full list of Board Committees is shown below. All of the Board Committees were created to provide assurance to the Board of Directors and each of the Committees is chaired by a NED.

- Appointments and Remuneration Committee;
- Audit, Risk and Assurance Committee;
- Digital and Data Committee;
- Charity Committee;
- Finance and Performance Committee;
- People Committee; and
- Quality Committee.

The balance, completeness and appropriateness of the members of the Board is reviewed periodically and when vacancies arise among Executives or NEDs.

The Board of Directors consists of the following voting members:

Board Member: **Sir Paul Ennals**

Interim Shared Chair
Appointed July 2024

Sir Paul Ennals CBE took up his post as Interim Shared Chair in July 2024 alongside his role as Chairman of Northumbria Healthcare.

Sir Paul brings vast leadership experience from large, complex organisations at both a national and local level. His experience ranges from Chief Executive roles with successful national organisations to chairing influential multi-agency partnerships over a 25-year period.

His professional career has been spent largely within services for vulnerable children and adults, mainly based in London. This included playing a key role in steering the Government's Every Child Matters programme during the 2000s.

Now based in North Tyneside, he was awarded a CBE in 2002 for services to children with special educational needs and was knighted in 2009 for services to children.

Prior to his appointment as Interim Shared Chair, he chaired six multi-agency safeguarding boards for children and vulnerable adults, holding the relevant agencies to account for their safeguarding activity.

Sir Paul is also president of Voluntary Organisations' Network North East (VONNE) and is on the board of Net Zero North East England.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
*4 of 4 [Public], 8 of 8 [Private], (1 of 1)**
**Paul also observed the July 2024 Public and Private Board meetings.*

Board Member: **Ms Gillian (Jill) Baker**

NED
Appointed 1 July 2019 for 3 years
Reappointed 1 July 2022 for 3 years
Stood down on 31 May 2024

Gillian joined the Board as a NED on 1 July 2019. She has over 30 years' experience working in the charity, health and local authority sectors specialising in children's social care, criminal justice and community development.

In the course of her career, she has worked in a women's refuge, in a number of community projects in the west end of Newcastle and in Scotland, as well as leading on a range of regional and national strategies for young offenders. She has also successfully set up and run a local charity.

Gillian is Director of Development at Lloyds Bank Foundation – an independent charitable trust which supports small charities across England and Wales through grant funding, capacity building and working to influence and shape their future. This involves working across all sectors, to ensure those small community based organisations remain at the forefront of dealing with a range of difficult issues, such as homelessness or drug and alcohol dependency.

Gillian has a Masters in social research, is a Churchill Fellow and a Trustee of the Community Foundation in Tyne and Wear. She has previously served as a NED with NEAS, as well as being a school governor.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
0 of 1 [Public], 1 of 2 [Private], (1 of 1)

Board Member: **Wendy Balmain**

NED
Appointed 31 January 2025 for 3 years

Wendy joined the Trust in January 2025, after a 35 year career in the health, social care and charitable sectors.

She brings extensive Board and leadership experience from Director roles within the Department of Health and Social Care, the NHS, and as a former trustee of the Motor Neurone Disease Association.

Wendy has worked with NHS providers, the Ministry of Defence and local government on large scale transformation programmes across the North East and Yorkshire, with a focus on improving access and reducing health inequalities.

Wendy is a lifelong resident of Newcastle and Gateshead and sits as a magistrate in the area.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
2 of 2 [Public], 3 of 3 [Private], (0 of 0)

Board Member: **Mrs Jackie Bilcliff**

Interim/Acting Deputy CEO from 1 March 2025
Chief Finance Officer
Appointed 5 September 2022

Jackie Bilcliff is our Chief Finance Officer (CFO) and has worked for the Trust since September 2022.

Jackie was previously Group Director of Finance and Digital at Gateshead Health and worked for the Trust since 2014. She was also Deputy Chief Executive and had been in this post since January 2022. Jackie qualified in 1996 with CIPFA and has held several positions within the private, health, and criminal justice sectors.

Jackie's responsibilities as CFO include:

- Strategic financial planning (capital and revenue);
- Leading the finance function (financial services, income and financial management);
- Ensuring financial governance and effective financial reporting;
- Financial transformation;
- Supplies and procurement; and
- The financial aspects of the Trust's PFI contracts.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 6 [Public], 10 of 12 [Private], (1 of 2)

Board Member: **Mrs Liz Bromley**

NED
Appointed 1 June 2022 for 3 years
Reappointed 1 June 2025 for 3 years
Became Interim Vice Chair on 26 September 2024

Liz joined the Trust as a Non-Executive Director in June 2022. She is Chief Executive Officer of NCG (formerly Newcastle College Group), one of the UK's largest national Further Education (FE) College Groups, and the only one with a national footprint. NCG has two colleges in Newcastle – Newcastle College and Newcastle Sixth Form, and one in Carlisle; four other colleges are in the North West, the Midlands and London.

Liz started a career in Higher Education with the Open University where she was Associate Dean in the Faculty of Health and Care and led the development of a brand new social work degree, following the Victoria Climbie review. The Faculty also introduced the first distance learning, practice based pre-registration Nursing Programme in the early 2000s. After more than 20 years working in Universities, Liz joined the FE sector and moved to the North East in 2019.

Throughout her career, Liz has led on a number of significant change programmes and service restructures and has a strong background in leadership and other professional development.

As Chief Executive of NCG, Liz is responsible for delivering the strategy, which is underpinned by a mission to enable social mobility and economic prosperity through exceptional education. NCG's vision is closely aligned to that of the Newcastle Hospitals, striving to be recognised for local impact, national influence and reach.

Liz has a number of board roles relating to her NCG work.

Liz chairs the Newcastle Hospitals Digital and Data Committee and is the Maternity Safety Champion.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 6 [Public], 11 of 12 [Private], (1 of 2)

Board Member: **Mr Graeme Chapman**

NED
Appointed 30 July 2020 for 3 years
Re-appointed 30 July 2023 for 3 years
Stood down on 22 April 2024

Graeme is an experienced industry professional, Chair and NED with over 30 years' experience delivering business transformation to commercial and public sector customers and partners. Graeme has strong multi-industry knowledge in Healthcare, Lifesciences, Government, Financial Services, Manufacturing and Utilities. Graeme is qualified to Master's degree level in Engineering and holds post-graduate qualifications in Marketing and Management.

Graeme spent his early career in Engineering but spent the later part of his career in Information Technology. Graeme worked at Microsoft for over 20 years, spending 10 years working in Health and Life Sciences with a significant focus on digital transformation strategy.

During 2023/24 Graeme was the Chair of Newcastle Health Innovation Partners, the Academic Health Science Centre for the North East and North Cumbria.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
0 of 0 [Public], 0 of 0 [Private], (1 of 1)

Board Member: **Ms Maurya Cushlow**

Executive Chief Nurse
Appointed 1 January 2019 in substantive post
(appointed 1 April 2018 on secondment as interim)
Retired 30 April 2024

Maurya was appointed as Executive Chief Nurse in January 2019, having held the post of Interim Chief Nurse at Newcastle Hospitals since April 2018.

With over 40 years' experience in the NHS, Maurya started off her healthcare career as a registered general nurse in Sunderland and has subsequently enjoyed a varied and successful nursing and management career and has worked as an Executive Director for over 20 years in the NHS.

Prior to this role she was an Executive Director of Nursing and Governance at North Cumbria University Hospitals Trust.

Previously, her roles included Accountable Chief Officer for North Tyneside Clinical Commissioning Group, Director of Operation at the NHS North of Tyne and Managing Director of Newcastle and North Tyneside Community Health Services.

In parallel, Maurya has also pursued her academic qualifications, achieving an MBA from Durham University in 2000.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
0 of 0 [Public], 0 of 1 [Private], (1 of 1)

Board Member: **Ms Steph Edusei**

NED
Appointed 1 August 2021 for 3 years
Stood down on 31 May 2024

Steph Edusei became a NED in 2021. Steph is currently Chief Executive of St Oswald's Hospice, a large specialist hospice for children and adults based in Newcastle and is a Board member for the North East England Chamber of Commerce.

Steph started her career at the FH in 1996 and joined the NHS Graduate Management Training Scheme in 2001 subsequently holding a number of middle and senior management roles across in local hospital Trusts including at Newcastle Hospitals, the North East Ambulance Service NHS Foundation Trust and in commissioning organisations. She helped set up Northumberland Clinical Commissioning Group before leaving the NHS to run Healthwatch Newcastle and Healthwatch Gateshead alongside her management consultancy and leadership coaching business.

She is a strong supporter of her local community having been a leader with Girlguiding UK for over 30 years and a school governor, and is Chair of the not-for-profit Eliot Smith Dance company.

Steph was named Northern Power Women Transformational Leader in 2022. Steph is now a permanent member of the Northern Power Women Power List in 2025.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 2 of 2 [Private], (0 of 1)

Board Member: **Mr Robert Harrison**

Appointed as Acting CEO on 1 March 2025
Appointed 1 February 2024 as Managing Director on secondment and then from 1 January 2025 as Deputy CEO.

Rob commenced in post as Acting CEO on 1 March 2025. He joined Newcastle Hospitals in February 2024 initially as Managing Director and subsequently as Deputy CEO, this role was responsible for the day-to-day leadership and management of the hospitals and services delivered by the Trust, on behalf of the Chief Executive, through the Clinical Board leadership teams.

Prior to this Rob was Managing Director of South Tees Hospitals NHS FT and part of the leadership team returning the Trust to CQC "Good" in 2023, he joined South Tees in 2020 from Harrogate and District NHS FT, where he served as Chief Operating Officer for ten successful years.

Rob holds a postgraduate diploma in Health Service Management from the University of Birmingham and a bachelor's degree in Applied Biochemistry from the University of Liverpool and worked in the Pharmaceutical research prior to joining the NHS Graduate Management Training Scheme in 2002. He subsequently held NHS management positions in Lancashire, Merseyside and Cheshire, prior to moving to Harrogate.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 12 of 12 [Private], (2 of 2)

Board Member: **Mr Jonathan Jowett**

NED, Senior Independent Director (SID) until 31 August 2024
Appointed 1 November 2016 for 3 years
Reappointed 1 November 2019 for 3 years
Reappointed 1 November 2022 for 1 year
Reappointed 1 November 2023 for 1 year
Stood down on 31 August 2024

Jonathan joined as a NED in November 2016. He was Company Secretary and General Counsel at Greggs plc until 28 February 2025, where he was a member of the Operating Board, reporting to the Chief Executive.

He is a lawyer by profession and has spent most of his career working in international manufacturing companies across a variety of sectors including medical product and consumer healthcare.

Jonathan's responsibilities at Greggs included legal and government affairs, risk management and insurances, internal audit, food safety, health and safety, sustainability and pensions' administration.

He was Secretary to the PLC board and its committees and was responsible for governance and corporate policies.

Jonathan gained national recognition from his peers in the 2012 Financial Times Innovative Lawyers awards for his contribution to developing the law on VAT on hot food. Jonathan is Chair of Trustees of the Great North Air Ambulance Service, and in his spare time, he is a Director of Darlington Football Club.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 2 [Public], 4 of 5 [Private], (1 of 1)

Board Member: **Mr Ian Joy**

Executive Director of Nursing (EDoN)
Appointed 1 March 2024 as Interim EDoN
Appointed 22 October 2024 as substantive EDoN

Ian became Executive Director of Nursing on the 1 March 2024, having held the post as Deputy Chief Nurse since July 2021.

As Executive Director of Nursing, Ian leads the organisation's 7,000 nurses, midwives and AHPs, which collectively make up the Trust's largest professional group. Ian's key role is to provide professional leadership to deliver and maintain the highest standard of clinical care and the best experience for those who use our services.

Since qualifying as a staff nurse in Newcastle over 20 year ago, Ian has held a number of clinical and senior nursing management roles across the region. Ian is a national Chief Nursing Officer (CNO) Safe Staffing Fellow having completed the first cohort of this programme nationally and supports safe staffing work streams locally, regionally and nationally.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 11 of 12 [Private], (1 of 2)

Board Member: **Hassan Kajee**

NED
Appointed 17 February 2025 for 3 years

Hassan joined Newcastle Hospitals as a NED in February 2025. He brings over a decade of NHS leadership experience, having led large-scale, high-risk transformation programmes, including the NHS Covid Pass service and major projects within the Future NHS Workforce Solution Transformation Programme.

Hassan's career spans 25 years across the NHS, higher education, and the private sector, with expertise in strategic planning, commercial negotiations, and digital transformation. As Deputy Chair of the Board and Pro Chancellor at Northumbria University, he contributed to the development of the University's new strategy and key initiatives like the £300m CHASE health education and research centre. He is a firm believer in the transformative power of education, particularly higher education, in creating opportunities and helping people from all backgrounds to achieve their potential. He is also a member of the Inclusion Advisory Board at Northumberland Football Association.

As a senior executive leadership coach and mentor, his leadership in promoting equality, diversity, and inclusion, as well as his extensive experience in navigating complex environments, positions him to provide invaluable insight and independent expertise to the Board.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
1 of 1 [Public], 1 of 2 [Private], (0 of 0)
**Hassan also observed the January 2025 Public and Private Board meetings.*

Board Member: **Philip (Phil) Kane**

NED
Appointed 24 June 2024 for 3 years

Phil joined the Trust Board in June 2024. Immediately prior to this he was a NED and vice-chair with NCIC from 2021 to 2024. He had a diverse portfolio during his tenure with membership of Quality (chair), Charity (chair), Audit and People Committees.

Phil, a native of South Shields, has over 40 years' experience of working in the NHS. After graduating from Newcastle Medical School in 1983 he undertook his higher surgical training in hospitals across the North East and London before taking up post as a consultant neurosurgeon in the South Tees Hospitals NHS Foundation Trust. He retired from clinical practice in December 2020. During his career Phil has enjoyed a variety of clinical leadership (Clinical Director Neurosurgery, Chief of Service Neurosciences, Chair of Senior Medical Staff Committee), Academic (Honorary Professor, University of Durham) and Educational (Advanced Trauma Life Support (ATLS) course director, MSc Supervisor, Academic Foundation Doctor Supervisor) roles. Phil was a peer reviewer in the national cancer programme and has given multiple presentations at national and international meetings.

Phil chairs the Newcastle Hospitals Charity Committee.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 6 [Public], 9 of 10 [Private], (1 of 1)

Board Member: **Sir James (Jim) Mackey**

CEO
Appointed 1 January 2024
Seconded to NHS England 1 April 2025

Sir James became Chief Executive of Newcastle Hospitals on 1 January 2024.

He was previously Chief Executive of Northumbria Healthcare and during this time held a two-year secondment in a national role as Chief Executive of NHS Improvement. He was knighted in 2019 for services to healthcare and was at the forefront of the region's response to the Covid-19 pandemic, which saw Northumbria Healthcare set up its own factory to make Personal Protective Equipment (PPE).

Sir James was Chair of the NHS Customer Board for Procurement and Supply and was appointed by NHSE and NHS Improvement as Senior Responsible Officer and National Director of Elective Recovery for the Elective Programme in Autumn 2021. He was acting Interim Chief Operating Officer of NHSE for a period in 2023.

Jim took up post as Interim CEO of NHS England on the 1 April 2025 to lead the transition process of NHSE being taken back into the Department of Health and Social Care (DHSC), a financial reset for the NHS and implementation of the 10 Year Plan.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
5 of 6 [Public], 11 of 12 [Private+], (2 of 2)
+Jim was unable to attend the March 2025 Trust Board meetings due to transitional arrangements regarding his role as Interim CEO at NHSE.

Board Member: **Mr Bill MacLeod**

NED, and SID from 9 September 2024
Appointed 30 July 2020 for 3 years
Reappointed 30 July 2023 for 3 years

Bill became a NED at Newcastle Hospitals on 30 July 2020 and is the SID. He is a Chartered Accountant and was a partner at PricewaterhouseCoopers LLP for 25 years specialising in Audit.

He held a number of senior positions with the firm including Senior Partner of the Newcastle office. On a national basis, he served on PricewaterhouseCoopers UK's Supervisory Board, chaired the firm's own Audit and Risk Committee and his final role was as the firm's Ethics Partner with oversight of professional ethics and conduct.

Bill joined the Council of Newcastle University in 2020 and is Audit Committee Chair. Previously, he chaired the International Advisory Board at Newcastle University Business School from 2015 to 2022. He is also a director of Newcastle Gateshead Initiative, chairing its Finance Group and a member of the Ethics Board of the Institute of Chartered Accountants of Scotland.

Bill chairs the Newcastle Hospitals Finance and Performance Committee, and the Appointments and Remuneration Committee.

Bill was Interim Deputy Chair from February to September 2024.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 12 of 12 [Private], (2 of 2)

Board Member: **Bernie McCardle**

NED
Appointed 13 May 2024 as interim NED
Appointed as permanent NED 18 December 2024 with first 3-year term running to 12 May 2027

Bernie McCardle joined the Trust in May 2024 as a NED and has had an extensive career in public service, including Northumbria Police.

Bernie is an experienced Human Resources Director whose career has spanned the public sector, including public transport, local government and police.

After retiring from his role as Corporate Services Director with Northumbria Police in 2016, Bernie set up his own HR consultancy company and has worked on a variety of projects including social housing, higher education, and prison services. He was also a NED at Northumbria Healthcare from 2018 to 2024.

Bernie is a chartered fellow of the Institute of Personnel and Development and has a particular interest in leadership, employee relations and staff engagement.

Bernie chairs the Newcastle Hospitals People Committee and is the NED lead for FTSU.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 9 of 11 [Private], (1 of 1)

Board Member: **Professor Kath McCourt**

NED then Interim Chair from 1 December 2023 to 17 July 2024.
NED from 18 July until 31 August 2024.
Appointed as a NED on 1 December 2015 for 3 years
Reappointed:
1 December 2018 for 3 years
1 December 2021 for 1 year
1 December 2022 for 1 year
1 December 2023 for 1 year

Kath joined the Board as a NED in December 2015 and has had an extensive career as a nurse, midwife and educationalist in the UK and overseas.

Kath was formerly a Pro-Chancellor and Executive Dean of the Faculty of Health and Life Science at Northumbria University.

During her career Kath has been nominated, elected and represented her employer and the nursing profession in a variety of regional, national and international settings.
She has significant Board level experience through chairing committees and groups and has been an advisory consultant to a number of overseas governments and organisations including the World Health Organisation and is presently the President of the Commonwealth Nurses and Midwives Federation.

Kath was an Honorary Colonel, 201 Field Hospital – Newcastle upon Tyne and is a Fellow of the Royal College of Nursing. She received the CBE in the Queen's Birthday Honours 2012 for services to nursing.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
2 of 2 [Public], 5 of 5 [Private], (1 of 1)

Board Member: **Dr Vicky McFarlane Reid**

Interim Executive Lead for People and Organisational Development from 6 March 2025
Executive Director for Commercial Development and Innovation
Appointed 23 September 2019

Vicky joined the Trust in September 2019. Her current role is Executive Director for Commercial Development and Innovation. She is responsible for the development of the Trust's Commercial Enterprise Unit which seeks to maximise the organisation's ability to deliver non-NHS revenues which can be reinvested back into patient care.

Additionally, Vicky is also the Interim Director for People and Organisational Development and leads the Research and Innovation work stream for the GNHA (NCIC, Gateshead Health, Newcastle Hospitals and Northumbria Healthcare).

Following the Covid pandemic, Vicky led the setup of the NEIL, which aims to accelerate the development of next generation diagnostics via effective partnership working between the NHS, academia and industry.

Vicky has a PhD in Molecular Ecology and a BSc in Biology and before joining the Trust, spent 17 years working for Leica Biosystems in the field of Cancer Diagnostics as the Director for Research and Development.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 12 of 12 [Private], (2 of 2)

Board Member: **Dr Lucia Pareja - Cebrian**

Joint Medical Director
Appointed 1 March 2024

Lucia joined Newcastle hospitals in 2015 as a Consultant Microbiologist. Following her completing her undergraduate medical training in Universidad Autonoma de Madrid, she undertook all her medical postgraduate training in the UK. She completed her speciality training in Edinburgh, following which she worked as a consultant at Mid Yorkshire Trust for nearly 10 years.

Following her appointment to Newcastle Hospitals, she became Director of Infection and Control between 2017 and 2022 and Associate Medical Director from 2018.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
4 of 6 [Public], 9 of 12 [Private], (1 of 2)

Board Member: **Christine Smith**

NED
Appointed 2 May 2023 for 3 years
Stood down on 22 April 2024

Christine has over 20 years' experience delivering Board and senior leadership roles in financial and commercial functions across a number of industries including retail, financial services, retail banking, manufacturing, education and business to business services. An experienced leader in corporate governance through Committee Chair and membership accountabilities in audit, risk, conduct and remuneration.

Christine graduated from Glasgow Caledonian University in 1994 with a bachelors degree in accountancy, proceeding to become a qualified accountant with the Chartered Institute of Management Accountants, and has been an associate member for over 25 years.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
0 of 0 [Public], 0 of 0 [Private], (0 of 1)

Board Member: **Anna Stabler**

NED
Appointed 13 May 2024 as interim NED
Appointed as permanent Non-Executive Director from 1 September 2024, with first 3-year term running to 12 May 2027

Anna joined Newcastle Hospitals as a NED in May 2024, following an extensive career as a nurse, midwife and health visitor. She has worked at director-level across the NHS in provider and commissioning organisations and as quality and risk lead at NHSE.

Anna is a professionally registered nurse and previously held midwife and public health practitioner in health visiting registration.

Anna brings significant Board level experience as an Executive and NED, as well as chairing committees, including the Trust Quality Committee.

Anna sits as a magistrate in the family court.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 10 of 11 [Private], (1 of 1)

Board Member: **David Weatherburn**

NED
Appointed 19 August 2024 for 3 years

David joined the Trust in August 2024 after a 38 year career in legal services. David is the Chair of the Trust Audit, Risk & Assurance Committee.

Born and raised in the North East, David worked for two multi-national law firms with offices in Newcastle. He specialised in health, social care and insurance, providing advice to many NHS organisations across the healthcare system in England, as well as international providers and insurers.

David has significant board experience as a former elected member of the LLP Board of DAC Beachcroft (and one of its subsidiary Boards). He led the Newcastle office of that firm for 14 years before joining Newcastle Hospitals.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
4 of 4 [Public], 8 of 8 [Private], (1 of 1)

Board Member: **Mr Martin Wilson**

Director of the Great North Healthcare Alliance and Strategy from 20 November 2024
Prior to this was Chief Operating Officer from 8 October 2018

Martin is the Director of the GNHA and Strategy. The GNHA is a partnership between the NHS Trusts in Gateshead, Newcastle, Northumbria and North Cumbria. By working together, the Trusts can deliver better care for local communities. Together they care for 1.3m patients over 4,600 square miles, employ 40,000 staff and have an annual budget of £3.4billion. By bringing together resources, expertise and skills, the Alliance of Trusts can create a health system that delivers world-class healthcare.

Martin joined Newcastle Hospitals in 2018 as Chief Operating Officer from national roles at the DHSC, and at NHSE and NHS Improvement, where he was the Director of Strategy / Deputy National Director for emergency and elective care across England.

Martin is a registered nurse and a graduate of the NHS Management Training Scheme. Having grown up and lived most of his life in Newcastle, he worked for a number of years at Northumbria Healthcare before taking on a number of director roles within the former North East Strategic Health Authority, St George's Hospital NHS Foundation Trust, University College London Hospitals NHS Foundation Trust, and McKinsey & Company.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 11 of 12 [Private], (0 of 2)

Board Member: **Dr Michael Wright**

Joint Medical Director
Appointed 1 March 2024

Dr Michael Wright is a consultant in clinical genetics and joint medical director at Newcastle Hospitals. He is also an associate clinical lecturer at Newcastle University. Michael has extensive experience in the NHS as a clinician with expertise in genetics and molecular medicine and as a medical leader working within and across local, regional and national NHS structures. He has research interests in diagnosis and management of rare bone diseases.

In his role as Joint Medical Director he has primary responsibility for professional standards and is the Trust Responsible Officer. He is working with colleagues in Newcastle University and surrounding NHS organisations to develop collaborations and partnerships which will improve healthcare in Newcastle.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
6 of 6 [Public], 11 of 12 [Private], (2 of 2)

In September 2024, a non-voting Associate NED role was agreed to be introduced.

Associate NED: Niniola (Nini) Adetuberu

Associate NED
Appointed 20 January 2025 for 3 years

Nini became an Associate NED in January 2025. She qualified as a medical doctor 20 years ago in 2005 at Imperial College, London. Since then, she has spent her career working within health and social care clinically and at local, regional and national levels within commissioning, policy and health regulation. She left Newcastle in 1998 to begin her medical training in London and returned to Newcastle in 2012 with her family. She carried out foundation training in Newcastle Hospitals and psychiatry training in Cumbria, Northumberland, Tyne and Wear NHS Foundation Trust. She gained membership of the Royal College of Psychiatrists in 2017.

Whilst in London, she carried out children's mental health joint commissioning on behalf of Camden Primary Care Trust and Camden Council, integrating services across health and social care. She has developed mental health policy at a national level in the DHSC and supported the development of the Mental Health Bill. During her time at DHSC, she also led the national approvals process for Section 12 doctors who are approved by the Secretary of State to make recommendations for detention under the Mental Health Act. She most recently led the development of regulation of mental health service providers as Deputy Director of Policy at the CQC.

Attendance at ordinary meetings (Attendance at extraordinary meetings):
2 of 2 [Public], 3 of 3 [Private]

The following senior directors also attend/attended the Board of Directors during 2024/25:

- Mrs Christine Brereton – Chief People Officer.
- Mrs Caroline Docking – Director of Communications & Corporate Affairs.
- Mrs Shauna McMahon – Chief Information Officer.
- Mrs Angela O'Brien – Director of Quality and Effectiveness.
- Mrs Rachel Carter – Director of Quality and Safety.
- Mr Rob Smith – Director of Estates.
- Mr Paul Hanson – Director of Estates, Facilities and Strategic Partnerships
- Mrs Annie Laverty – Chief Experience Officer.
- Mr Patrick Garner – Director of Performance and Governance.
- Ms Jenna Wall – Director of Midwifery.
- Mr Russell Jones – Deputy Director of Estates.
- Ms Joanne Mason – Deputy Director of Finance.
- Mrs Julie Samuel – Director of Infection Prevention Control (IPC).
- Ms Louise Hall – Deputy Director of Quality & Safety.
- Mrs Donna Watson – Acting Associate Director of People and Organisational Development.

The Board of Directors was supported by:

- Mrs Kelly Jupp – Trust Secretary;
- Mrs Lauren Thompson – Corporate Governance Manager / Deputy Trust Secretary; and
- Mrs Gillian Elsender – Corporate Governance Officer and Personal Assistant to the Chairman and Trust Secretary.

The Council of Governors has the power to terminate the appointments of the Chair and other Non-Executive Directors, subject to the approval of 75% of the memberships.

The accounts have been prepared in line with the cost allocation and charging requirements issued by HM Treasury. The Newcastle upon Tyne Hospitals NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity, the results of which are consolidated into the Group accounts. In September 2024 the Trust established a wholly owned subsidiary named Newcastle Hospitals Pharmaservices Ltd which began trading in December 2025, the results of the company are also consolidated into the group accounts.

The Trust has not made any political donations during 2024/25.

During the year, the following conflicts of interest were declared during Board of Directors meetings:

- Mr Jowett declared an interest as the Chair of the Great North Air Ambulance Service.
- Ms Edusei declared an interest as the CEO of St Oswald's Hospice.
- Sir James Mackey declared an interest as a Trustee of Alnwick Garden.
- Ms Cushlow and Professor McCourt declared interest as members of the Heath Committee for part of 2024/25.
- Sir Paul Ennals declared an interest as the Chair of Northumbria Healthcare NHS Foundation Trust.
- Mrs Anna Stabler declared an interest as a Non-Executive Director with Gateshead Health NHS Foundation Trust and as a Trustee with St Oswald's Hospice for a period of time during 2024/25.
- Mr Bernie McCardle declared an interest as a Non-Executive Director with Northumbria Healthcare NHS Foundation Trust for a period of time during 2024/25.
- Mr MacLeod declared an interest at the 28 March 2025 Private Board meeting regarding the High Value Invoice Schedule as an appointed member of the Council, Newcastle University.

During 2024/25 seven members of the Board of Directors claimed a total of £7,634.05 (2023/24 £7,077.53) in expenses. This was largely for business travel.

Well-led

Following the CQC inspection which took place throughout 2023, a report was published in January 2024 whereby the Trust received an overall rating of 'requires improvement' and a well-led rating of 'inadequate'.

In response to the inspection findings, the Trust acted quickly to implement a rapid and focused programme of improvement to address the recommendations, which included:

- An Effective Governance System - a full review and test of the systems, checks and balances in place to monitor quality, safety and risk. This work includes strengthening arrangements from Board to Ward, encompassing Clinical Board and Directorate ways of working.
- Having an open and honest incident reporting system where staff are supported to speak up, share ideas and report issues when they see or feel something could be done differently.
- Creating the best possible environment for staff and patients which includes continuing a significant piece of work with colleagues from across the organisation looking at how we work together, our relationships and our culture.

Clinical Board Leadership Development Programme

Between August and December 2024, TVC undertook a series of sessions as part of a leadership development programme with Clinical Boards. This programme continued the work on ensuring effective governance and aligning with the well-led framework to support our ongoing improvement.

Following this programme, each Clinical Board has an improvement plan in place and a set of quality and safety priorities so we can measure and demonstrate the progress we are making with our continuous improvement journey.

Improvement Plan Stocktake

In October 2024, there was an independent review of the Emergency Department, surgical services and NECTAR. This review was designed to strengthen the organisations readiness for a future inspection, prepare teams by simulating a similar inspection environment, offer real-time feedback and coaching and identifying good practice and areas for improvement. This review also included mock well-led interview and feedback sessions with Clinical Board leadership teams which incorporated reflections to build confidence and identify areas of improvement. The findings and recommendations have since been built into action plans which report through their local governance arrangements and the CQC Delivery Group.

Board Development Programme

As part of our ongoing commitment to strengthening governance and leadership, we initiated a Board Development Programme with TVC to enhance the leadership capabilities as a collective, ensuring effective governance from Ward to Board.

Audit, Risk and Assurance Committee

Committee purpose

The key purpose of the Audit, Risk and Assurance Committee is to provide the Board with:

- an independent and objective review of financial and organisational controls, the system of integrated governance and risk management systems and practice across the whole of the organisation's activities (both clinical and non-clinical);
- assurance of value for money;
- compliance with relevant and applicable law;
- compliance with all applicable guidance, regulation, codes of conduct and good practice; and
- advice as to the position of the Trust as a "going concern."

It does this through receipt of assurances from auditors, management and other sources.

Committee Membership and Meetings

The Committee is appointed by the Board from the Non-Executive Directors of the Trust and consists of at least four members with a quorum being two members. During 2024/25 there were several changes in NEDs which meant that the minimum number of four Committee members was not always achieved however the meetings were quorate on every occasion.

Ten ordinary meetings were held between 1 April 2024 and 31 March 2025. The meeting scheduled in August 2025 was a 'check in' Committee meeting and therefore attendance is not included in the table below:

	Attendance at ordinary meetings
Mr B MacLeod, Non-Executive Director *Committee Chair until 31 August 2024*	10 of 10
Mr D Weatherburn, Non-Executive Director *Committee Chair from 1 September 2024*	6 of 6
Mr J Jowett, Non-Executive Director *Committee member until 31 August 2024*	4 of 4
Ms J Baker, Non-Executive Director *Committee member until 31 May 2024*	1 of 2
Mr B McCardle, Non-Executive Director *Committee member from 22 August 2024*	4 of 6
Mrs A Stabler, Non-Executive Director *Committee member from 21 May 2024*	7 of 9

The Committee met the minimum number of five meetings per year and other attendees at the meetings have included:

- External and Internal Audit, as well as the Trust's Fraud Specialist Manager.
- Management, which included the Chief Executive Officer, the Chief Finance Officer, the Director of Communications and Corporate Affairs, the Chief Information Officer, the Executive Director for Commercial, Development and Innovation, the Managing Director/ Deputy Chief Executive Officer, the Director of Performance and Governance and other Executive Team members.
- The Trust Secretary and team members who provide Secretariat Support to the Committee.
- The Head of Corporate Risk & Assurance.
- Clinical Board/Corporate Services representation.
- The Designated Individual for Autopsy Services.
- The Chair and other NEDs.
- The auditor of the Trust Charity.
- Senior finance team and IT team members.

In addition, Governors Philip Home and Chris Record observed six Committee meetings in total.

During 2024/25, the following training/ briefing sessions were provided to Committee members (and offered to all Board members)

- Board Assurance Framework and Risk Appetite – 26 March 2025. The purpose of the session was to discuss the Boards Risk Appetite in order to develop a new Risk Appetite Statement.

Governance, Internal Control and Risk Management

The Committee is required to review the establishment and maintenance of an effective system of integrated governance, risk management and internal control across the whole of the Trust's activities that supports the achievement of the Trust's objectives, internal control and risk management.

The Audit, Risk and Assurance Committee had a Schedule of Business for the year and uses a rolling programme and action log to track committee actions.

The Committee has reviewed:

- Its Terms of Reference and Schedule of Business.
- The Head of Internal Audit opinion (June 2024).
- The Board Assurance Framework (BAF); being the underlying assurance processes that indicate the achievement of corporate objectives and the effectiveness of management of principal risks.
- Risk management arrangements, the revised Risk Management Policy and the annual BAF Risk Management Annual Report.
- Amendments required to the Scheme of Delegation, Standings Orders and Standing Financial Instructions.
- The response to the External Auditors on:
  - ISA+240: Audit Committee responsibilities for preventing fraud in the Annual Accounts.
  - ISA+250: Audit Committee responsibilities for being satisfied that the Annual Accounts comply with laws and regulations.
  - ISA+501: Specific consideration of the potential for, and actual, litigation and claims affecting the financial statements.
  - ISA+570: Consideration for the Going Concern Assumption in an audit of financial statements.

Committee members endorsed the response for submission to the External Auditors for the year.

The BAF focuses on the key risks against achievement of the strategic objectives. The BAF is a 'live' document which is continuously reviewed and updated by the Corporate Risk & Assurance Department with regular updates to the Committee.

Each Committee of the Board has a responsibility to review, assess and gain assurance on the effectiveness of mitigations and action plans as set out in the BAF specific to the Committee purpose and function. Bi-monthly each Committee of the Board receives a report detailing the:

- Executive Lead review undertaken during the previous month and any recommendations for risks held on the Board Assurance Framework aligned to that Committee;
- Assurances received and any areas requiring Committee consideration;
- Risks held on the BAF and movements in the risks, along with risk mitigations, threats, assurances and any gaps in assurance.

During 2024/25 the Trust continued to work with The Value Circle who provided advice and support in ensuring an effective governance system was in place from Ward to Board.

Escalations from other Committees appears as a standing agenda item on the ARAC meeting agendas, with any matters raised for the Committee members' attention by exception.

The 2024/25 Risk Management and BAF audit reports received good assurance ratings from AuditOne, with no high-risk recommendations, reported to the March 2025 Committee meeting.

Bi-monthly deep-dives were conducted into Clinical Board risks, conducted on rotation across the Clinical Boards.

The Committee is satisfied that the system of risk management in the organisation is adequate in identifying risks and allows the Board of Directors to understand the appropriate management of those risks. The Committee believes there are no areas of significant duplication or omission in the systems of governance (that have come to the Committee's attention) that have not been adequately resolved.

Internal Audit

The Committee has ensured that there is an effective internal audit function established by management that meets mandatory Internal Audit Standards and provides appropriate independent assurance. The Trust receives its internal audit service from AuditOne.

This was achieved by:

- Reviewing and approving the Internal Audit Plan 2024/2025, including regular updates of performance against the Plan.
- Consideration of the major findings arising from internal audit work and management's responses.
- Receipt of the Internal Audit Annual Report, Head of Internal Audit Opinion and Internal Audit Charter/Protocol.
- Monitoring progress with implementation of agreed audit recommendations.
- Integrated Care Board (ICB) external review of Financial and Workforce controls report.

The Committee received a report from the internal auditor at each of its Committee meetings which summarised the audit reports issued since the previous meeting.

The internal audit plan for 2024/25 was based on a risk assessment approach centred on discussions with senior staff and Directors and was linked to the organisation's assurance framework. Assurances from Internal Audit reports are, where possible, mapped to the BAF clearly in the BAF document itself.

Good progress continued to be made during the year in relation to the completion of historic internal audit recommendations.

A number of high priority recommendations were identified by Internal Audit and reported during 2024/25, these covered the following internal audits:

- Security over sensitive areas - Reasonable Assurance (reported April 2024).
- Enhanced Care Observation (ECO) Policy - recommendations related to record keeping, monitoring arrangements for coverage of ECO in local induction, the local induction checklist being out of date and excluding ECO arrangements for appropriate staff, the ECO Policy not defining which staff are "appropriate" in relation to ECO training and non-compliance with section 10 of the ECO policy - Limited Assurance (reported April 2024).
- Starters and Leavers Processes – recommendations related to investigating the inactive accounts and where necessary disabling such accounts, and establishing a regular review process to monitor the activity and usage of accounts within the Active Directory (including periodic audits) - Limited Assurance (reported April 2024).
- Emergency Department Mental Capacity and Mental Health Screening - Unrated advisory report (reported April 2024).
- Inpatient Capacity and Mental Health Screening - Unrated advisory report (reported April 2024).
- Consultant Job Planning - Unrated advisory report (reported April 2024).
- Safeguarding – recommendations related to establishing a schedule of planned safeguarding related audits and associated progress monitored, reporting of issues and actions arising from the NSAB meetings and Trust representation at such meetings, use of standing agenda items for the Safeguarding Committee/ Group meetings and terms of reference updates to include reporting lines - Limited Assurance (reported July 2024).
- Risk Management - a recommendation was reiterated regarding Datix functionality and improvements required - Reasonable Assurance (reported July 2024).
- Policy management and maintenance - a recommendation was highlighted in relation to prioritising out of date policies according to their risk profile - Reasonable Assurance (reported July 2024).
- Catering Stores - a recommendation was raised regarding the completion of hygiene inspection reports - Reasonable Assurance (reported July 2024).
- Appraisals - the recommendation related to taking further actions to improve appraisal compliance rates - Reasonable Assurance (reported October 2024).
- Management of Slips, Trips and Falls - a recommendation was raised regarding completion of adult inpatient falls assessments and associated assurances - Reasonable Assurance (reported October 2024).
- WHO Surgical Checklist - the recommendations related to record keeping and completion of surgical checklist - Reasonable Assurance (reported October 2024).
- Fundamentals of Care - Unrated advisory report (reported October 2024).
- NHS England / ICB Financial Controls Review - Unrated advisory report (reported January 2025).
- Enhanced Care Observation Policy (Follow Up) - recommendation reiterated from the previous report (see earlier point) - Reasonable Assurance (reported January 2025).
- Dermatology (Waiting List Management) - the recommendation related to arrangements for monitoring the waiting list - Reasonable Assurance (reported January 2025).

Regular updates on the progress in relation to high priority recommendations were received by Committee members during the year from management and internal audit.

Internal Audit performance against Plan was discussed regularly during the year.

Benchmarking reports were provided by AuditOne on:

- Outstanding recommendations
- Head of Internal Audit Opinions

External Audit

The Committee has reviewed the work and findings of external audit and considered the implications and management responses to their work.

This was achieved by:

- Discussing and agreeing with the external auditor the nature and scope of the audit as set out in the External Audit Annual Plan.
- Reviewing external audit reports, together with the appropriateness of management responses.
- Reviewing the Audit Strategy Memorandum for 2023/24.
- Receiving the year-end Audit Completion Report (which included the Annual Audit Opinion) and the Annual Audit Report (which referenced the Value for Money audit work).

The Council of Governors has the statutory responsibility for the appointment of the external auditors, and this process is led by a sub-group of public Governors supported by Trust officers and the Chair of the Audit Committee. During 2023/24, a robust procurement and evaluation process was undertaken regarding the external audit contract with Forvis Mazars LLP reappointed as the Trust's external auditors for an initial three year term commencing in the 2024/25 financial year – approval from the Trust's Council of Governors was granted in February 2024. This followed a satisfactory review of external audit performance undertaken.

The Forvis Mazars LLP external audit fees for 2024/2025 were:

- Statutory Accounts £145,000 (excluding VAT) which is higher than the statutory fee invoiced for 2023/24 (£90,000 excluding VAT). The fee increase arose during the tender exercise whereby it was evident that existing Trust external audit fees were low when benchmarked against other Trusts. In addition several external audit providers were withdrawing from the NHS audit market and therefore the fee increase was as expected. Contact with e.g. other Trusts within the Great North Healthcare Alliance has identified that the 2024/25 audit fees remain both relatively and factually lower than others.

The audit of the Charity Accounts is undertaken separately by Robson Laidler, with a 3-year contract in place.

For 2024/25, there was no mandated requirement to undertake external audit procedures on the Quality Report and therefore no fee was charged in relation to this.

To ensure that the independence of the external auditors is not compromised where work outside the scope of the Audit Code has been procured from the external auditors, the Trust has a policy which requires that no member of the team conducting the external audit may be a member of the team carrying out any additional work and their lines of accountability must be separate.

During 2024/25, the Trust's policy on Non-Audit Work was reviewed and updated. It was considered at the July 2024 Committee meeting and subsequently reviewed/approved by the Council of Governors. The policy requires review every three years.

No additional services/non-audit work was carried out by Forvis Mazars LLP during 2024/25.

Management

The Committee has challenged the assurance process when appropriate and has requested and received assurance reports/ verbal updates from Trust management throughout the year. Examples of areas of challenge have included:

- Production of the Risk Appetite Statement.
- Identifying a process to cross reference content from the required disclosures in the Annual Reporting Manual with those in the Group/Trust Annual Report.
- Referrals back to the Quality Committee to seek an update/assurances on processes regarding:
  - The implementation plan/rollout of the new InPhase incident/risk system.
  - Reporting of claims and incidents.

Financial Areas of Review

The Committee has ensured that the systems for financial reporting to the Board are subject to review.

The Committee has achieved this primarily through review and approval of the Annual Accounts, including those of the Newcastle upon Tyne Hospitals NHS Charity. The Committee also reviewed the External Audit Opinion and fed back relevant comments for consideration by the external auditors.

In the course of 2024/25, there were no significant issues that the Committee had to consider in relation to the financial statements. During the year, the Committee reviewed the following key areas of management judgement and significant risks:

- PFI/International Financial Reporting Standard (IFRS) 16 transition (Trust);
- Management over-ride of controls (Group and Trust);
- Valuation of property, plant and equipment (Group and Trust); and
- Risk of fraud in revenue recognition (Group and Trust).

Other areas discussed between External Audit and Management during the year, and reported to the Committee (as appropriate), related to the value for money work and subsidiary developments.

These have been considered through the presentation of the external audit plan, associated progress updates and discussions during Committee meetings.

The Committee Chair attends the Trust PFI Steering Group meetings, alongside the CFO and Director of Estates, Facilities and Strategic Partnerships.

Other Areas of Action and Review

The Committee has:

- Reviewed details of all Losses and Compensation Payments.
- Received reports on approved single tender actions and breaches and waivers where applicable.
- Reviewed regular debtors and creditors reports.
- Received and approved the Counter Fraud annual plan and self review tool, as well as regular updates in the form of the Fraud response log, associated progress reports, and the Annual Report on Counter Fraud.
- Reviewed the content of the statutory Annual Report (including the Annual Governance Statement).
- Received an update from the Designated Individual for the Trust Mortuaries and a subsequent report on regulatory compliance and improvement plans.
- Reviewed and approved changes to the Trust Scheme of Delegation, Standing Financial Instructions and Standing Orders.
- Approved changes to the Accountability Framework.
- Received the Annual Accounts preparation timetable and subsequently the Annual Accounts and Going Concern Review.

- Considered the findings of an external review undertaken by The Value Circle and the associated action plan.
- Received updates on:
  - Changes to the Compliance and Assurance Group;
  - An assessment of overdue internal audit recommendations;
  - Standards of Business Conduct, including declarations of interest and the annual review of the register of gifts and hospitality;
  - The Clinical Audit Process and National Clinical audits;
  - External Visits compliance;
  - Fit and proper persons; and
  - The national payroll exercise.
- The Annual Report of the Committee / self-effectiveness review.
- Received an annual report on special severance payments/settlement agreements.
- Approved the Trust's Annual Modern Slavery Act Statement.
- Received the Health and Safety Annual Report.
- Received an action log to follow up previous Committee meeting actions.
- Discussed assurance from the People Committee as to whether arrangements by which staff may raise concerns are operating effectively.
- Approved the Internal Audit Charter and Protocol (July 2024).
- Reviewed the performance of Internal Audit, External Audit and Counter Fraud.
- Received the minutes / chairs logs from associated Committees/Groups – Finance; People; Quality; Charity; Digital and Data; and Compliance and Assurance.

Better Payments Practice Code (BPPC) and Income Disclosures

BPPC

The Trust is required to pay trade creditors in accordance with the national BPPC and Government Accounting Rules, which require that:

- Bills are paid within 30 days, unless covered by other agreed payment terms;
- Disputes and complaints are handled by a nominated officer;
- Payment terms are agreed with all traders prior to the commencement of contracts;
- Payment terms are not varied without prior agreements with traders; and
- There is a clear policy of paying bills in accordance with contracts.

Any complaints received from traders regarding payments were recorded, investigated and the appropriate action taken, where necessary.

The Trust paid 93% of non-NHS trade invoices within target (2023/24: 95%) and 94% of NHS trade invoices were paid within target (2023/24: 90%). Full details of the Trust's performance against the BPPC are included within note 6.1 of the Annual Accounts.

Income Disclosures

The Trust has complied with Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) which required that the income from the provision of goods and services for the purposes of the health services in England must be greater than its income from the provision of goods and services for any other purposes.

The impact of other income on the Trust is insignificant. The Trust statutory accounts include a detailed breakdown of other income in notes 3 and 4 of the Accounts and further information is disclosed in the Operating and Financial Performance section.

Overview of Quality Priorities 2024/25

Information relating to the Trust's Quality Priorities is outlined in detail in the Quality Account 2024/25. Progress against the priorities has been monitored over the last 12 months by the Trust Board and the Quality Committee.

We committed to five priorities for improvement in 2024/25 and an overview of the progress made for each priority is summarised as follows:

Patient Safety

Priority 1 – To improve patient safety by ensuring staff feel free to report safety concerns, incidents and near-misses, resulting in an overall increase in incident reporting rates.

Staff need to have clarity and confidence in our incident reporting and learning mechanisms, knowing reported events will be escalated and acted on in an effective manner and supported by compassionate leadership. This being underpinned by a 'Just Culture' that supports fairness, openness and learning, whilst encouraging staff to speak up without fear of blame. Using intelligence gathered from staff and findings from our CQC inspection reports (2023), there was an acknowledgement that we needed to simplify the incident reporting system, to make it easier for staff to report when things go wrong and to increase incident reporting rates. In addition, by ensuring that learning and feedback was captured and disseminated, we would strengthen the reporting culture across the organisation and improve safety performance.

Significant work has been undertaken to review, simplify and improve the Datix system. The Trust is now implementing a replacement system, InPhase, and this programme has incorporated learning gained from our experience with Datix. We can now demonstrate reduced numbers of overdue incidents (368 overdue as of 21 March 2025, compared to 1,039 in November 2023).

We have implemented the NHSE Patient Safety Syllabus and training uptake continues to increase. Monthly patient safety briefings are now recorded and shared via the Teams for staff to easily access. There are also plans to extend to this to community services.

All the Clinical Boards have presented an overview of the no harm, low harm and local investigations undertaken since the introduction of the Patient Safety Incident Response Framework. They can visually review no harm and low harm incidents more easily and analyse any trends within their data and whether this has led to any quality improvement projects. For local investigations, the Clinical Boards analyse the themes, trends and where the learning has been shared. The learning from After Action Reviews and Patient Safety Incident Investigations has been presented at the Patient Safety Incident Forum from May 2024 onwards and are shared with local teams.

An overarching communications and engagement plan was put in place for incident reporting and learning. A Patient Safety Walkabout weekly programme continues into 2025, engaging with front line staff across both main inpatient sites and community sites.

Success has been evidenced in reviewing reported incident numbers, from 1 February 2023 to 31 January 2024, 25,534 incidents for all Trust services were reported on the Datix system. For the period 1 February 2024 to 31 January 2025, 27,530 incidents were reported. This represents an overall 7.8% increase in reporting for the organisation for all types of incidents.

From 1 February 2023 to 31 January 2024, 20,696 Patient Safety Incidents (PSI) were reported on the Datix system. For the period 1 February 2024 to 31 January 2025, 21,746 incidents were reported, an increase of 4.8%.

Priority 2 – Achieve a reduction in the incidence of surgical 'never events' with a specific focus on Ophthalmology, sharing the learning to inform and improve practice across other surgical specialities.

A Never Event is *"A serious, largely preventable patient safety incident that should not occur if the available preventative measures have been implemented by healthcare providers."* Within ophthalmology there had been three Never Events in 2023/2024 (1 x wrong site surgery x 2 wrong lens implant). We aimed for a reduction of Never Events in ophthalmology to zero within 2024/2025.

In order to achieve this the following initiatives were undertaken:

- All new staff now undertake a training package on the use of 'local safety standards for invasive procedures' in the department. All staff completed this training by March 2025.
- A quarterly audit undertaken around the compliance of Local Safety Standards Invasive Procedure is in place, with the results showing 87% compliance. As part of the recommendations from this audit, there is now a review of second checker availability by the ward sister and an escalation process if a second checker is unavailable. There is also an annual peer review around local safety standards invasive procedure.
- For cataract surgery we have reviewed and updated the local policy relating to the cataract surgery lens check procedure and specialty specific World Health Organisation surgical checklist. This has included a review of the 'site marking' procedure to ensure site marking was always visible during the 'draping' procedure.

One never event was reported within the reporting period (in April 2024). This was regarding a patient who received an intraocular lens implant into the incorrect eye, the surgery was carried out at the end of 2023. This underwent a full investigation by the Trust Clinical Governance and Risk Department with input from the speciality. Learning has been disseminated and discussed through the appropriate routes internally and with the Integrated Care Board.

Clinical Effectiveness

Priority 3 – To ensure reasonable adjustments are made for patients with suspected or known Learning Disability &/ or Autism. Appropriate and consistent use of Mental Capacity Assessment & Deprivation of Liberty Safeguards for patients with vulnerabilities.

We aimed to increase compliance with Mental Capacity Act, Best Interest Decision making, Deprivation of Liberty Safeguards and the Equality Act 2010 so that patients were appropriately supported and protected whilst in our care.

To achieve this, we undertook the following:

- Training sessions relating to autism awareness have been provided to attendees of all disciplines.
- Project work with local advocacy organisations Skills for People has commenced in both adults and children's emergency departments, this has led to easy read documentation about raising a complaint, implementation of reasonable adjustments and a pilot of Quality Checkers (experts by experience reviewing services). Skills for People have

also developed a training video about the use of the reasonable adjustments form, and they are helping us with the development of our Learning Disability and Autism Strategy.

- We have seen an increase in the number of Mental Capacity Act and Deprivation of Liberty related enquiries which demonstrates an increase in staff knowledge. Staff continue to complete assessments of capacity for patients who are deprived of their liberty. Ongoing audits show the quality of best interest assessments has improved.
- There is a quarterly audit of the patient record regarding the quality of Deprivation of Liberty Safeguards referrals.

We would like to acknowledge and thank Skills for People for their support with this work.

Patient Experience

Priority 4 - To ensure the Trust has a systematic way of improving from patient and staff feedback in all its forms.

Our people are central to improving the quality and delivery of safe and compassionate care. How they experience the culture of the organisation and how they feel about their workplace directly impacts on their ability to care for patients, their team, themselves, and their families. To undertake this work we have employed an approach to understanding and improving patient and staff experience across multiple hospital sites, which has been used successfully in other trusts. We set out to really understand quality in real time and with enough granularity to inform improvement.

Success was evidenced by excellent engagement with patients, families, and communities – we now have the largest patient experience programme in the NHS.

We reached an average of:

- 1,000 responses from inpatient services a month;
- 1,000 responses a month from patients using the Emergency Department;
- 6,400 responses a month from outpatients;
- 1,600 responses a month from day-case services; and
- 100 responses a month across antenatal, labour/birthing and postnatal services.

Priority 4a - With new midwifery leadership, agree a staffing model for the birthing unit and associated staff development plan, to honour our commitment to consistent opening of the birthing centre 2024/2025.

Care that is personalised, which includes choice of place of birth, is a core theme in the three-year plan for Maternity and Neonatal Care. We have heard from women via the Maternity and Neonatal Voice Partnership, that place of birth is an important choice and that access to midwifery led birth services, as well as homebirth and obstetric led care is essential to them. We wanted to provide a safe and sustainable midwifery staffing model to support choice in place of birth either at home, in the co-located midwifery led unit (Newcastle Birthing Centre) and on the Delivery Suite for all women who choose to have their babies in Newcastle.

We successfully opened the Newcastle Birthing Centre on 2 December 2024, welcoming 35 babies into the world in the Birthing Centre in December, and 38 in January 2025. Our services remain open twenty-four hours a day, seven days a week, with all women having choice in the place of their birth. We have also developed a staffing model that ensures we can responsively staff each intrapartum area to ensure every woman received one to one care in labour in the birth location of her choice. We have seen a reduction in the midwifery vacancy rate to less than 10 Whole Time Equivalents (WTE), and a reduction in midwifery turnover rate to 6.4% on the Delivery Suite and 4.3% on the postnatal ward.

Quality Priorities for Improvement 2025/26

Following discussion with the Board of Directors, the Council of Governors, patient representatives, staff and public, the following priorities for 2025/2026 have been agreed. A public consultation event was held in January 2025.

Priority 1 – Supporting staff to report incidents with an enhanced focus on shared learning and a systems-based approach to improvement. (A systems-based approach focuses on the analysis of the collective effects of a wide range of factors such as environment, tasks, tools and technology and interactions between people to help develop stronger improvement ideas and a culture of continuous learning).

Priority 2 – Safer and more effective medicines use.

Priority 3 – Ensuring mental capacity, best interests decision making and deprivation of liberty safeguards are considered appropriately for inpatients with a learning disability.

Priority 4 – Expanding the Accrediting Excellence programme for wards and departments.

Priority 5 – Waiting safely - Improving safety for patients who are waiting for treatment. (We will focus on patients who are waiting for a total knee replacement operation, with the aim of optimising health before and after the procedure).

Priority 6 – Roll out of our patient experience real time surveys.

As well as the above priorities, we will also ensure that the work to produce our Quality & Safety Strategy is progressed. This work was put on hold during 2024/25 due to a change in leadership of the Clinical Governance and Risk Department. This will link to the wider work on the Trust Clinical Strategy which is now underway in 2025/26.

Annual Statement on Remuneration

The Trust Board has an Appointments and Remuneration Committee, which has been in place since the organisation was established. The Committee advises the Board on appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other senior members of staff on Very Senior Manager (VSM) terms and conditions.

The Committee has clear Terms of Reference that are regularly reviewed, the last review having been undertaken in March-April 2025.

The membership of the Committee is made up of the Chair and a minimum of two NEDs. The Chief Executive, the Executive Director with responsibility for People and Organisational Development (OD) and the Trust Secretary also attend as appropriate.

The Committee met on thirteen occasions during 2024/25:

	Attendance at ordinary meetings	Attendance at extraordinary meetings*
Mr J Jowett, NED, SID and Committee Chair to 31 August 2024	2 of 2	0 of 0
Mr B MacLeod, NED and Committee Chair from 1 September 2024. Became SID from 9 September 2024	9 of 9	4 of 4
Sir Paul Ennals, Interim Shared Chair and Committee member from 17 July 2024	8 of 8	4 of 4
Professor K McCourt, Interim Chair to 17 July 2024 and then NED and Committee member to 31 August 2024	2 of 2	0 of 0
Mr B McCardle, NED	9 of 9	4 of 4
Mrs A Stabler, NED	7 of 7	3 of 4
Mr D Weatherburn, NED	6 of 7	4 of 4
Mrs L Bromley, NED	3 of 3	2 of 4
Ms W Balmain, NED	2 of 2	1 of 1
Mr P Kane, NED	1 of 2	1 of 1

* The extraordinary meetings were convened at short notice and therefore attendance was impacted by pre-existing commitments for some NEDs.

The extraordinary meetings were convened to discuss Executive Team member changes, as well as interim changes to the Executive Team member composition following the secondment of the CEO to NHSE.

None of the NEDs have a service contract and there are no special provisions for early termination of contracts.

The remuneration for NEDs is determined by the Council of Governors, as delegated to the Nominations Committee, which last considered the fees paid to NEDs in January 2025, and to the Chair in June 2024, alongside the guidance issued by NHSE and NHSI regarding the *'Structure to align remuneration for chairs and Non-Executive Directors of NHS Trusts and NHS Foundation Trusts'*.

The level of remuneration for NEDs is paid to reflect the time commitment of around 4-5 days per month.

Further during 2024/25, the Committee:

- Continued to be advised on national developments regarding the taxation of pension entitlements. The Committee agreed to introduce a local policy facilitating an 'opt out and additional pay scheme' from 1 November 2019 which continued to remain in place during 2024/25, the purpose being to protect and retain capacity.
- Was briefed on the acceptance of the national pay offer made to consultants, whereby funding for Local Clinical Excellence Awards (LCEAs) was being redeployed into remuneration and therefore the contractual entitlement to access an awards round would cease.
- Considered the annual review of Director, VSM and Senior Clinician Pay and the National Pay Award, as well as any ad hoc changes to remuneration.
- Was advised on the outcome of the annual performance appraisal exercise.
- Considered/approved VSM pay, and the remuneration packages of individual Executive Team members as appropriate.
- Received updates on VSM recruitment and oversaw the process for the appointment of the:
  - Chief Experience Officer who commenced in the permanent role on July 2024, following a secondment into Newcastle Hospitals from February 2024.
  - Director of Performance and Governance who commenced in September 2024.
  - Director of Quality & Safety who commenced in December 2024.
  - Deputy Chief Executive Officer (DCEO) who commenced in February 2025. The DCEO had been undertaking the Managing Director role in Newcastle Hospitals, on secondment from South Tees Hospitals NHS Foundation Trust since February 2024.
  - Director of Estates, Facilities and Strategic Partnerships who commenced in January 2025.
  - Executive Director of Nursing who commenced the permanent role from October 2024.
  - Director - Great North Healthcare Alliance & Strategy who commenced in role in November 2024.
  - Director of Innovation who commenced in role in October 2024.
  - Director of Pharmacy who commenced in January 2025.
  - Chief Digital Officer who is due to commence in Quarter 1 2025/26.
  - Interim Executive Director of Operations who commenced in April 2025.
- Agreed interim Executive Team member arrangements where required during the year and considered/approved Senior secondments.
- Discussed changes in role titles for VSMs.
- Approved the content of the Annual Report on Remuneration.
- Discussed the development of a Voluntary Redundancy (VR) Scheme.

Mr Bill MacLeod
Committee Chair

26 June 2025

Annual Report on Remuneration

Remuneration Policy

Introduction

The Appointments and Remuneration Committee is responsible for determining the remuneration of the Chief Executive, Executive Directors and VSMs. The definition of VSM is a person with authority or responsibility for directing or controlling the major activities of the Trust; it also includes those who influence decisions of the organisation as a whole including advisory and non-executive board members.

The Committee is chaired by the Trust SID. The Chief Executive and Executive Director with responsibility for People and Organisational Development (OD) will provide advice to the Committee in their consideration of the terms and conditions of employment.

Pay Setting and Review Process

The Committee is cognisant of the requirements set out in the Guidance. It is committed to ensuring the Trust is able to offer proportionate and fair remuneration packages, reflective of the responsibility of working in a large and complex environment and to promote the long-term success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace.

The Committee is also responsible for ensuring a formal and robust system is in place to monitor and evaluate the performance of VSMs.

Future Policy Table:

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	The following factors are taken into consideration when determining pay for VSMs: • Responsibilities, duties and accountabilities of the post holder. • Skills, experience and individual performance against objectives, values, core behaviours and the resulting performance rating from appraisal. • Consideration and recognition of additional responsibilities or achievements relating to Trust performance/quality, CQC ratings, the annual plan and strategic objectives. • Remuneration benchmarking reports against relevant regional and peer comparators (e.g. Shelford Group), including any 'cost of living' increases. • Prevailing market conditions and national context. • Value for money. • Ministerial opinion. The Committee reserves the right to approve specific increases in exceptional cases, for example, significant change to an individual's role.	There is no prescribed maximum limit.	Not applicable.
Taxable benefits	Very senior managers' benefits include: • A car allowance by exception only. • Contributory NHS Pension Scheme - not all VSMs participate in the Scheme. The Trust does not routinely facilitate an 'opt out' and reimbursement to an amount equal to the employer pensions contributions. Non-Executive Directors do not receive benefits.	There is no prescribed maximum limit.	Not applicable.

Component of pay*	How the Trust operates this in practice	Maximum limit	Performance measures
Pension	The Trust operates the standard NHS Pension Scheme. In addition, we have a Local Employer Contribution Recycle Scheme. The scheme offers a cash alternative to employer contributions (to the NHS Pension Scheme) where employees opt out of the NHS Pension Scheme and satisfy specific criteria (as defined in the policy).	As per standard NHS Pension Scheme. As per policy.	Not applicable.
Earn-back and bonus	From 2018, and in line with the Guidance, a transition to a revised VSM remuneration package was introduced for new VSM appointments or following review of the current portfolio of a substantively employed VSM. The revised employment contract incorporated two key changes to pay: • An element of earn-back** (i.e. an element of base pay placed at risk and 'earned back' if agreed performance objectives are achieved). • Eligibility for consideration of a non-consolidated, non-pensionable performance-related pay (PRP) bonus conditional upon achieving performance objectives. This is intended to incentivise achievement of key strategic outcomes. * Each component links to our strategic goals. ** In NHS Terms and Conditions of Employment from 1 April 2021, in the year after staff have reached the top of bands 8c, 8d or 9, 5% of basic salary will become re-earnable. Where standards are met salary is retained at the top of the band. If standards are not met salary may be reduced by 5% or 10% from the pay-step date. Salary can be restored to the top of the band at the end of the following year by meeting the required standards. On 17 November 2021 Committee members revisited the two changes to pay noted above and agreed that any VSM appointments from that point onwards would not include an earn-back element in their employment contract.		For those Directors who are eligible to be considered for a bonus / earn back provision as per their employment contract, objectives are set at the start of the financial year and achievement is considered at the end of the year. If objectives are not achieved then the Trust has the right to reclaim back/ withhold the percentage of salary 'earnback'. The Appointments and Remuneration Committee approves whether a bonus is paid or earnback applied.

VSM Pay Guidance

Historically, NHS Foundation Trusts have been free to determine their own rates of pay for VSMs and the Trust has used this autonomy and flexibility to respond to individual and local circumstances.

Following implementation by NHSI of a VSM pay approval process outlined in 'Guidance on pay for very senior managers in NHS Trusts and Foundation Trusts' (latest version March 2018) the following conditions were introduced:

- NHS Foundation Trusts are required to seek opinion via DHSC and the Minister of State for Health on VSM salaries at appointment, or any individual/group increase (outside nationally recommended cost of living increases).
- This applies to all on-payroll VSM appointments in NHS Foundation Trusts where the annual salary is £150,000 or above; it also applies to acting-up arrangements, promotions/pay rises for individuals in post earning £150,000 or above, and NHS secondments and conversion of off-payroll interns into on-payroll arrangements.
- £150,000 is the threshold used in the Civil Service for approval by the Chief Secretary to the Treasury and considered a suitable benchmark above which NHS Trusts are required to seek opinion. Some of our very senior managers are paid more than the threshold. In these instances, the Appointments and Remuneration Committee has taken steps to assure itself that the pay received by these individuals is commensurate with market conditions, the responsibilities and duties of the role, and is regularly reviewed to ensure that the Trust is receiving value-for-money. One of the ways in which the Committee does this is by reviewing remuneration benchmarking reports to assess the market rate.

At the time of writing this report (April 2025), publication of a VSM National Pay Framework is awaited.

Performance Review

A key outcome of the appraisal review process is to review progress against previously determined Personal Objectives via the process of an effective conversation. During 2024/25 the appraisal process was reviewed and a new approach agreed. From 1 April 2025 appraisal conversations focus on 4 key themes; contribution and performance, development and career, behaviour and values and health and wellbeing. In line with guiding principles outlined in the appraisal policy, consideration is given to how an individual has achieved their objectives as well as what has been achieved.

The appraisal discussion also includes consideration of career aspirations and plans or retirement intentions. This information is used to inform the leadership development strategy including succession planning and talent management.

The Committee has oversight of VSM performance via the provision of an annual appraisal summary statement. Personal Objectives are set annually and ensure that specific strategic, quality, financial or operational objectives are closely linked with the strategic priorities of the Trust.

During the year 2024/25, a consolidated salary uplift of between 5-5.5% was applied to applicable Executive Directors and VSMs backdated to 1 April 2024 based on the recommendations as set out by NHSE.

Service contract obligations

All VSMs are subject to permanent (substantive) employment contracts. The notice periods applied to individual contracts currently range from three to six months, depending on the individual contract.

Policy for payment on loss of office

No special provisions are made regarding early termination or termination payments. Executive Directors and VSMs are subject to the normal performance management processes and sanctions. Terminations resulting from redundancy are in accordance with the provisions of national terms and conditions, in the event of retirement, in accordance with the NHS Pension Scheme.

Equality, Diversity and Inclusion (EDI) in remuneration

Our approach to reward is grounded in transparency, accountability, and fairness, ensuring that pay decisions are evidence-based, equitable, and aligned with our strategic priorities. We are committed to:

- Embedding equity into all aspects of remuneration, using data-driven insights to identify and address disparities.
- Ensuring transparency by openly communicating how pay decisions are made, benchmarked, and reviewed.
- Aligning reward with performance in a way that is robust, justifiable, and reflective of both individual and organisational success.
- Upholding best practice and legal requirements, including the publication of gender, ethnicity, disability, and sexual orientation pay gap reports.

The Appointments and Remuneration Committee has the ability to review pay structures and outcomes, ensuring that the reward framework remains fair, competitive, and reflective of the Trust's commitment to equity, inclusion and continuous improvement.

Directors Remuneration and Other Benefits

Single Figure Table and Total Entitlement Table (this section is subject to audit)

2024/25	Salary	Expense payments (Taxable)	Performance Pay and bonuses	Long term performance pay and bonuses	All Pension Related Benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Non-Executive Director **Ms G Baker (i)**	5-10	400	-	-	-	5-10
Non-Executive Director **Ms Wendy Balmain (ii)**	0-5	-	-	-	-	0-5
Chief Finance Officer **Mrs J Bilcliff (iii)**	180-185	1,100	-	-	162.5-165	345-350
Non-Executive Director **Mrs E Bromley (iv)**	20-25	-	-	-	-	20-25
Non-Executive Director **Mr G Chapman (v)**	0-5	2,300	-	-	-	5-10
Executive Chief Nurse **Ms M Cushlow* (vi)**	20-25	-	-	-	-	20-25
Non-Executive Director **Ms S Edusei (vii)**	5-10	-	-	-	-	5-10
Interim Shared Chair **Sir P Ennals (viii)**	25-30	-	-	-	-	25-30
Acting Chief Executive **Mr R Harrison (ix)**	205-210	400	-	-	12.5-15	215-220
Non-Executive Director **Mr J Jowett (x)**	10-15	-	-	-	-	10-15
Executive Director of Nursing **Mr I Joy**	160-165	-	-	-	295-297.5	455-460
Non-Executive Director **Mr Hassan Kajee (xi)**	0-5	-	-	-	-	0-5
Non-Executive Director **Mr Phil Kane (xii)**	10-15	-	-	-	-	10-15
Chief Executive **Sir J Mackey (xiii)**	375-380	5,400	-	-	-	380-385
Non-Executive Director **Mr B MacLeod (xiv)**	15-20	-	-	-	-	15-20
Non-Executive Director **Mr B McCardle (xv)**	10-15	-	-	-	-	10-15
Interim Chair **Professor K McCourt (xvi)**	20-25	-	-	-	-	20-25
Executive Director for Commercial Development and Innovation **Dr V McFarlane-Reid* (xvii)**	170-175	-	-	-	45-47.5	215-220

2024/25	Salary	Expense payments (Taxable)	Performance Pay and bonuses	Long term performance pay and bonuses	All Pension Related Benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Joint Medical Director **Ms L Pareja-Cebrian**	250-255	-	-	-	50-52.5	305-310
Non-Executive Director **Miss C Smith (xviii)**	0-5	100	-	-	-	0-5
Non-Executive Director **Mrs A Stabler (xix)**	10-15	1,500	-	-	-	10-15
Non-Executive Director **Mr David Weatherburn (xx)**	5-10	300	-	-	-	5-10
Chief Operating Officer / Director GNHA & Strategy **Mr M Wilson (xxi)**	130-135	1,600	-	-	40-42.5	170-175
Joint Medical Director **Dr M Wright**	265-270	-	-	-	247.5 - 250	515-520

(i) Jill Baker stood down as Non-Executive Director on 31 May 2024.

(ii) Wendy Balmain was appointed as a Non-Executive Director on 31 January 2025.

(iii) Jacqueline Bilcliff was appointed Acting Deputy Chief Executive Officer on the 1 March 2025.

(iv) Liz Bromley was appointed as Interim Vice Chair on 26 September 2024.

(v) Graeme Chapman stood down as a Non-Executive Director on 22 April 2024.

(vi) Maurya Cushlow retired from the Trust on 30 April 2024.

(vii) Steph Edusei stood down as a Non-Executive Director on 31 May 2024.

(viii) Sir Paul Ennals was appointed as Interim Chair on 17 July 2024. He is employed by Northumbria Healthcare NHS Foundation Trust as Chair, and is shared across both entities. This has been apportioned in this disclosure, respective of their Job Share in the entities. The total remuneration is £80-85k.

(ix) Robert Harrison joined the Trust on secondment on 1 February 2024, Robert Harrison was officially appointed Deputy Chief Executive Officer on the 1 January 2025. Robert Harrison was appointed Acting Chief Executive on the 1 March 2025.

(x) Jonathan Jowett stood down as a Non-Executive Director on 31 August 2024.

(xi) Hassan Kajee was appointed as a Non-Executive Director on 17 February 2025.

(xii) Phil Kane was appointed as a Non-Executive Director on 24 June 2024.

(xiii) Sir James Mackey's salary includes a £24,000 payment for additional work carried out as Chair of the NHS Customer Board for Procurement and Supply, and £65-70k as National Director of Elective Recovery (recharged to NHS England).

Sir James Mackey's gross salary figure includes payments related to the Local Employer Contribution Recycle Scheme received during 2024/25, (£35-40k).

Sir James Mackey was appointed as transition Chief Executive of NHS England on a secondment basis on the 1 April 2025. Sir James Mackey received no additional payment for this role during 2024/25, with his full remuneration being reported within Newcastle Hospitals' remuneration report.

(xiv) Bill MacLeod was appointed Senior Independent Director on 9 September 2024.

(xv) Bernie McCardle was appointed as an Interim Non-Executive Director on 13 May 2024 and then appointed as a substantive Non-Executive Director on 18 December 2024.

(xvi) Kath McCourt stood down as Interim Chair on 17 July 2024, and as a Non-Executive Director on the 31 August 2024.

(xvii) Vicky McFarlane-Reid, Director for Commercial Development and Innovation, was appointed Interim Executive Lead for People and Organisational Development on 6 March 2025.

(xviii) Christine Smith stood down as a Non-Executive Director on 22 April 2024.

(xix) Anna Stabler was appointed as an Interim Non-Executive Director on 13 May 2024 and was appointed as a substantive Non-Executive Director on 1 September 2024.

(xx) David Weatherburn was appointed as a Non-Executive Director on 19 August 2024. David Weatherburn was appointed as the Chair of the Audit, Risk and Assurance Committee on the 1 September 2024.

(xxi) Martin Wilson was COO before he moved to a new role as Director for the Great North Healthcare Alliance and Strategy on 20 November 2024.Circa 70% of Martin's time is conducted on Alliance work.

2023/24	Salary	Expense payments (Taxable)	Performance Pay and bonuses	Long term performance pay and bonuses	All Pension Related Benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Non-Executive Director **Ms G Baker**	10-15	200	-	-	-	15-20
Chief Finance Officer **Mrs J Bilcliff**	175-180	900	-	-	-	180-185
Non-Executive Director **Mrs E Bromley**	10-15	-	-	-	-	10-15
Chairman **Professor Sir J Burn (i)**	40-45	-	-	-	-	40-45
Non-Executive Director **Mr G Chapman**	10-15	2,500	-	-	-	15-20
Executive Chief Nurse **Ms M Cushlow***	180-185	-	-	-	-	180-185
Chief Executive **Dame J Daniel (ii)***	245-250	-	10-15	-	-	255-260
Non-Executive Director **Ms S Edusei**	10-15	-	-	-	-	10-15
Managing Director **Mr R Harrison (ii)**	30-35	-	-	-	-	30-35
Non-Executive Director **Mr J Jowett**	10-15	-	-	-	-	10-15
Executive Director of Nursing **Mr I Joy (iv)**	10-15	-	-	-	-	10-15
Chief Executive **Sir J Mackey (v)**	90-95	2,000		-	-	90-95

2023/24	Salary	Expense payments (Taxable)	Performance Pay and bonuses	Long term performance pay and bonuses	All Pension Related Benefits	Total
Name and title	(bands of £5,000)	(to nearest £100)	(bands of £5,000)	(bands of £5,000)	(bands of £2,500)	(bands of £5,000)
	£000	£	£000	£000	£000	£000
Non-Executive Director **Mr B MacLeod**	15-20	-	-	-	-	15-20
Non-Executive Director / Interim Chair **Professor K McCourt (vi)**	25-30	-	-	-	-	25-30
Executive Director for Commercial Development and Innovation **Dr V McFarlane-Reid***	155-160	-	-	-	40-42.5	200-205
Joint Medical Director **Ms L Pareja-Cebrian (vii)**	30-35	-	-	-	0-2.5	30-35
Non-Executive Director **Miss C Smith (viii)**	10-15	200	-	-	-	10-15
Medical Director / Deputy Chief Executive **Mr A Welch (ix)**	230-235	-	-	-	-	230-235
Chief Operating Officer / Director – GNHA & Strategy **Mr M Wilson***	185-190	1,600	-	-	-	185-190
Joint Medical Director **Dr M Wright (vii)**	20-25	-	-	-	-	20-25

(i) Professor Sir John Burn stood down as Chairman of the Board on 30 November 2023.

(ii) Dame Jackie Daniel retired on 31 December 2023. The figure stated in other payments relates to Local employer contribution recycle scheme received during 2023/24.

(iii) Mr Robert Harrison was appointed as Managing Director and commenced on secondment from South Tees Hospitals FT from 1 February 2024.

(iv) Mr Ian Joy was appointed acting Executive Director of Nursing from 1st March 2024 to 31st August 2024.

(v) Sir James Mackey was appointed as Chief Executive Officer on 1 January 2024.

(vi) Professor McCourt became Interim Chair with effect from 1 December 2023.

(vii) Mrs Lucia Pareja-Cebrian and Dr Michael Wright were appointed as Joint Medical Directors on 1 March 2024.

(viii) Miss Christine Smith was appointed as a Non-Executive Director with effect from 3 May 2023.

(ix) Mr Andy Welch stood down as Medical Director/Deputy Chief Executive on 31 January 2024. Within the figure reported for Mr A Welch's salary and fees are payments of £126k made in respect of clinical duties. No additional payment was made in relation to the Deputy Chief Executive role.

**For those Directors in which a bonus/earn back provision is included within their employment contract, objectives were set at the start of the financial year and fully achieved at the end of the year as endorsed by the Appointments and Remuneration Committee. As a result a 5% non-consolidated, non-pensionable, taxable award was made. There is also a clause in the contract which relates to earnback. If objectives are not achieved then the Trust has the right to reclaim back/withhold 5% of salary. This was not applied during 2024/25 as the objectives were fully achieved.*

Pension related benefits are calculated as the annual increase in pension entitlement in accordance with the 'HM Revenue and Customs (HMRC)' method. In summary this is as follows:

Increase = ((20 x PE) +LSE) – ((20 x PB) + LSB) – Ees cont

Where:

- **PE** is the annual rate of pension that would be payable to a director if they became entitled to it at the end of the financial year.
- **LSE** is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year.
- **PB** is the annual rate of unreduced pension, adjusted for inflation, that would be payable for the director if they became entitled to it at the beginning of the financial year.
- **LSB** is the amount of unreduced lump sum, adjusted for inflation, that would be payable to the director if they became entitled to it at the beginning of the financial year.
- **Ees cont** is the employee pension contributions for the financial year.

The inflation rate prescribed for use in 2024/25 is 6.7% (2023/24 10.1%).

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

The value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme can provide.

The pension benefit table provides further information on the benefits accruing to the individual.

Total Pension Entitlement (this section is subject to audit)

	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2025	Lump sum at pension age related to accrued pension at 31 March 2025	Cash Equivalent Transfer Value at 1 April 2024	Real increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2025
Name and title	(bands of £2,500)	(bands of £2,500)	bands of £5,000)	(bands of £5,000)			
	£000	£000	£000	£000	£000	£000	£000
Executive Director for Commercial Development and Innovation **Dr V McFarlane-Reid**	2.5-5	-	15-20	-	201	30	266
Executive Chief Nurse **Ms M Cushlow**	-	-	95-100	260-265	2,343	0	0
Chief Operating Officer **Mr M Wilson**	2.5-5	-	50-55	120-125	909	35	1,021
Chief Finance Officer **Mrs J Bilcliff**	7.5-10	12.5-15	45-50	40-45	738	47	858
Joint Medical Director **Dr M Wright**	12.5-15	12.5-15	115-120	150-155	1,880	254	2,289
Joint Medical Director **Mrs L Pareja-Cebrian**	2.5-5	0-2.5	40-45	100-105	774	48	892
Managing Director **Mr R Harrison**	0-2.5	-	50-55	130-135	936	20	1,025
Executive Director of Nursing **Mr I Joy**	12.5-15	32.5-35	45-50	115-120	584	257	900

Dame J Daniel's, Sir James Mackey's and Mr A Welch's pension sums are not shown as these were either opted out of or drawn and taken in a previous year.

The financial information disclosed in the table above is derived from information provided to the NHS Foundation Trust from the NHS Pensions Agency. Whilst the NHS Foundation Trust accepts responsibility for the values shown, the NHS Foundation Trust is reliant upon the NHS Pensions Agency for the accuracy of the information provided to the NHS Foundation Trust and has no way of auditing these figures. The figures are therefore shown in good faith as an accurate reflection of the directors' pension information.

Fair Pay
(this section is subject to audit)

The Trust is required to disclose the relationship between the remuneration of the highest paid director within the organisation and the lower quartile, median and upper quartile remuneration of the Trust's workforce.

The banded remuneration of the highest-paid director in the Trust in the financial year 2024/25 was £377,500 (2023/24, £372,500). This is a change between years of an increase of 1.3% (2023/24 15.5%).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2024/25 was from £22,051 to £377,500 (2023/24 £20,375 to £372,500). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is an increase of 7% (2023/24 5%). No employees received remuneration in excess of the highest-paid director in 2024/25.

The average employee remuneration saw a reduction of around 5.5% compared to 2023/24. This was in line with the 5.5% increase due to the national pay award in 2024/25.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship 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.

2024/25 (2023/24)	25th Percentile	Median	75th Percentile
Salary Component of Pay	£29,113 (£27,596)	£37,338 (£35,392)	£48,526 (£45,996)
Total pay and benefits excluding pension benefits	£29,113 (£27,596)	£37,338 (£35,392)	£48,526 (£45,996)
Pay and benefits excluding Pension: pay ratio for highest paid director	12.97 (13.40)	10.11 (10.52)	7.78 (8.10)

	25th Percentile	Median	75th Percentile
2024/25	12.97	10.11	7.78
2023/24	13.40	10.52	8.10

The calculation is based on Trust employees as at 31 March 2025. This number includes locum staff, junior doctors on training rotations employed via Northumbria Healthcare as Lead Employer Trust, the Trust's in-house nurse and clerical bank staff and includes external agency staff. Any part time employee numbers are pro-rated to provide WTEs.

Payments to past managers (this section is subject to audit)

The Trust did not make any payments to past senior managers in 2024/25.

Payments for loss of office (this section is subject to audit)

The Trust did not make any payments for loss of office in 2024/25.

Trust Board Declarations of Interest:

Chair:

Interim Shared Chair	
Sir Paul Ennals (from 17 July 2024)	Chair, Northumbria Healthcare NHS Foundation Trust.

Interim Chair	
Professor Kath McCourt (Interim Chair until 17 July 2024, NED until 31 August 2024)	Fellow - Royal College of Nursing. President, Commonwealth Nurses and Midwives Federation. Member of the Health Committee until February 2025. Trustee, Bishop Bewick Catholic Education Trust. Relative works for GHFT. Relative works for Newcastle Hospitals. Non-remunerated independent member of annual academic career progression committee, University of Cumbria.

Non-Executive Directors:	
Mr Bill MacLeod	NED, Newcastle Gateshead Initiative Ltd. Appointed member of Council, Newcastle University. Member of the Ethics Board for the Institute of Chartered Accountants of Scotland. Trustee at Kielder Observatory Astronomical Society until February 2025.
Mrs Liz Bromley	CEO of NCG, education provider. Board member of English Heritage until June 2024. Non-Executive member of the Board of NCFE, an educational charity. Member of E-Act Multi-academy Trust (MAT). Deputy Chair of Sir John Brunner MAT until April 2024. Registered Director for Newcastle Healthcare Property Company Limited.

Mrs Anna Stabler	Stepson is a Projects Director at Ryder Architecture, a company in which Newcastle Hospitals contracts with in relation to architecture work for capital/building projects. Magistrate - Durham bench of Magistrates Justice of the Peace (Family Court). Husband is Managing Director Bodyline Dunston which has a contract to repair cars under the NHS car lease scheme. The business closed in December 2024.
Mr Bernie McCardle	Self Employed - Freelance HR and management consultancy.
Mr Phil Kane	Son is Assistant Director (Capital and Productivity) - NHSE (Northern ICB).
Mr David Weatherburn	Registered Director for Newcastle Healthcare Property Company Limited.
Mr Hassan Kajee	Employed full time at the NHS Business Services Authority. Appointed to the Board of Governors as Vice Chair and Pro Chancellor – Northumbria University.
Ms Wendy Balmain	North Northumbria Magistrates - Magistrate 1 day per month
Mr Jonathan Jowett (until 31 August 2024)	Company Secretary and Director of Darlington 1883 Limited. Company Secretary & General Counsel of Greggs PLC until March 2025. As part of his Company Secretary role at Greggs PLC, Mr Jowett is a Director of a number of dormant companies set up by Greggs PLC. Chair of the Trustees of the GNAAS from 19 July 2022. Director of Arc Medtech Limited, a software development company owned by the GNAAS.
Ms Gillian (Jill) Baker (until 31 May 2024)	Director, Lloyds Bank Foundation. Trustee at Community Foundation for Tyne and Wear and Northumberland.
Ms Steph Edusei (until 31 May 2024)	Board member the North East England Chamber of Commerce. Chief Executive, St Oswald's Hospice. Chair of Eliot Smith Dance.
Mr Graeme Chapman (until 22 April 2024)	Chair of the Strategy Board and Chair of the Advisory Board, Newcastle Health Innovation Partners until he left the Trust.

Miss Christine Smith (until 22 April 2024)	NED, Company Director and Chair of the Audit Committee at the Bradbury Group Ltd (door manufacturing and sales company). NED, Rakem Group (chemical manufacturing, distribution and sales) until December 2024. Chartered Institute of Management Accountants (CIMA) Conduct Committee member (Accountancy Profession).

Associate Non-Executive Director:

Dr Nini Adetuberu	No items to declare.

Chief Executive:

Sir James Mackey (on secondment to NHS England from 1 April 2025)	Director role held - The Alnwick Garden Trust. Chair of the NHS Customer Board - NHS Customer Board for Procurement and Supply. Advisory Board Member – Altera Health (an EPR provider). National Director of Elective Recovery - NHSE.

Acting Chief Executive

Mr Rob Harrison (from 1 March 2025)	Seconded from South Tees Hospitals NHS Foundation Trust to Newcastle Hospitals until 31 December 2024. Chair of the Network – North East and North Cumbria Spinal Operational Delivery Network. Interim Board member of Newcastle Health Research Partnership. Appointed Director of Health Innovation NENC on behalf of the Trust - Health Innovation NENC.

Executive Directors

Mrs Jackie Bilcliff Acting Deputy CEO / Chief Finance Officer	Husband is an Associate of Identity Consult, a company which tenders for work (construction, project management and health and safety) at Newcastle Hospitals.
Mr Ian Joy Executive Director of Nursing (from 1 March 2024)	Trustee of Charity - George Yeoman Heath Committee.
Ms Maurya Cushlow Executive Chief Nurse (until 30 April 2024)	No items to declare.
Mrs Lucia Pareja-Cebrian Joint Medical Director (from 1 March 2024)	Husband works for Newcastle Hospitals.

Dr Michael Wright Joint Medical Director (from 1 March 2024)	No items to declare.
Dr Vicky McFarlane-Reid Executive Director of Commercial Development and Innovation	Trustee of Charity - George Yeoman Heath Committee.
Mr Martin Wilson Director - GNHA & Strategy	During 2024/25 partner was Chief Delivery Officer and National Director of Vaccination and Screening for NHSE. During 2024/25, Partner was substantively the Chief Executive of Harrogate and District NHS Foundation Trust - which provides acute and community NHS Services including 0-19 services in the South of Tyne area. He is currently on secondment into a national NHS England role.

Mr Rob Harrison
Acting Chief Executive Officer

26 June 2025

Our Governors

The Trust has 36 Governor Seats on the Council; 31 of which are elected by the public and staff, with the remainder appointed from a range of partner organisations, including Newcastle University, Northumbria University, and Newcastle City Council. The table included in the 'Governor Elections' section details the individuals who make up our Council of Governors.

The Council of Governors has a number of statutory powers, including the appointment of the Trust's Chair, NEDs and External Auditors.

During the last year, the Council has continued to meet, both virtually and in person, to debate and consider a number of key issues for the Trust.

Topics of note have included:

- Updates on the recommendations/actions included in the CQC inspection reports
- Culture and Freedom to Speak Up
- Updates on:
  - Digital developments.
  - The Annual Report and Accounts 2023/24 from the Trusts' External Auditors.
  - The GNHA.
  - Podiatry Services.
- Changes to the Integrated Board Report.
- Outpatient Transformation Programme including Waiting List Management.
- Strategy and Planning.

Private workshops have been held for Governors in April, September, November, December 2024, February and March 2025 which included presentations on:

- The results from the Governor Survey.
- Patient Experience.
- National Policy Context.
- Cancer and Diagnostics performance.
- Quality Account engagement.
- The findings from the Members Survey.

The Council of Governors met monthly for either for formal meetings or workshops throughout the year. There were also occasional extraordinary meetings. The meetings continued to be well attended by Governors, which facilitated wide ranging debate and challenge on the topics such as those listed above.

Meetings included updates from both the Interim Chair/Interim Shared Chair, as well as the Chief Executive or Deputy Chief Executive. Regular updates were also provided by the chairs of the Council's Working Groups, being:

- Quality of Patient Experience;
- Business and Development; and
- People, Engagement and Membership.

Each of the Working Groups are aligned to a specific committee of the Trust's Board of Directors. Throughout the year, meetings between chairs of the Working Groups and Committees have taken place, as well as Chairs attending the aligned working group or committee meeting to gain further assurance.

During the year the Quality of Patient Experience working group continued their programme of unannounced visits to clinical areas and support services throughout the Trust. In addition, the group has continued to be updated on patient experience and complaints throughout the organisation via

regular presentations from the Head of Patient Experience.

Governors continue to attend a number of other groups within the Trust's governance structure as appropriate. In 2024, the Trust introduced a new policy for Governors to observe Committees including the Quality, Finance & Performance, People, Digital & Data, Audit Risk and Assurance Committees on a quarterly rotational basis by expression of interest.

Mrs Pam Yanez, Public Governor for the Newcastle upon Tyne constituency held the role of Lead Governor until 28 February 2025. Mrs Judy Carrick, Public Governor for the Newcastle upon Tyne constituency took over the role on 1 March 2025.

The Board of Directors continues to maintain a close working relationship with the Council of Governors and the wider Trust membership. All Executive and NEDs have an open invitation to attend Council meetings, with those NEDs who chair Trust Committees providing regular updates regarding the activities of the Committees to the Council.

During the year Governors have continued to regularly attend the public session of the Board of Directors meetings to observe proceedings.

The first Members Event held during the year 2024/25 was conducted in August 2024, named "Food for Thought", Addressing Food Insecurity in a Healthcare Setting. The event included brief presentations, a case study and facilitated group work and discussion so that everyone in attendance could get involved and share their ideas.

A second event was held in December 2024 focusing on Dentistry, titled 'Bitesize: A Brush with Northeast Dentistry' where Members were invited to discuss their experiences of accessing dental care, and to share their thoughts on how the situation can be improved.

A programme of events for 2025/26 is currently in development.

As set out in the Code of Governance for Provider Trusts, there is a requirement for a mechanism to be in place to resolve disagreements between the Board of Directors and the Council of Governors.

In the first instance, it is the responsibility of the Trust's Chair, as leader of both forums, to try and reach a consensus. If a resolution cannot be found, the next formal step would be for the Chair to receive formal representation from the Lead Governor to try and reach a mutually acceptable position. The Trust did not need to utilise this resolution process during 2024/25.

There were no conflicts of interest declared in the formal meetings of the Council of Governors in 2024/25.

During 2024/25, there was £ 3,722.70 (2023/24 £1,068.19) of expenses claimed by Governors for business travel.

Governor Elections

Governor elections are held annually, with approximately one third of the elected governorships coming up for re-election each year.

The 2024 election round took place in the spring with the Notice of Election published on 26 February 2024 and the result declared on 30 May 2024.

Newly elected Governors undertook an induction facilitated by the Chair, Trust Secretary and Chairs of the Working Groups on 14 June 2024.

Governor attendance at meetings during 2024/25 is listed on the following pages.

The Council of Governors met for four formal meetings and six private workshops in 2024/25. There were five extraordinary meetings convened in order to agree the appointment of a NED, to discuss governance arrangements and changes to the Trust Board composition, to receive a briefing on Cardiac Surgery and to discuss the Trusts positioning within the Oversight Framework and associated considerations.

Key:

1	Public constituency: Newcastle upon Tyne
2	Public constituency: Northumberland, Tyne and Wear (excluding Newcastle)
3	Public Constituency: North East
Staff – A&Cl, M&Ch	Admin and Clerical, Managerial and Chaplains
Staff – E&A	Estates and Ancillary
Staff	Health Professionals Council
Staff – M&D	Medical and Dental
Staff – N&M	Nursing and Midwifery
Staff - V	Volunteers
Appointed – APEX	Advising on Patient Experience (APEX) Group
Appointed – Charity	Charity
Appointed – NCC	Newcastle City Council (NCC)
Appointed – NU	Newcastle University
Appointed – Nbria U	Northumbria University

Governor attendance at meetings

Class / Constituency	Name	Attendance	Notes
Charity	Mrs Tracy Armstrong	0 of 1	Appointed Governor from 3 March 2025
1/Appointed – APEX	Mr David Black	10 of 10	Appointed Governor from 17 February 2024
2	Mr Peter Bower	7 of 7	Appointed 30 August 2024 until the 2025 elections
Staff – E&A	Ms Genna Bulley	1 of 1	End of term 31 May 2024 – did not stand for re-election
1	Mrs Judy Carrick	10 of 10	
Staff – N&M	Mrs Sharon Chilton	1 of 4	Appointed 1 June 2023 and stepped down October 2024
1	Dr Kate Cushing	7 of 9	Appointed 1 June 2024
1	Dr Alexandros Dearges-Chantler	5 of 9	Re-appointed July 2024 for 1 year until the 2025 elections
Appointed - NCC	Mrs Lara Ellis	6 of 9	Appointed Governor from 1 June 2024
1	Mrs Aileen Fitzgerald	9 of 10	
1	Mr David Forrester	6 of 10	
Staff – V	Mr Gary Gibson	1 of 1	Stepped down April 2024
1	Mrs Kate Hawley	1 of 1	Stepped down May 2024
Staff – M&D	Mr Hugh Gallagher	9 of 9	Appointed 1 June 2024
2	Mrs Catherine Heslop	9 of 10	
1	Mr Alex Holloway	2 of 10	
2	Professor Philip Home	9 of 10	
2	Mr John McDonald	0 of 2	Stepped down on 8 July 2024
2	Professor Reverand Pauline Pearson	0 of 0	Stepped down as moved address out of the constituency in April 2024
2	Ms Linda Pepper	7 of 10	
2	Mr Shashir Pobbathi	2 of 10	
1	Mrs Fatema Rahman	8 of 9	Appointed 1 June 2024
1	Dr Chris Record	7 of 9	Appointed 1 June 2024
Staff – AHP	Miss Elizabeth Rowen	8 of 10	
Staff – N&M	Mrs Poonam Singh	4 of 10	
Appointed – NCC	Cllr Ian Tokell	0 of 1	Stepped down on 31 May 2024
Appointed - Nbria U	Professor John Unsworth	3 of 10	
2	Mrs Sandra Mawdesley	7 of 9	Appointed 1 June 2024

Class / Constituency	Name	Attendance	Notes
1	Dr Eric Valentine	9 of 10	
2	Dr Peter Vesey	5 of 9	Appointed 1 June 2024
2	Mr Bob Waddell	8 of 10	
Appointed - NU	Doctor Luisa Wakeling	4 of 10	
3	Mr Michael Warner	3 of 10	
2	Mrs Claire Watson	8 of 10	
2	Dr Kevin Windebank	8 of 9	Appointed 1 June 2024
1	Mrs Pam Yanez	10 of 10	

Nominations Committee

The Council of Governors set up a formally constituted Nominations Committee to identify, interview and recommend candidates for the appointment of the Trust Chair and NEDs. The Committee is also responsible for the annual appraisal of all NEDs, including the Chair, using formal objectives that were previously set and agreed.

Committee members were supported by Trust officers, as appropriate, including the Chief People Officer and Trust Secretary.

During late 2024/25 a recruitment process was commenced for a permanent Shared Chair for Gateshead Health, Newcastle Hospitals and Northumbria Healthcare. To support this process a Joint Nominations Committee was established with Governors and Senior Independent Directors from each of the three trusts as members. Interviews were held during May 2025 and Sir Paul Ennals was approved by all three Councils of Governor to undertake the permanent Shared Chair role for an initial term of up to three years.

Attendance of the committee's membership is set out below:

	Number of meetings attended	
Member	**Ordinary**	**Extraordinary**
Sir Paul Ennals, Interim Shared Chair and Committee Chair from 17 July 2024	3 of 4~	0 of 0
Professor Kath McCourt, Interim Chair and Committee Chair from 1 December 2023 to 17 July 2024	2 of 2^	2 of 2
Mrs Pam Yanez, Committee Vice-Chair and Lead Governor until 28 February 2025 (Public Governor). Committee member from 1 March 2025	6 of 6	2 of 2
Mr Jonathan Jowett, Committee Member and SID until 31 August 2024	3 of 3	1 of 2
Mr Bill MacLeod, Committee Member and SID from 9 September 2024	3 of 3	0 of 0
Mrs Catherine Heslop, Committee Member (Public Governor)	5 of 6	1 of 2
Mrs Judy Carrick, Committee Member. Became Lead Governor and Committee Vice Chair from 1 March 2025 (Public Governor)	6 of 6	2 of 2
Mr David Black, Committee Member (Appointed Governor)	6 of 6	1 of 2
Ms Genna Bulley, Committee Member (Staff Governor) until 31 May 2024	1 of 1	1 of 2
Mr Bob Waddell, Committee Member (Public Governor)	5 of 6	1 of 2

	Number of meetings attended	
Member	**Ordinary**	**Extraordinary**
Mr John McDonald, Committee Member (Public Governor) until 8 July 2024	0 of 1	0 of 2
Mr Hugh Gallagher, Committee Member (Staff Governor) from 20 June 2024*	2 of 5	0 of 0
Mrs Linda Pepper, Committee Member (Public Governor) from 15 August 2024	3 of 3	0 of 0
Mrs Liz Bromley, Interim Committee member for the 17 May extraordinary meeting only	0 of 0	1 of 1

~ Sir Paul Ennals did not attend the meeting on 9 December 2024 due to a conflict of interest with the agenda item under discussion.

^ Professor Kath McCourt also attended the Ordinary Committee meeting on 9 August 2024 but was not a formal member of the Committee at that time.

** Mr Gallagher was not able to attend some Committee meetings during the year due to patient-facing commitments in his role as a Consultant Surgeon. However for those meetings that Mr Gallagher was unable to attend he provided contributions via email/ feedback on meeting papers in advance of the meeting.*

There were eight meetings of the Committee in the period 1 April 2024 to 31 March 2025, six of which were ordinary meetings and two were extraordinary meetings. The extraordinary meetings were convened to consider NED appointments.

During the year, Committee activity included:

- Approval of the Annual Report of the Committee for 2023/24.
- Considering the composition of the Board and the likely needs of the Trust, the Committee made recommendations to the Council of Governors on the appointment and recruitment of six substantive NEDs and one Associate NED.
- Discussions on training materials for new Governors.
- Approving updated Terms of Reference and an updated Schedule of Business for the year.
- Receiving an update on Fit and Person Test requirements for the Chair and NEDs.
- Considering the remuneration for the Interim Shared Chair, interim NEDs, substantive NEDs, Vice Chair, SID and Associate NED, and making recommendations to the Council of Governors.
- Receiving and considering reports on the Chair and NED appraisals, as well as objectives for the year ahead.
- Discussing Chair/NED reappointment and recruitment considerations, including the new Code of Governance for Provider Trusts.
- Receiving the bi-annual summary of Chair/NED activities.
- Reviewing the Chair and NED:
  - Terms and Conditions:
  - Expenses guidance: and
  - Appointments Process and Succession Policy.

  and proposing changes for approval by the Council of Governors.

- Exploring NED development/shadowing/ mentoring programmes in order to improve the diversity of NED membership of the Board.
- Supporting a recommendation for the Interim Vice Chair.
- Discussing updates from the Interim Shared Chair, the Interim Chair and the CEO in relation to key topics e.g. CQC inspection findings and Interim NED arrangements.
- Agreeing the recruitment process for new NEDs and a substantive Shared Chair, this included:
    - Ensuring robust job descriptions and person specifications were developed and agreed the search strategy for the appointments;
    - Processes for Shortlisting, Stakeholder Group sessions and Interview Panels, with the Public Governor members in the voting majority.
- Discussing the Joint Nominations Committee Terms of Reference for the recruitment of a substantive Shared Chair for Newcastle Hospitals, GHFT and Northumbria Healthcare.

In conclusion the Committee has met its duties for the year 2024/25.

Membership

Members of the public and Trust staff are both invited to become Members of our Foundation Trust. Membership has a number of benefits, including the right to vote in and stand for election to the Council of Governors.

There are three public constituencies and anyone aged 16 and above who resides in those constituency areas are eligible to become members.

The public constituencies are:

- Newcastle upon Tyne;
- Northumberland, Tyne and Wear (excluding Newcastle upon Tyne); and
- North East (to include the rest of England).

There are six staff classes:

- Administration, Clerical, Managerial and Hospital Chaplains;
- Ancillary and Estates;
- Health Professionals Council;
- Medical and Dental;
- Nursing and Midwifery; and
- Volunteers.

The minimum numbers of members for both the public constituencies and staff classes are laid out in the Trust's constitution and are 2,000 and 1,730 respectively. The constitution can be found on the Trust website.

Throughout 2024/25, the Corporate Governance Team, in collaboration with the People, Engagement and Membership Working Group, has focused on delivery of the Membership Strategy and increasing membership numbers and diversity. The Trust's Membership Strategy is reflective of the population it serves, particularly in relation to age and ethnicity. The Strategy was reviewed, updated and approved at the Council of Governors Workshop in December 2024.

Membership application forms are available on the Trust website or by contacting the Trust's Corporate Governance Team on free phone 0800 015 0136.

Members who wish to contact the Council of Governors can do so by contacting Mrs Judy Carrick, Lead Governor, via email at nuth.LeadGovernor@nhs.net.

Membership Report: 1 April 2024 – 31 March 2025

Membership size and movements	
Public Constituency	**Last Year (2024/25)**
At year start (1 April)	5,738
New Members	270
Members Leaving	141
At year end (31 March)	5,868

Staff Constituency	Last Year (2024/25)
At year start (1 April)	6,783
New Members	981*
Members leaving	1,651
At year end (31 March)	7,998

Patient Constituency	The Trust does not currently have a separate patient constituency

*New members of staff who are directly employed by Newcastle Hospitals are automatically included as members within the Staff Constituency.

Analysis of current membership^		
Public Constituency	**Number of members**	**Eligible membership**
Age (years):		
0-16	10	264,897
17-21	80	92,434
22+	5,375	1,130,593
Ethnicity:		
White	5,045	1,333,173
Mixed	37	19,229
Asian or Asian British	277	60,381
Black or Black British	75	17,463
Other	17	17,083
Socio-economic groupings:		
AB	1,628	114,931
C1	1,680	197,115
C2	1,186	133,561
DE	1,331	210,015
Gender Analysis:		
Male	2,111	129,064
Female	3,475	758,860

^ The analysis section of this report excludes 403 public members with no dates of birth, 417 members with no stated ethnicity, and 282 members with no gender recorded.

Staff Report

Workforce Information (Subject to audit):

Workforce Demographics	As at March 2024				As at March 2025			
	Permanent FTE	Other FTE	Total FTE	% of Total FTE	Permanent FTE	Other FTE	Total FTE	% of Total FTE
Staff Group								
Medical and dental	1,115.13	692.10	1,807.24	11.90%	1,251.68	712.83	1,964.52	12.72%
Ambulance staff	0.00	-	0.00	0.00%	0.58	-	0.58	0.00%
Administration and estates	2,999.01	-	2,999.01	19.75%	3,035.75	-	3,035.75	19.66%
Healthcare assistants and other support staff	2,247.99	-	2,247.99	14.80%	2,219.43	-	2,219.43	14.37%
Nursing, midwifery and health visiting staff	4,978.19	-	4,978.19	32.78%	5,177.56	-	5,177.56	33.53%
Nursing, midwifery and health visiting learners	117.38	-	117.38	0.77%	25.71	-	25.71	0.17%
Scientific, therapeutic and technical staff	2,025.40	-	2,025.40	13.34%	2,097.13	-	2,097.13	13.58%
Healthcare science staff	1,010.74	-	1,010.74	6.66%	920.46	-	920.46	5.96%
Grand Total	**14,493.85**	**692.10**	**15,185.95**		**14,728.30**	**712.83**	**15,441.14**	

FTE = Full time equivalent

Note: Figures in the above table reflect data taken from the Trust annual accounts and includes staff working in but not employed by the Trust. Demographic data for these staff is not available and is therefore excluded from the following tables.

	As at March 2024		As at March 2025	
	FTE	% of Total FTE	FTE	% of Total FTE
Full Time/Part Time				
Full Time	10,341.00	72.85%	10,535.80	71.84%
Part Time	3,853.44	27.15%	4,130.26	28.16%
Gender				
Female	10,780.23	75.95%	11,038.35	75.26%
Male	3,414.21	24.05%	3,627.70	24.74%
Disabled				
No	11,773.50	82.94%	12,597.34	85.89%
Not recorded	1,684.83	11.87%	1,448.39	9.88%
Yes	736.11	5.19%	620.32	4.23%
Ethnic Group				
BME	2,447.71	17.24%	2,879.62	19.63%
Not recorded	230.67	1.63%	122.70	0.84%
White	11,516.06	81.13%	11,663.73	79.53%
Age				
16-25	1,299.30	9.15%	1,266.45	8.64%
26-35	3,958.75	27.89%	4,143.73	28.25%
36-45	3,365.72	23.71%	3,592.46	24.50%
46-55	3,149.57	22.19%	3,200.36	21.82%
56-65	2,261.81	15.93%	2,272.25	15.49%
66+	159.29	1.12%	190.80	1.30%

Turnover	April 2023 – March 2024	April 2024 – March 2025
	10.80%	9.00%

Senior Staff Gender Breakdown	Apr 23 – Mar 24		Apr 24 – Mar 25	
	Male	Female	Male	Female
Executive Directors	3	4	3	3
Non-Executive Directors	5	3	6	4
Other Senior Staff	11	6	4	6

The latest staff turnover figures can be found here: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics/

The latest staff sickness figures can be found here: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff Costs (Subject to audit)

	Total 2023/24 £000	Permanently employed total 2023/24 £000	Other total 2023/24 £000	Total 2024/25 £000	Permanently employed total 2024/25 £000	Other total 2024/25 £000
Salaries and wages	**712,982**	625,988	86,994	**783,909**	691,004	92,905
Social security costs	**66,190**	66,190	**0**	**69,854**	69,854	0
Apprenticeship levy	**3,508**	3,508	**0**	**3,744**	3,744	0
Pension cost – employer contributions to NHS pension scheme	**77,410**	77,410	**0**	**84,208**	84,208	0
Pension cost – employer contributions paid by NHSE on provider's behalf (2024/25 9.4%, 2023/24 6.3%)	**33,813**	33,813	**0**	**54,949**	54,949	0
Pension costs – other	**447**	447	**0**	**281**	281	0
Temporary staff – agency/ contract staff	**7,572**	0	**7,572**	**7,136**	0	7,136
TOTAL GROSS STAFF COSTS	**901,922**	**807,356**	**94,566**	**1,004,081**	**904,040**	**100,041**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(6,477)	(6,477)	0	**(9,419)**	(9,419)	0
Recoveries from other bodies in respect of staff cost netted off expenditure	(7,923)	(7,923)	0	**(7,552)**	(7,552)	0
TOTAL STAFF COSTS	**887,522**	**792,956**	**94,566**	**987,110**	**887,069**	**100,041**

"Off payroll" Engagements

Highly-paid off-payroll engagements as of 31 March 2025, earning £245 per day or greater.

Number of existing engagements as of 31 March 2025	24
Of which:	
Number that have existed for less than one year at time of reporting	11
Number that have existed for between one and two years at time of reporting	5
Number that have existed for between two and three years at time of reporting	4
Number that have existed for between three and four years at time of reporting	4
Number that have existed for four or more years at time of reporting.	1

All highly-paid off-payroll workers engaged at any point during the year ended 31 March 2025 earning £245 per day or greater

Number of off-payroll workers engaged during the year ended 31 March 2025	24
Of which:	
Not subject to off-payroll legislation	24
Subject to off-payroll legislation and determined as in-scope of IR35	0
Subject to off-payroll legislation and determined as out-of-scope of IR35	0
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

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2024 and 31 March 2025

Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial 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 must include both off-payroll and on-payroll engagements.	0

Exit Packages (Subject to audit)

	Total number of exit packages 2024/25 **Number**	**Total cost of exit packages 2024/25** **£000**	Total number of exit packages 2023/24 Number	Total cost of exit packages 2023/24 £000
Exit package cost band				
<£10,000	-	-	-	-
£10,000 to £25,000	-	-	1	14
£25,001 to £50,000	-	-	-	-
There were no compulsory redundancy made during 2024/25 (2023/24 1 £14k)				
There were no exit payments made during 2023/24 or 2024/25				
There were no special payments for exit payments made following employment tribunals or court orders in 2023/24 or 2024/25.				

Consultancy

The Trust spent £1,216k on consultancy fees in 2023/24 (£545,000 2023/24).

Human Resources Indicators

Clinical Board (CB) / Corporate Service (CS)	As at March 2025			
	Training	Appraisals	Sickness	Turnover
	> 95%	> 95%	< 3%	< 8%
CB Cancer and Haematology	92.97%	87.19%	5.08%	10.23%
CB Cardiothoracic Services	89.47%	75.52%	5.46%	7.45%
CB Clinical and Diagnostic Services	94.42%	84.96%	4.30%	8.91%
CB Family Health	90.99%	83.63%	6.42%	8.38%
CB Medicine and Emergency Care	90.84%	91.00%	6.26%	8.45%
CB Peri-operative and Critical Care	93.24%	88.23%	6.35%	7.15%
CB Surgical and Associated Services FH	93.41%	90.88%	5.03%	10.03%
CB Surgical and Specialist Services RVI	92.55%	85.43%	5.03%	9.28%
CS Business and Development	95.25%	86.79%	5.57%	8.08%
CS Chief Executive	92.58%	78.26%	1.28%	25.40%
CS Chief Operating Officer	91.78%	73.44%	2.89%	5.63%
CS Corporate Performance and Governance	98.51%	98.48%	3.80%	15.09%
CS CRN NENC	82.76%	100.00%	1.72%	16.00%
CS Estates	92.21%	87.73%	7.66%	13.77%
CS Finance	96.43%	80.20%	3.40%	8.62%
CS Human Resources	96.51%	85.93%	4.59%	9.48%
CS Information Management and Technology	96.09%	85.32%	4.68%	5.00%
CS Medical Director	95.87%	90.91%	3.36%	10.26%
CS Patient Services	94.87%	81.68%	5.69%	8.17%
CS Regional Drugs and Therapeutics	97.83%	91.67%	2.08%	0.00%
CS Supplies	95.70%	78.16%	4.31%	2.25%

% Appraisal Compliance by Staff Group	As at March 2025
Staff Group	%
Additional Professional, Scientific and Technical	87.58%
Additional Clinical Services	88.55%
Administrative and Clerical	85.64%
Allied Health Professionals	85.82%
Estates and Ancillary	88.13%
Healthcare Scientists	82.92%
Managers (Band 8c and above)	71.09%
Medical and Dental	83.22%
Nursing and Midwifery Registered	85.15%
Total	85.79%

Trade Union Data

Relevant Union Officials

Number of staff who were relevant union officials during the relevant period	Full-time equivalent
43	37.21

Percentage of Time Spent on Facility Time

Total number of staff who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time:

Percentage of time	Number of employees
0%	23
1-50%	19
51%-99%	0
100%	1

Percentage of Trust's total pay bill spent on paying staff who were relevant union officials for facility time during the relevant period:

First Column	Figures
Provide the total cost of facility time	£43,684.98
Provide the total pay bill	*£848,971,600
Provide the % of total pay bill spent on facility time	0.0051%

(*pending audit)

Percentage of total paid facility time hours that were spent by staff who were relevant union officials on paid trade union activities.

Time spent on paid trade union activities as percentage of total paid facility time hours	4.80%

Staff Health and Wellbeing

When our staff are at their best, they provide the best care to our patients. This means that looking after the health and wellbeing of our staff is essential. While the Trust currently meets the essential requirements of a good employer, we have heard loud and clear from staff that we can do more as an organisation to support them to care for others, especially on the key area of psychological support.

Our staff tell us that they often felt undervalued and unsupported. Using this information, and through a significant range of focus groups, we developed our People Plan in 2024/25. This identified three key actions for the first year focused on health and wellbeing:

1. Ensuring staff have access to current health and wellbeing resources.
2. Conducting a gap analysis of these offerings and developing a comprehensive health and wellbeing plan.
3. Reviewing and assessing the psychological support available to staff.

Our 2023 staff survey saw a significant decline in questions associated with health and wellbeing linked to line management, a group who can significantly impact health and wellbeing both positively and negatively. Specifically, under the pillar of health and wellbeing, our People Plan aimed to create an environment where our people felt safe and well, experiencing care and compassion from leaders and colleagues.

A thorough gap analysis was undertaken with key stakeholders, including the Health and Wellbeing Steering Group. This identified several challenges, including the need for a more coherent and co-ordinated trust-wide offer which included better psychological support and a more strategic approach to wellbeing initiatives. The NHS Health and Wellbeing Framework was used to ensure the process was completed in a structured way and remained focussed on the major factors which affect and improve workforce wellbeing. This process identified that our main area of focus for staff was mental health.

With the support of Newcastle Hospitals Charity, we have been able to develop a service model that will provide staff psychological support. The proposed service model will provide a trust-wide offer, with a primary focus on developing and delivering team and system level interventions. The evidence base demonstrates such interventions provide a wider, more sustainable impact on staff wellbeing, and link more effectively to organisation level priorities including improved patient safety and staff and patient experience. This service concept has been designed to scaffold and build on existing health and wellbeing initiatives led by Clinical Boards, the People Directorate and Occupational Health Services. This builds on the success of previous charity-funded pilot services in paediatrics, adult critical care and women's health.

Some of the things the service will deliver include:

- Strengthening debrief approaches after distressing events, aligned to the Team Immediate Meet (TIM) Principles.
- Implementing the NHSE Toolkit on Prevention of Suicide in Healthcare workers with local level adaptations where appropriate.
- Establishing a sustainable model for Mental Health First Aid including recruitment, regular development and support for practicing Mental Health First Aiders.
- In collaboration with the Professional Nurse Advocate lead, support the roll out of clinical supervision guidance, delivering appropriate consultation and supervision for colleagues in areas of specific demand, for example Chaplaincy, Professional Nurse Advocates and Staff Networks.
- Advise and support the Trust to develop a longer-term strategy and appropriate governance related to staff health and wellbeing initiatives.

Better Health at Work

Based on the evidence provided, we achieved the Maintaining Excellence level of the Better Health at Work award in January 2025.

The assessors recognised that there had been significant efforts to address the issues that had been highlighted. They identified that while there was still work to be done, it was clear that there was a positive direction of travel.

Overview of OHS

NewcastleOHS is a dedicated OHS supporting the wellbeing of over 15,000 NHS workers within the Newcastle Hospitals. Our comprehensive services are designed to enhance employee health, ensuring they are at their best to deliver exceptional patient care.

On-commencement

Our on-commencement screening is integrated within Trust recruitment systems to ensure new staff are fit for their roles, provide advice to managers regarding workplace adjustments and promote a healthy start within the Trust.

Immunisations and Control of Infection support

NewcastleOHS provide a key strategic role in the coordination and delivery of an annual mass staff vaccination delivery model for the influenza and COVID-19 vaccinations.

Our needlestick injury management process offers rapid response and treatment to minimise the impact of these incidents.

The team provide expert support for control of infection outbreaks including Health and Safety Executive (HSE) visits and establishing rapidly responsive immunisation programmes for example hepatitis B and mpox.

Self-referrals

Employees can self-refer to physiotherapy and counselling services, empowering them to proactively manage their health.

Management Referrals

We provide management referrals, up to 5,000 per annum to address various staff health concerns, ensuring timely and effective interventions. Staff can be assisted to stay at work as well as have advice on return-to-work. Approximately 50% (2,500) of those referred were at work when referred.

Rehabilitation and Health Promotion

We offer 1:1 gym-based rehabilitation at the staff social club gyms, supporting recovery and physical fitness. Our health promotion initiatives focus on key areas such as physical activity and back pain, crucial for maintaining a healthy workforce. We have collaborative working links with the Health and Wellbeing lead and health champions across the Trust.

Educational Webinars

Monthly webinars cover essential topics, for example back pain, sleep, stress and health and wellbeing at work. These provide staff with knowledge and strategies to improve their health and work-life balance.

Early Access Advice for attendance management

Our Early Access Advice service for attendance management is being expanded across the organisation in 2025. This provides staff with Occupational Health advice within 24 hours of referral. All managers are invited to be "on-boarded," ensuring prompt support and advice.

By integrating these services and initiatives, NewcastleOHS plays a vital role in fostering a supportive and health-oriented workplace, aligned with the Trust's broader health and wellbeing strategy.

Staff vaccination campaign

We actively encouraged staff to get their COVID-19 and flu vaccines this year to help protect themselves, their patients and services and colleagues at work.

The Trust had the highest uptake nationally for flu vaccinations (for NHS organisations with more than 10,000 staff) for its staff vaccination programme. In total 9,174 members of staff received their flu jab while 5,304 also had their autumn/winter boosters.

Equality, Diversity and Inclusion (EDI)

Newcastle Hospitals strives for equality of opportunities and equity of outcomes for both our staff and our patients.

While progress has been made, there is still much more to be done to create a truly inclusive environment. We acknowledge that our approach to EDI hasn't always been effective enough to meet the needs of our people and patients. We are committed to being honest about where we are, and intentional about where we want to go in making improvements.

Over the last year we have listened to feedback and understand that experiences of inclusion and equity vary across the Trust. This is something that we are determined to change. Improving peoples experience is not just the right thing to do, it's essential to our culture, our performance and to maintain the trust our staff and patients place in us. We have and will continue to take a reflective and transparent look at our data, culture and systems to better understand the barriers that exist and how we can improve.

We recognise that like many NHS Trusts we face challenges in achieving representative leadership, tackling unacceptable behaviours and incivility and addressing barriers that many colleagues experience in progressing their careers. These are not isolated issues, they reflect wider systematic patterns across the NHS. We are committed to taking meaningful, sustained action to make changes. By listening to lived experience, being honest about progress and holding ourselves accountable, we can create a more inclusive, respectful and equitable culture where everyone can thrive.

We continue to take active steps to comply with the Public Sector Equality Duty understanding that we need to improve how equality considerations are embedded into our decision making. Equality Impact Assessments are one of the most effective tools to support this as they place equity and fairness at the heart of decision making by systematically assessing the potential impacts of policies, practices, staff and service changes on those with protected characteristics. Our Equality Impact Assessment policy and guidance has been updated to improve our decision making and help ensure that no group is unfairly disadvantaged, intentionally or unintentionally. This also helps to make equality considerations a routine and proactive part of how we operate. In the coming year we need to work to embed the process and raise understanding of the benefits across Trust to ensure we;

- Promote fair and inclusive decision making by highlighting risks of discrimination or inequity early.
- Strengthen our compliance with the Public Sector Equality Duty.
- Encourage transparency and accountability.
- Improve service design and delivery by centring the needs and experiences of diverse groups.
- Minimise risks through positive identification and mitigation of discriminatory impacts.
- Build trust with staff and communities by demonstrating a genuine commitment to equity and inclusion.

As part of our ongoing work to embed EDI, we have taken a range of practical and strategic steps to address the key themes of representation, civility, inclusive leadership, and equitable progression.

Policies and Procedures

In line with our People Plan, we have made steps to improve our policy framework to create a more inclusive and psychologically safe workplace:

- We have developed and launched a Behaviour and Civility Charter,

emphasising that every member of staff has a responsibility to foster a respectful and inclusive culture.

- We have become signatories to NHSE's Sexual Safety in Healthcare Charter, affirming our commitment to ensuring all staff, learners and trainees feel safe and supported at work and developed and launched a new Sexual Misconduct and Sexual Violence Policy to set clear standards of behaviour and support those affected.
- In partnership with staff networks, we co-produced a Reasonable Adjustment Guide with the aim of supporting a more inclusive and supportive environment for colleagues with diverse needs.
- We are committed to becoming an anti-racist organisation and have begun to engage with staff to achieve this.

Data Insights and reporting

Data insights are essential to driving meaningful and measurable progress. They help identify where inequity exists, identify trends that may not be immediately visible and provide an evidence base to target interventions effectively.

By analysing workforce data across the employment life cycles, we can better understand, and target interventions tailored to different needs. Data insights will also enable us to measure, and evidence impact particularly around our equality objectives, Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Gender and Ethnicity pay gaps. This will ensure our work is not only values driven but strategic, targeted and delivers improvements. Monitoring and reporting remain essential to driving transparency, accountability, and improvement:

We continue to:

- Collect and analyse data across the employee lifecycle, recruitment, promotion, disciplinary actions, disaggregated by protected characteristics, to identify disparities and inform action.
- Meet all national reporting requirements including WRES, WDES, and Gender Pay Gap reporting and have built priorities into our WRES and WDES action plans.
- Review our ethnicity pay gap data and have plans in place to expand this to include disability and sexual orientation pay gap analysis.
- Ensure our focus on equity is evidence-based.

Staff Engagement

We are grateful to the members of our Race, Enabled, Pride, and Women's networks which remain a vital part of our approach. They have been able to bring passion, lived experience, and challenge to our work, ensuring diversity is valued, visible, and celebrated.

We have strengthened their influence by adding an Executive Lead to provide strategic visibility, influence and support at the most senior level sending a strong message that inclusion matters and ensuring direct influence on organisational decisions.

Choices College

Through our supported internship programme for young adults with learning difficulties, disabilities or autism we continue to provide meaningful opportunities for participants to develop employability skills and transition into the workplace. Since its launch in 2013, 130 young people have completed the programme with a 74% internship to employment transition rate making it one of the most successful programmes in the NHS. Our program consistently outperforms national outcomes. As changes continue to emerge across the NHS it is important that we take steps to future proof the scheme, ensuing its long-term viability ensuring continued success in supporting inclusive employment pathways.

Board Diversity

We recognise that our Board did not reflect the diversity of the communities we serve. Acknowledging this gap, we have taken a deliberate action to improve representation. We have recently increased our diversity at Board level, strengthening our ability to lead with cultural awareness, challenge structural inequities and make more inclusive and informed decisions.

These actions reflect our ongoing commitment to embedding EDI not only into our policies and systems, but into our everyday culture, behaviours, and leadership. We know there is still much more to do, and we are currently reviewing our strategic approach to ensure that we can make meaningful, measurable and sustainable progress.

2024 NHS Staff Survey Results Summary

The last few years have been exceptionally difficult for everyone working in the NHS, and now, more than ever, it is important to hear what colleagues think about working in our Trust – to help improve working lives.

A full census survey was sent via email to all eligible employees of the Trust (via external post for those on maternity leave), giving all **16,353** members of our staff a voice. 10,371 staff participated in the survey, equalling a response rate of 64%, which is a 60.62% improvement on the 2023 response returns of 6,457. This was also a 15% increase compared to the sector average of response rate of 49%.

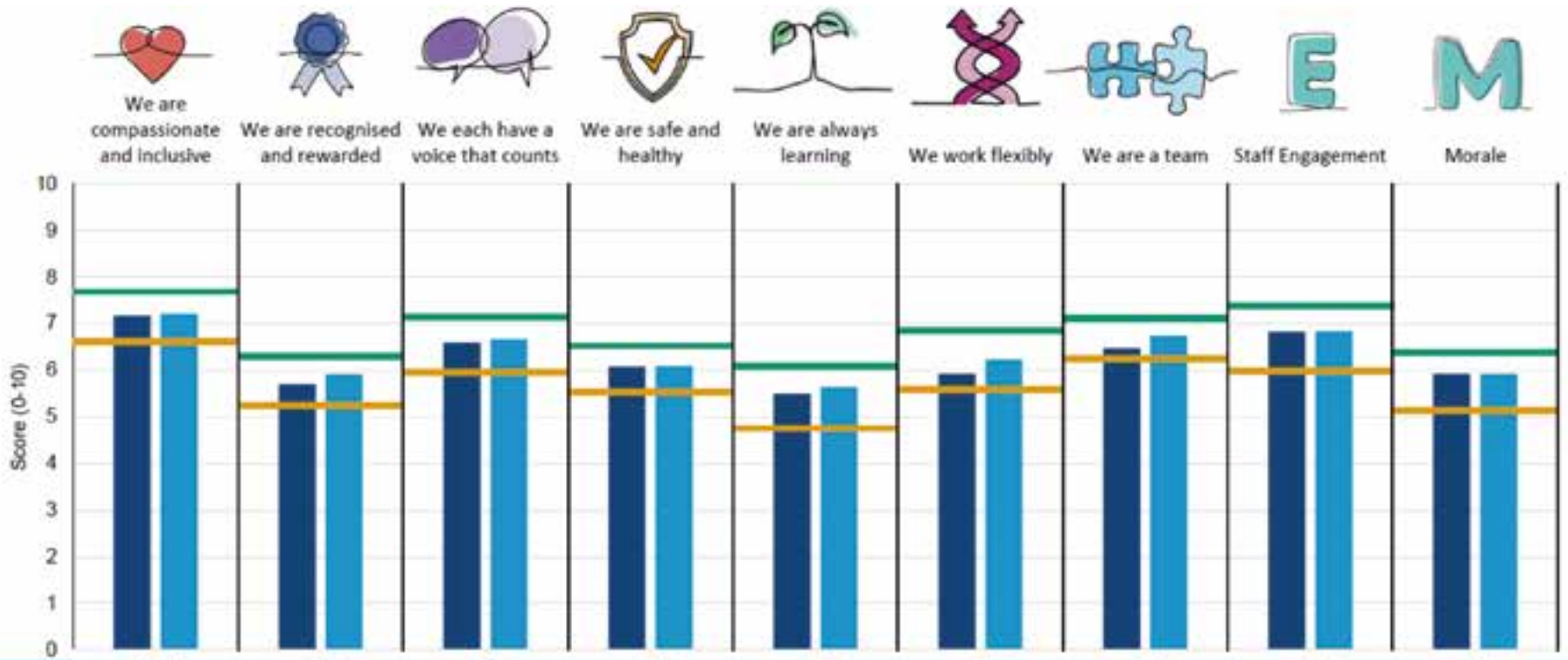
The NHS Staff Survey is aligned to the NHS People Promise. This sets out, in the words of NHS staff, the things that would most improve their working experience, and is made up of seven elements:

- We are compassionate and inclusive.
- We are recognised and rewarded.
- We each have a voice that counts.
- We are safe and healthy.
- We are always learning.
- We work flexibly.
- We are a team.

Alongside the NHS People Promise are two main themes:

- Staff Engagement.
- Morale.

Newcastle Hospitals People Promise Benchmarked Results:



	We are compassionate and inclusive	We are recognised and rewarded	We each have a voice that counts	We are safe and healthy	We are always learning	We work flexibly	We are a team	Staff Engagement	Morale
Your org	7.17	5.70	6.59	6.08	5.50	5.93	6.48	6.83	5.93
Best result	7.69	6.30	7.14	6.53	6.09	6.86	7.12	7.39	6.38
Average result	7.21	5.92	6.67	6.09	5.64	6.24	6.74	6.84	5.93
Worst result	6.61	5.24	5.95	5.54	4.76	5.60	6.26	5.98	5.13
Responses	10334	10337	10236	10266	9919	10252	10305	10350	10348

All seven People Promise elements are recording higher scores in 2024 compared to 2023, with all People Promise sections showing statistically significant improvement, these are:

People Promise elements	2023 score	2023 respondents	2024 score	2024 respondents	Statistically significant change?
We are compassionate and inclusive	7.09	6444	7.17	10334	Significantly higher
We are recognised and rewarded	5.59	6451	5.70	10337	Significantly higher
We each have a voice that counts	6.49	6375	6.59	10236	Significantly higher
We are safe and healthy	5.95	6398	6.08	10266	Significantly higher
We are always learning	5.32	6258	5.50	9919	Significantly higher
We work flexibly	5.72	6414	5.93	10252	Significantly higher
We are a team	6.34	6420	6.48	10305	Significantly higher
Themes					
Staff engagement	6.76	6446	6.83	10350	Significantly higher
Morale	5.76	6452	5.93	10348	Significantly higher

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence.

Although we've seen a statistical improvement over time across all our People Promise domains, we still fall below the national average when compared to other NHS Trusts:

2024 scores vs NHS average and NHS best	CDDFT	STSFT	North Tees	South Tees	Gateshead	Newcastle	Northumbria	NHS Average	NHS Best
We are compassionate and inclusive	7.18	7.33	7.36	7.16	7.36	7.17	7.61	**7.21**	7.69
We are recognised and rewarded	5.82	6.00	5.99	5.80	5.92	5.70	6.24	**5.92**	6.30
We each have a voice that counts	6.63	6.83	6.75	6.59	6.74	6.59	7.03	**6.67**	7.14
We are safe and healthy	6.04	6.30	6.24	5.94	6.10	6.08	6.53	**6.09**	6.53
We are always learning	5.68	5.85	5.47	5.39	5.79	5.50	5.89	**5.64**	6.09
We work flexibly	6.24	6.49	6.32	5.83	6.35	5.93	6.15	**6.24**	6.86
We are a team	6.68	6.80	6.76	6.54	6.76	6.48	6.91	**6.74**	7.12
Staff engagement	6.70	6.92	6.86	6.78	6.84	6.83	7.13	**6.84**	7.39
Staff Morale	5.86	6.20	6.02	5.84	5.93	5.93	6.38	**5.93**	6.38

below national average
same as national average
above national average
same as NHS best

In summary, providing the highest standard of care has always been our priority and we know how important this is to all our staff here at Newcastle Hospitals. The organisation is particularly proud to score statistically better than the national average (Trust 76.60% vs Sector 64.90% which is a 11.7% increase) when asked *"If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation."*

Improvements in staff experience and engagement must be targeted at relationships within and across teams – the association with patient safety, patient experience and performance is clear. With the Trust remaining committed to doing more to protect colleagues from increasing levels of violence, aggression and discrimination from patients and the public.

Finally, these 2024 NHS Staff Survey results will directly inform the Year 2 objectives in the Trust People Plan and be shared widely across Clinical Boards and Corporate Services.

Staff Social Club

As part of the employment package and to extend the benefits of employment with the Trust, a very well supported Staff Social Club (SSC) aims to provide social and recreational facilities and opportunities for staff.

The club is governed by a staff committee comprised of 15 nominated colleagues who ensure fees are spent wisely and appropriately.

Signing up starts from just £2 per month and gives staff the opportunity to: buy heavily subsidised tickets/vouchers for a range of social, cultural, and recreational events and activities; enter a lottery which has 36 prizes each month and a jackpot of £1,250; and join the onsite 24-hour Fitness Centres at the Freeman and RVI.

Over the last year, 134 staff signed up as new members, taking total membership to 8,950 - more than half of the organisation. Throughout the year, there was significant focus on developing the financial structure and enhancing the lottery framework, with £78,000 now given away each year.

During 2024, operational delivery of events and ticket offerings exceeded all previous years. Members had access to 89 events, and 10,165 event places.

There continues to be emphasis on working with more local independent businesses and social enterprises (Charities, Community Interest Companies (CIC's) etc), to support growth throughout the region, alongside offering a variety of new and different opportunities and experiences, not yet seen before by members. These events range from animal experiences, creative workshops to day trips and exploring other cities, opportunities to learn new skills through cooking classes, and get active with indoor climbing & competitive running. As well as vouchers for reputable hotels, spas, restaurants, and attractions across the North East.

Looking ahead to 2025, there are currently already over 80 events planned and several more in the pipeline, forecasting over 10,500 event places, working closely with suppliers and staff networks to ensure our events are as inclusive and accessible for members.

As the SSC continues to grow, there is focus on further developing the club's strategy and business objectives, ready for its renewal in 2026.

More information about the club is available here: https://staffsocial.newcastle-hospitals.nhs.uk/.

Partnerships with the armed forces

As one of the largest employers in the North East, we recognise the importance that healthcare plays in supporting the country's defence and security, and so we are committed to supporting the UK's Armed Forces community, from cadet adult volunteers to reservists, veterans and their families. We have demonstrated this commitment not only by developing our own covenant, but also achieving the Gold Defence Employer 151 Recognition Scheme

Award in 2023 and we are collaboratively working towards re-accreditation. We also won the HSJ award for Reservist Support Initiative in 2019.

We have developed strong relationships with local Armed Forces communities, such as the North of England Regional Employer Engagement Team, who provide opportunities for representatives from the Trust to learn and develop how we can better support our staff and patients, and the Veteran Friendly Framework (VFF), who enable staff to meet the needs of veterans and their partners effectively by providing training resources, pre-admission assessment templates to support identification and a directory of services to support with connections to Armed Forces charities.

There is significant support from the Board of Directors for this work as well as HR who work together to promote the forces and ensure both staff and patients are supported and not disadvantaged. Some of the ways staff are supported include:

- Dedicated reserve forces training and mobilisation policy;
- Additional training provided on the Virtual Learning Lab for staff across the Trust to develop their understanding on how to support patients from the armed forces community;
- Guaranteed interviews for service leavers, veterans and reservists who meet the essential criteria for roles;
- An additional 10 days paid annual leave for reservists and cadet adult volunteers to attend their annual camps;
- Supporting reservists and their managers with mobilisation and demobilisation; and
- Providing an Armed Forces staff network since 2018, which has 60 members of staff from across the Trust.

The core values of the Trust and the Armed Forces are closely aligned, with a focus on people and partnerships, pioneering services and staff pride in what they do. As a result, we strive to ease the path for service leavers to work in healthcare and offer an internal mentor on an ad-hoc basis, where appropriate or necessary.

Leadership and Organisational Development (OD)

NHSE do OD and refer to an OD Vision as 'making positive changes which all staff engage with to make services better for patients.'

Our OD provision have been working on systematising and developing human process interventions focussed on emerging themes from requests for interventions from across the organisation. Work has been undertaken to look at Alliance level collaboration to provide impact and value for money.

The following tiers of activity show how the OD offer has been developed to support our teams in meeting their strategic objectives and improving the service for patients:

- **Tier 1** – what has the sponsor already tried?
- **Tier 2** – when morale or engagement is negatively impacted by factors such as unusually high workload, pressure and burn out.
- **Tier 3** – when relationships and/or unhealthy behaviours are impacting on the team's performance and quality of service.
- **Tier 4** – facilitating a team planning meeting to enable all to take part in the discussions.

These tiers of intervention are supported by the use of the following four tools which are currently being embedded and expanded with stakeholder engagement:

- Mediation
- 360 multi source feedback
- Insights discovery (psychometrics)
- Coaching

Post-intervention surveys and follow ups with sponsor will inform evaluation impact.

Next steps include:

- Production of an Equality Impact Statement.
- Targeted use of the Insights model.
- Collection of data which can be connected to Staff Survey Results and HR Data.

Preceptorship, Health Care Academy and Simulation

Preceptorship

The Trust Preceptorship Programme is aligned with the National Preceptorship Framework and in 2024 the Trust was awarded the National Preceptorship Quality Mark. The Preceptorship programme is for newly registered Nursing, Midwifery and Allied Health Professionals (NMAHP's), Nursing Associate's, Degree Nurse Apprentice's and Returning to Practice. Preceptees are given protected time for training and are required to complete the programme within 12 months of starting in the Trust.

In 2024/25 the trust welcomed 231 NMAHP new starters (147 in Nursing, 17 in Midwifery, 67 in AHP) and 9 nursing associates.

This robust training programme aims to contribute to safe staffing, delivery of quality patient care and staff retention.

Healthcare Academy

The Healthcare Academy is primarily for Healthcare Assistants (HCA) (Agenda for Change Bands 2 & 3) new to the organisation including HCA apprentices. It is completed prior to working in the clinical environment, the week after corporate induction.

The Academy provides staff with the knowledge and skills to deliver safe and compassionate care. Sessions include personal care, nutrition and hydration, patient observations, bladder and bowel care, the role of the HCA within the organisation, privacy, dignity and respect, infection prevention and control and supporting patients who need additional care (diabetes, hearing/visual impairment, mental health).

During the Academy, staff participate in a range of scenarios as part of their National Care Certificate work. Following the Academy, staff complete a workbook as the final part of the National Care Certificate, once all requirements are satisfied, the care certificate is issued. This is to be completed, ideally, within six months from their start date.

In 2024/25 the trust welcomed 54 HCA and 14 HCA apprentices.

Medical Education

Postgraduate

All junior doctors rotated successfully in the August and Septembers intake with a face to face induction.

All foundation doctors completed a comprehensive shadowing programme ahead of their first rotations.

A refugee programme for doctors has been developed with the first cohort joining the organisation in September 2024 for a clinical observership, with a view to support these doctors in gaining registration with the GMC and providing experience of working for the NHS. The programme received positive feedback from both the refugee doctors and those who supervised. We will look to hold further cohorts in the future.

A bid has been submitted to NHSE to support our Speciality Associate Specialist (SAS) and Locally Employed Doctors (LED) doctors with a view to creating a local E-portfolio for LED doctors to use in line with national training. Confirmation of approval is awaited.

Action plans are in place with both Paediatric Cardiology and Cardiology at the FH in line with the recent GMC survey results. All departments with outliers will have a formal action plan attached to our Quality Improvement Plan (QIP) and Self-

Assessment Report (SAR) cycle with NHSE due January 2026.

Undergraduate (UG)

Student exam results in 2023/24 were excellent at Newcastle Hospitals, with all students sitting exams at the end of the year progressing to the next stage of study/ their career. Similar results are expected at the end of the academic year 2024/25.

The implementation of a monthly Undergraduate Medical Education Newsletter has been a welcome addition and a valuable mechanism for sharing information/ updates with our Trust educators. It is an important line of communication enabling us to share curricula updates, upcoming opportunities and other information with a wider body of educators with the ultimate aim of increasing the engagement, involvement and understanding of UG Medical Education within the Trust.

The use and governance of the UG Medical Student tariff is subject to regular reports and returns to NHSE. Transparency of the use of funding remains an area for improvement and has been a topic for discussion at the Annual Deans Quality Meeting. Closer alignment to the demands of the undergraduate medical student curriculum is required to ensure the curriculum is appropriately and well resourced.

Leadership

The Leadership Portfolio has been managed and offered through the Learning and Development Team (L&D), since January 2025. It includes:

- **Developing individual Leaders:** focus on People Plan and Trust's strategy and priorities alignment, including Patient Outcomes, EDI and staff experience.
- **Contributing to creating an organisational culture and climate that supports leadership**, including through our structure, processes and policies: thread of positive cultural development throughout all L&D delivery, with a golden thread of compassionate leadership and person centred approaches throughout.

Vision:

A coherent, progressive curriculum of leadership learning and development, with defined purpose and audience for each leadership programme supported by skills training, including:

- Effective Communication.
- Compassionate Communication.
- Workplace Coaching Skills.
- Workplace Mentoring Skills.
- Giving and Receiving Feedback well (delivered by OD team members).

This activity will be complemented by an enhanced managers learning and development offer which focuses on practical skills for managers.

Our leadership offer has been evolved to include an innovative 'Compassionate Leadership Programme' which focuses on psychological principles to embed behaviour change. Initial outcomes are positive and further refinement of the leadership offer, based on feedback, is planned. This will include using creative approaches such as taking bite size learning sessions to front line staff thinking about how we can more effectively reach our workforce.

Further L&D's is offered through our Resource Bank hosted on the Learning Lab, instantly accessible in the flow of work, to support all staff including Leaders and Managers.

Curriculum:

- Further development of the **'Impact' programme** to provide Fundamentals of Leadership over two days.
- Widening of **Leading An Empowered Organisation™** (LEO) facilitator team, through training to enable delivery of regular scheduled cohorts, as well as

capacity for some bespoke requests.

- Continue development and delivery of the **'Compassionate Leadership' programme** following Pilots completion, with an expected offer of three more cohorts (totalling an offer of 60 places) before December 2025.
- Scheduling of further monthly **Leadership Bitesize sessions** (1 hour hosted via Teams then recording available on the Learning Lab).

Technology Enhanced Learning (TEL)

The TEL team continue to provide a responsive service for new curriculum developments and play a key role in the Statutory and Mandatory training agenda. The team manage the audiences for each learning programme and reports on compliance to the Learning and Education Group and to the People Committee. Work is ongoing to explore opportunities for income generation and the provision of an Alliance wide service.

Staff Appraisal Improvement

Following a successful pilot in a number of services including Family Health, Pharmacy, Estates and People Services, an improved appraisal process offer went live across the Trust in April 2025. The new process applies to non-medical / dental staff and has been co-produced with stakeholders across the organisation to offer a more meaningful, person-centred approach. Feedback from staff highlighted that the previous appraisal structure was perceived as process driven, rather than person focused, burdensome in regards administration, and did not add value to staff experience. With that in mind, feedback on an improved offer was gathered and a number of workshops facilitated to design a more appealing proposition.

The improved appraisal process has been reshaped to consider a holistic, developmental approach as opposed to a performance management or rating discussion. The process is more streamlined, intuitive and engaging and focuses on four key areas: Contribution and Performance, Development and Career, Behaviour and Values, and Health and Wellbeing. The appraisers and appraisee are encouraged to work together to set priorities within these four areas, to ensure the discussion is focused on aspects that are most pertinent to that individual.

Next steps following the formal launch of the new appraisal process include:

- Plan for ongoing feedback work for additional assurance and link to pilot of the national 'scope for growth' framework.
- Monitoring – daily information available to managers via People Dashboard.
- Accountability – monthly performance reviews held with Clinical Boards; monthly meetings held between HR and Clinical Boards/Corporate Services. All areas to be asked to renew focus to improve areas of non-compliance.

Statutory and Mandatory Training

Compliance rates with statutory and mandatory training have risen due to the focussed attention of a dedicated improvement project.

A detailed improvement plan has been developed to address identified issues. These focus on strategies to improve access to training, reporting and escalation of non-compliance, ensuring that the correct training is mandated and ensuring that the correct staff are identified to complete each course. Subject areas with low compliance e.g. Resus, Control and Restraint, Local Induction, Moving and Handling and Fire are all subject to increased focus and bespoke interventions including, review of delivery models, frequency of delivery, drop in sessions, group sessions and delivery at non-traditional times to help support attendance.

NHSE are leading on a national review of Statutory and Mandatory training with the

aim of standardising audiences and renewal frequencies. A panel of national Subject Matter Experts (SMEs) have been appointed and a national Statutory and Mandatory Policy has been developed. The Trust is in the process of adopting this policy which will supersede our own, local version.

Each organisation will be required to produce an annual plan that summarises the mandatory learning topics, the projected investment of time to complete the learning and the expected improvements in outcomes, for submission to NHSE by March 2026. This will achieve a number of things:

- Organisations will reconfirm their alignment to the national framework – highlighting any subjects they do not require for their staff and any reasons for non-alignment.
- National dashboards will enable organisations to benchmark themselves.
- By accurately calculating the investment of staff time, costs of training can be aggregated nationally.
- Information regarding locally mandated training topics will inform the potential creation of further national packages.
- Outcome metrics will help build the evidence base as to whether training is having an impact on these outcomes.

This work supports the move to measuring impact rather than compliance.

Newcastle Skills Academy

The Newcastle Hospitals Skills Academy (NHSAc) team has worked at pace within its first operational year to build a robust strategy for growth, develop fit-for-purpose operating procedures to help facilitate quality education and training delivery and develop an effective business development pipeline to ensure future sustainability and growth. NHSAc has delivered a positive year-end financial contribution back into the Trust, the team have worked hard to maximise income opportunities, control costs and worked closely with finance colleagues to give accurate monthly reporting. Throughout 2024/25 the NHSAc will have delivered Continuing Professional Development (CPD) education and training to over 1,000 learners with over 40 course cohorts.

One example of success comes from collaborating with colleagues in Patient Services to develop the Harm Free Care (HFC) Leaders programme, transitioning the programme from a departmental update format to an educational programme with additional bookable lectures. This change will ensure a robust and peer reviewed 'core' programme will be delivered to all learners, and optional interchangeable lectures will be available for learners to attend.

Our Course Approval Panel (CAP) has evolved, since we began this process of course due diligence 19 opportunities have been submitted to the CAP with 10 approved for further development.

Next steps include:

- Building a pool of flexible educators (Feds) with the aim to greatly improve capacity to deliver educational programmes.
- Begin development of an Institute of Leadership and Management (ILM) Level 3 Award in Leadership and Management pilot utilising the Fed pool to deliver education, support and assessments to a small cohort of external, commercially funded learners.

Apprenticeships

178 Trust staff started an apprenticeship during the year 2024/25, a slight increase of 8% on the previous year's numbers. Those 178 staff are following 47 different apprenticeship standards.

The levy budget for 2024/25 was £3,791,573 and of that £3,196,825 was spent in year. £109,992 was transferred to support apprentices within the NEAS.

A number of reforms were announced in February 2025:

- English and maths requirements now flexible for learners over 19 years old, effective immediately (aged 16-18 apprentices still need to complete level 2 functional skills).
- New Skills England body launched to oversee the national skills strategy and to support economic growth.
- Apprenticeship duration cut from 12 to 8 months minimum, starting August 2025 and targeting key shortage areas – Healthcare, Social Care and Construction.

Considerations for 2025/26 and beyond:

- Broader training options.
- Simplified processes for smaller businesses.
- Regional skills alignment.
- Focus on growth sectors.

Work Experience and Widening Participation

NE1CAN

In October, the Trust hosted the first largescale event in partnership with NE1CAN. We welcomed 500 students from 14 different education providers across the North East, giving the students the opportunity to explore careers in healthcare through hands-on activities (Radiotherapy, Midwifery, Nursing, Occupational Therapy and Radiology), and valuable career conversation insights from staff about their journey and experience. Sir Jim Mackey, CEO, opened and closed the event, reinforcing the Trust's commitment to engaging with the future workforce.

This is the largest event NE1CAN has ever delivered and is a response to the overwhelming demand from young people who are keen to learn about the diverse roles in the NHS. This will now run as an annual event.

Further information is contained within the links below:

- https://www.newcastlene1ltd.com/projects/ne1-can
- https://www.newcastlene1ltd.com/latest/news/ne1-can-newcastle-upon-tyne-hospitals-nhs-themed-careers-event

Other widening participation events activity undertaken/planned:

- Gosforth Academy Career Conversations – November
- National Apprenticeship Show, Newcastle Eagles Vertu Motors Arena – November
- Healthcare Support Worker Conference, Crowne Plaza – November
- NE1CAN Nursing Insight session, The Royal Station Hotel – December
- NE1CAN Radiology insight sessions
- NE1CAN Maternity insight sessions
- Career Day – April
- Grow Our Own – Healthcare Support Worker, an initiative to support the growth of existing members of staff in a Healthcare Support Worker role. November & December.

Work Experience

Demand for work experience continues to outstrip available capacity so a new 'cohort' approach was introduced in September. New placements cohorts were available in:

- Medicine
- Day Treatment Centre (to include surgery observation)
- Office-based
- Pharmacy
- Physiotherapy
- Dentistry

Code of Governance

We apply the principles of NHSE's Code of Governance (the 'Code') for NHS Provider Trusts on a comply or explain basis. The Code (last updated in 2022) was based on principles of the revised UK Corporate Governance in 2019, and came into effect from 1 April 2023.

The Board conducted a review of the effectiveness of its system of internal control, with details contained within the AGS.

The Board of Directors provides effective and proactive leadership within a framework which enables risk to be assessed and managed appropriately (see the AGS for further details). The Board ensures compliance with the Terms of Authorisation, the constitution, mandatory guidance, relevant statutory requirements and contractual obligations. It sets out the strategic ambitions for the Trust, taking into account the views of the Council of Governors, and ensures that the necessary resources are in place to meet priorities and objectives. There is periodic review of progress and management performance against the strategy.

Principles and standards of corporate and clinical governance are set and overseen by standing committees of the Board. Directors have overall responsibility for the effective, efficient and economical discharge of the functions of the Trust, taking joint responsibility for every decision of the Board, notwithstanding the particular responsibilities of the Chief Executive and Accounting Officer. Specific mechanisms are in place for the appointment, terms of service and removal of Executive Directors.

NEDs are in the majority on the Board and are independent. They challenge and scrutinise the performance of the Executive Directors to satisfy themselves of the integrity of the financial, clinical and non-clinical information they receive, and to ensure that risk management arrangements are robust and effective. There is a formal Scheme of Delegation and Reservation of Powers that defines which functions are reserved for the Board and which are delegated to committees and Trust officers.

Members of the Board of Directors have an open invitation to attend all meetings of the Council of Governors. The Trust's constitution sets out the statutory responsibilities of the Council in relation to the appointment and removal of the Chair and NEDs, the appointment and removal of external auditors, the approval of the appointment of the Chief Executive, receiving the Annual Audit Letter, and providing input to the Annual Plan and its strategies. The Board determines which of its standing committees and groups may have governors as members, observers or in attendance.

Mandatory disclosures

There are several disclosures and statements that we are required to make, even where we are fully compliant – known as mandatory disclosures. The mandatory disclosures have already been made within the main text of the annual report and section references are provided below to demonstrate where each disclosure has been made.

Code section	Summary of requirement	Details/Section reference
A2.1	The Board of Directors should assess the basis on which the Trust ensures its effectiveness, efficiency and economy, as well as the quality of its healthcare delivery over the long term, and contribution to the objectives of the ICP and ICB, and place-based partnerships. The Board of Directors should ensure the Trust actively addresses opportunities to work with other providers to tackle shared challenges through entering into partnership arrangements such as provider collaboratives. The Trust should describe in its annual report how opportunities and risks to future sustainability have been considered and addressed, and how its governance is contributing to the delivery of its strategy.	Detailed within the Partnerships, Performance and AGS sections of this report. A number of activities have been undertaken during the year to assess and strengthen the Trust's contribution to the objectives of the ICP, ICB and place based partnerships, including how opportunities and risks to future sustainability have been considered and addressed: • The Trust continues to work closely with the Integrated Care Board and the Provider Collaborative. • Implementation of the ICB Place Based Plan is overseen by the ICB's Newcastle Place Based Sub Committee which is chaired by the ACEO on behalf of partners. The Plan was developed with input from the Trust through the Collaborative Newcastle Joint Director Team. • Monitoring of performance against the Trusts CQC Action Plan developed to address a number of risks to Trust governance which would otherwise impact on sustainability. • The Trust Board have considered major challenges facing the Trust and previously decided along with three other local NHS Foundation Trusts to create the Great North Healthcare Alliance to tackle shared challenges. Three work programmes have been identified covering: ◦ Financial planning for 2025/26; ◦ Digital interoperability; and ◦ Research and innovation. • The Trust has continued to develop its Clinical Strategy through discussion with senior clinical and operational leaders at the Trust Management Group and Clinical Policy Group meetings.

Code section	Summary of requirement	Details/Section reference
A2.3	The Board of Directors should assess and monitor culture. Where it is not satisfied that policy, practices or behaviour throughout the business are aligned with the Trust's vision, values and strategy, it should seek assurance that management has taken corrective action. The annual report should explain the Board's activities and any action taken, and the Trust's approach to investing in, rewarding and promoting the wellbeing of its workforce.	Detailed within the EDI, Staff Engagement and Experience and Staff Health and Wellbeing sections of this report. A number of activities have been undertaken during the year in order to assess and drive cultural improvements. These have included: • CEO/ACEO staff roadshows. • The AGS outlines the work conducted during 2024/25 in response to the Trust People Plan. • Dedicated discussion sessions for the Board of Directors, Executive Team, Trust Management Group and Council of Governors on the NHS Staff Survey results and required actions. • The work undertaken by the Health & Wellbeing Steering Group. • Completion and launch of the Behaviour and Civility Charter. • The launch of the Mental Health Strategy. • Several actions were undertaken during the year in relation to health and wellbeing support – these are detailed in the Staff Health and Wellbeing section of the Staff Report. • A Clinical Board Leadership Development Programme led by TVC.
A2.8	The Board of Directors should describe in the annual report how the interests of stakeholders, including system and place-based partners, have been considered in their discussions and decision-making, and set out the key partnerships for collaboration with other providers into which the trust has entered. The Board of Directors should keep engagement mechanisms under review so that they remain effective. The Board should set out how the organisation's governance processes oversee its collaboration with other organisations and any associated risk management arrangements.	Detailed within the Partnerships section of this report. A Strategic Oversight Group was established for the development of the CDC which included NED representation from both Newcastle Hospitals and GHFT, with the minutes of the meetings reported into the Trust Finance & Performance Committee during the year 2024/25. For collaboration with other organisations, such as the creation of the GNHA, regular updates are reported to the Trust Board meetings. The ICB Newcastle Place based Sub Committee meets monthly as a forum for collaborative working.

Code section	Summary of requirement	Details/Section reference
B2.6	The Board of Directors should identify in the annual report each NED it considers to be independent. Circumstances which are likely to impair, or could appear to impair, a NEDs independence include, but are not limited to, whether a director: • has been an employee of the Trust within the last two years. • has, or has had within the last two years, a material business relationship with the trust either directly or as a partner, shareholder, Director or senior employee of a body that has such a relationship with the Trust. • has received or receives remuneration from the Trust apart from a Director's fee, participates in the Trust's performance-related pay scheme or is a member of the Trust's pension scheme. • has close family ties with any of the Trust's advisers, Directors or senior employees. • holds cross-directorships or has significant links with other Directors through involvement with other companies or bodies. • has served on the Trust Board for more than six years from the date of their first appointment. • is an appointed representative of the Trust's university Medical or Dental School. Where any of these or other relevant circumstances apply, and the Board of Directors nonetheless considers that the NED is independent, it needs to be clearly explained why.	The names of the NEDs and their terms of office are listed in the Board of Directors section of the Accountability Report. All of the NEDs are considered to be independent. Of the circumstances that are listed in code section B2.2, none of the NEDs have been in post more than six years. Any situation where a conflict of interest arose were appropriately declared, considered and mitigating action taken.

Code section	Summary of requirement	Details/Section reference
B 2.13	The annual report should give the number of times the Board and its Committees met, and individual Director attendance.	The number of times the Board has met and individual director attendance is disclosed within the Board of Directors section of the Accountability Report. The number of times the Appointments and Remuneration Committee has met and individual Chair/NED attendance is disclosed within the Annual Remuneration Statement in the Accountability Report. The number of times the Nominations Committee has met and individual member attendance is disclosed within the Nominations Committee section of the Annual Report. The number of times the Audit, Risk and Assurance Committee has met and individual NED attendance is disclosed within the Audit, Risk and Assurance Committee section of the Accountability Report. For other Board Committees, an Annual Report of the Committee is produced which sets out the role and responsibilities of the Committee, activity during the year, Committee membership and attendance. These reports are included within the Public Board meeting papers annually in May.
B 2.17	For Foundation Trusts, this schedule should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by the Board, the Council of Governors, Board Committees and the types of decisions which are delegated to the executive management of the Board of Directors.	Detailed within the Our Governors and Nominations Committee sections in the Accountability Report. In 2024/25 to the Trust has not needed to utilise the resolution process for resolving disagreement. An Accountability Framework is in place, along with Standing Orders and a Scheme of Delegation which sets out the decision making authority. The Accountability Framework was updated during the year and approved by the Trust Board meeting in March 2025.
C 2.5	If an external consultancy is engaged, it should be identified in the annual report alongside a statement about any other connection it has with the Trust or individual directors.	During the year the Trust has worked with Peridot and Gatenby Sanderson, recruitment search agencies, as part of Executive and Chair/Non-Executive recruitment exercises. There are no declarations of interest for the Board of Directors which suggest any connection between individual directors and the recruitment firms.

Code section	Summary of requirement	Details/Section reference
C 2.8	The annual report should describe the process followed by the Council of Governors to appoint the Chair and NEDs. The main role and responsibilities of the Nominations Committee should be set out in publicly available written terms of reference.	A Nominations Committee Chair and NED appointments process and succession policy is in place. A rigorous and transparent process is followed which involves: 1. An analysis of the NED composition and current skillset in order to identify the skills to be sought, as well as a consideration of the Code of Governance/best practice guidance for recruitment of NEDs/a Chair. 2. Development of an advert, job description and person specification, with positive action taken in order to ensure a diverse pool of applicants. 3. Longlisting/shortlisting based on supporting statements. 4. Interviews incorporating a presentation from the shortlisted candidate(s) followed by questions by the Interview Panel. The Interview Panel consists of a majority of Governors from the Nominations Committee. The Panel are supported by the Trust Secretary, recruitment support from the People Department, the SID/Chair as appropriate, an external representative from the ICB/NHSE and a diversity representative. 5. The Interview Panel makes a recommendation to the Council of Governors for approval. For the recruitment of a Chair the process includes holding stakeholder engagement sessions with governors and key stakeholders to allow them to meet the candidates prior to the final interview. The Terms of Reference of the Nominations Committee set of the main role and responsibilities of the Committee. They are reviewed as a minimum every two years and are approved by the Council of Governors in the Public session of the meetings – meeting papers are available on the Trust website.
C 4.2	The Board of Directors should include in the annual report a description of each Director's skills, expertise and experience.	Detailed within the Board of Directors section of this report.

Code section	Summary of requirement	Details/Section reference
C 4.7	All Trusts are strongly encouraged to carry out externally facilitated developmental reviews of their leadership and governance using the Well-led framework every three to five years, according to their circumstances. The external reviewer should be identified in the annual report and a statement made about any connection it has with the trust or individual directors.	An external review of governance and leadership was conducted by PwC in 2022/23 as detailed in the 2022/23 Annual Report. Mr MacLeod, NED, is a former partner in PwC, who worked in the private sector audit department at PwC. The Trust continued to work with TVC during 2024/25, this included: • Between August and December 2024, TVC undertook a series of sessions as part of a leadership development programme with Clinical Boards. • A Board Development Programme with TVC to enhance the leadership capabilities as a collective, ensuring effective governance from Ward to Board. • An independent rapid review of quality governance. • Focussed visits from TVC as part of a stocktake review. • Additional work on the well-led domain with the Trust Board and Clinical Board triumvirates.

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<tr><th>Code section</th><th>Summary of requirement</th><th>Details/Section reference</th></tr>
<tr><td>C 4.13</td><td>The annual report should describe the work of the Nominations Committee(s), including:
the process used in relation to appointments, its approach to succession planning and how both support the development of a diverse pipeline.
how the Board has been evaluated, the nature and extent of an external evaluator's contact with the Board of Directors and individual Directors, the outcomes and actions taken, and how these have or will influence Board composition.
the policy on diversity and inclusion including in relation to disability, its objectives and linkage to Trust vision, how it has been implemented and progress on achieving the objectives.
the ethnic diversity of the Board and senior managers, with reference to indicator nine of the NHS Workforce Race Equality Standard and how far the Board reflects the ethnic diversity of the Trust's workforce and communities served the gender balance of senior management and their direct reports.</td><td>Detailed within the Nominations Committee section in the Accountability Report. See also C 2.8. The CQC well led inspection findings are detailed in the AGS and well-led section of this report.
During the year the Nominations Committee has considered/discussed several options to support the development of a diverse pipeline. An Associate NED role was established during the year.
A skills audit process for the NEDs commenced in March 2024, in conjunction with TVC, in order to identify the composition of the NED skills within the Board and any potential gaps. The outcomes were used to inform subsequent recruitment activity.
The EDI remuneration policy is set out within the Remuneration Report section of this report and further detail on EDI work conducted during the year is included in the EDI section of the Staff Report.
The Board representation indicator (WRES indicator 9) is calculated by deducting the percentage of BME staff in the workforce from the percentage of BME members on the Board of Directors. A value of "0.0" means that the percentage of BME members on the Board of Directors is exactly the same as the percentage of BME staff in the workforce. A positive value means that the percentage of BME members on the board of directors is higher than in the workforce, and a negative value means that the percentage of BME members on the Board of Directors is lower than in the workforce.
As at March 2025 the difference between BME representation on the Board and in the workforce was -8.7%, BME members on the Board are underrepresented in terms of headcount. This has worsened due to increased numbers of BME staff in the workforce.
<table>
<tr><th></th><th>2025 - Number of BME staff per band</th><th>2025 - Additional staff required to achieve equity</th></tr>
<tr><td>Band 8a</td><td>25</td><td>66</td></tr>
<tr><td>Band 8b</td><td>5</td><td>30</td></tr>
<tr><td>Band 8c</td><td>0</td><td>16</td></tr>
<tr><td>Band 8d</td><td>1</td><td>3</td></tr>
<tr><td>Band 9</td><td>1</td><td>1</td></tr>
<tr><td>VSM</td><td>0</td><td>5</td></tr>
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https://www.newcastle-hospitals.nhs.uk/about/working-for-us/equality-diversity-and-inclusion/
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https://www.newcastle-hospitals.nhs.uk/about/working-for-us/equality-diversity-and-inclusion/workforce-race-equality-standard/workforce-race-equality-standard-wres-2024/</td></tr>
</table>

Code section	Summary of requirement	Details/Section reference
C 5.15	Foundation Trust Governors should canvass the opinion of the Trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the board of directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	The Governors Business and Development Working Group are engaged in the Forward Plan development process and updates are shared at the Council of Governors meetings. A Members Survey was issued during 2024/25 and the findings have been used to shape communications to members and Members Events programmes.
D 2.4	The annual report should include: • the significant issues relating to the financial statements that the Audit Committee considered, and how these issues were addressed. • an explanation of how the Audit Committee (and/or auditor panel for an NHS trust) has assessed the independence and effectiveness of the external audit process and its approach to the appointment or reappointment of the external auditor; length of tenure of the current audit firm, when a tender was last conducted and advance notice of any retendering plans. • where there is no internal audit function, an explanation for the absence, how internal assurance is achieved and how this affects the external audit. • an explanation of how auditor independence and objectivity are safeguarded if the external auditor provides non-audit services.	Detailed within the Audit, Risk and Assurance Committee section of this report.
D 2.6	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for stakeholders to assess the trust's performance, business model and strategy.	Detailed within the Statement of Accounting Officers Responsibility.
D 2.7	The Board of Directors should carry out a robust assessment of the trust's emerging and principal risks. The relevant reporting manuals will prescribe associated disclosure requirements for the annual report.	Detailed within the AGS and Performance section of this report.

Code section	Summary of requirement	Details/Section reference
D 2.8	The Board of Directors should monitor the Trust's risk management and internal control systems and, at least annually, review their effectiveness and report on that review in the annual report. The monitoring and review should cover all material controls, including financial, operational and compliance controls. The Board should report on internal control through the annual governance statement in the annual report.	Detailed within the AGS within this report.
D 2.9	In the annual accounts, the Board of Directors should state whether it considered it appropriate to adopt the going concern basis of accounting when preparing them and identify any material uncertainties regarding going concern. Trusts should refer to the DHSC group accounting manual and NHS Foundation Trust annual reporting manual which explain that this assessment should be based on whether a trust anticipates it will continue to provide its services in the public sector. As a result, material uncertainties over going concern are expected to be rare.	Detailed within the Performance section of this report.
E 2.3	Where a Trust releases an executive director, e.g. to serve as a Non-Executive Director elsewhere, the remuneration disclosures in the annual report should include a statement as to whether or not the Director will retain such earnings.	Not applicable during 2024/25.
Appendix B, para 2.3 (not in Schedule A)	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Detailed within the Our Governors and Governor Elections sections of this report.
Appendix B, para 2.14 (not in Schedule A)	The Board of Directors should ensure that the NHS Foundation Trust provides effective mechanisms for communication between Governors and members from its constituencies. Contact procedures for members who wish to communicate with Governors and/or Directors should be clear and made available to members on the NHS foundation trust's website and in the annual report.	Detailed within the Our Governors and Members section of this report. The Members' Newsletter includes contact details for both the Lead Governor and the Governor and Membership Engagement Officer. Governor details are included on the Trust website – see https://www.newcastle-hospitals.nhs.uk/about/our-governors/meet-our-governors/

Code section	Summary of requirement	Details/Section reference
Appendix B, para 2.15 (not in Schedule A)	The Board of Directors should state in the annual report the steps it has taken to ensure that the members of the board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS Foundation Trust, e.g. through attendance at meetings of the council of governors, direct face-to-face contact, surveys of members' opinions and consultations.	This is conducted through a number of different ways such as: • NEDs attendance at Governor Working Group and Council of Governor meetings and two-way communication (NEDs provide updates from Committees and answer Governor questions). • Members of the Board are in attendance at the Members' Events which are attended by both Governors and Members and this provides the opportunity for all parties to communicate on Trust issues. • Both NED's and Governors undertake visits across the organisation to discuss services directly with Members and patients. • The Members' newsletters and the Trust website includes contact details for Members to contact Governors.
Additional requirement of FT ARM resulting from legislation	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Power not exercised in 2024/25.

Comply or explain

We have complied with the "comply or explain" disclosures of the Code of Governance.

NHS Oversight Framework

NHS England's NHS Oversight Framework* provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities).

b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

As of May 2025 Newcastle Hospitals is in segment 3 in accordance with the requirements of the NHS Oversight Framework. The Trust was initially placed in segment 3 on 12 December 2023, due to the outcome of the CQC inspection process.

Throughout 2024/25, the Trust's action plan for addressing the issues raised in the CQC report has been implemented and is monitored through appropriate internal and external governance mechanisms. A monthly Quality Improvement Group chaired by the ICB is in place and includes members from NHSE and the CQC who are able to take assurance from the progress being made to address the issues raised which is necessary in order for the Trust to move to a lower segment of the Oversight Framework.

Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS England website: https://tinyurl.com/3ftx6rzy.

Additionally, during 2023/24 the organisation was placed within the highest level of oversight, focus and scrutiny for elective care and cancer through a process known as 'tiering'. In March 2024, the Trust was removed from the Tiering process for elective care, and throughout 2024/25 the Trust has been able to successfully provide assurance to the commitment of reducing waiting times. This has meant that the Trust was not escalated back into tiering for elective care performance. This has been reflected in the improvement in overall 18 Week Referral to Treatment performance and the reduction in patients who have breached over 52 weeks.

However, since February 2025 the Trust has been placed within Tier 2 of NHS England's support framework for cancer and diagnostics performance. This elevated tiering status involves regular meetings with NHSE to report on performance and improvement actions being taken, as well as discuss delivery progress and any necessary support which the Trust requires. The Trust is working towards meeting the criteria for cancer and diagnostics performance levels which would lead to de-escalation from Tier 2 status – these include improving compliance with the 62-day referral to treatment cancer standard, the 31-Day cancer standard and the 6-week DM01 Diagnostics target.

* https://www.england.nhs.uk/wp-content/uploads/2022/06/B1378_NHS-System-Oversight-Framework-22-23_260722.pdf

Statement of Accounting Officers Responsibility

Statement of the chief executive's responsibilities as the accounting officer of The Newcastle upon Tyne Hospitals 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 NHSE.

NHSE has given Accounts Directions which require The Newcastle upon Tyne Hospitals 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 The Newcastle upon Tyne Hospitals 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 DHSC Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHSE, 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 ARM (and the DSHC 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.

Mr Rob Harrison
Acting Chief Executive Officer

26 June 2025

Annual Governance Statement

1. Scope of Responsibility

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

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than 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 policies, aims and objectives of The Newcastle upon Tyne Hospitals NHS Foundation Trust and 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 The Newcastle upon Tyne Hospitals NHS Foundation Trust and Group for the year ended 31 March 2025 and up to the date of approval of the annual report and accounts.

3. Capacity to Handle Risk

The Board of Directors have overall responsibility and accountability for risk management within the Trust and Group. The specific responsibilities for risk management are set out within the Risk Management Policy.

In April 2024 the Trust undertook a full review and reset of risk management. This included a revised risk management approach, a full review of all risks held on operational risk registers, refreshed risk management training, a new risk management policy and a redesign of the BAF.

Structures and systems are in place to support the delivery of risk management, across the Trust and Group. Risk management training and support has been provided to staff throughout the year. This has included basic risk management training, risk refresher training and risk system user training in addition to guidance and support as and when required.

Committees of the Board of Directors are in place to ensure effective governance for strategic, corporate, and operational risk processes and systems.

The Risk Validation Group meets monthly and reviews, considers and validates all risks held on the risk register and considers the systems and processes in place for Trust-wide Risk Management including learning and sharing of best practice.

Each Committee of the Trust Board meets at least bi-monthly to review and gain assurance that strategic risks held on the BAF relating to the Committee's area of focus are managed effectively, that risks have appropriate action plans in place, assurances are received and that risk scores are realistic and achievable.

The Audit, Risk and Assurance Committee meet monthly and provide the Trust Board with an independent and objective review of risk management systems and practice.

As Accountable Officer, I am directly accountable to the Trust Board and have overall responsibility and accountability for all aspects of Risk Management and Assurance. I delegate these aspects of my role to the Director of Performance and Governance and the Executive Team. These arrangements are reflected in job descriptions and performance review mechanisms.

4. The Risk and Control Framework

The Risk Management Policy sets out the structures and processes for the identification, evaluation, and control of risk, as well as the system of internal control. Delivery of this policy has been overseen by the Audit, Risk and Assurance Committee with individual officers having specific delegated responsibilities.

The key elements of the Risk Management Policy are:

- A framework for the accountability and delegated responsibility for the management of risk.
- An integrated document that sets out the overall purpose and processes, as well as an associated annual plan.
- A clearly defined Committee structure that supports robust and timely decision making around key organisations risks.
- System and process for the identification, analysis, prioritisation, and actions in relation to risks affecting all areas of Trust activity.

A Trust-wide risk register is maintained, which records when a risk has been identified, its' owners, likelihood of occurrence, potential impact and mitigating action. Senior management teams are responsible for ensuring effective risk management in their areas, in line with the Trust and Group strategy and policies. This includes primary responsibility for the identification, investigation and follow-up of all risk related actions as defined in job descriptions and objectives.

The Trust and Group continually reviews its risk and control framework through its governance and operational structures. The Trust and Group principal risks and mechanisms to control them are identified through the BAF, which is reported to the Board of Directors bi-monthly.

The Trust and Group Risk Management and Board Assurance Framework processes and policy were tested in accordance with the internal audit plan 2024/2025 providing a good level of assurance.

The table below details the top three risks identified in 2024/25.

Top 3 Risks Board Assurance Framework in 2024/2025

Risk	Key Controls
Patient Safety and Quality • Capacity and Demand pressures. • Ageing Estate and Environment. • Provision of safe quality care.	• Quality & Performance Reviews. • Performance monitoring. • Performance recovery plans. • Estates risk assessments. • Critical infrastructure replacement. • Clinical standards, policies and guidelines. • Patient Safety Incident Response Framework. • Rapid Quality and Safety Peer Reviews.
Financial Sustainability • Financial Recovery/Cost Improvement. • Capital Department Expenditure Limits (CDEL). • Unplanned emerging cost pressures.	• Central forecasting to year end. • Equality quality impact assessments. • Financial Recovery Programme. • Finance dashboards created. • Quality & Performance Reviews with focus on Finance. • Development and management of CDEL plan. • Continuous engagement with the ICB.
Workforce • Organisational culture. • Staff health and wellbeing. • Sickness Absence.	• People Plan with dedicated theme of Valued and Heard. • Implementation of large-scale staff experience programme. • Civility training. • Development of dignity and respect policy. • Health and wellbeing action plan.

5. Quality Governance

Following inspection by the CQC in 2023 the Trust and Group received a Notice of Decision placing restrictions on the Trust Provider Licence requiring the Trust and Group to make improvements in relation to our governance systems.

The Trust and Group partnered with TVC to review and support the development of new effective systems for quality governance, in addition an Interim Quality Support Director was appointed to support the delivery of improvement plans resulting from the CQC inspection and the improvements required to achieve NHS Provider Licence conditions.

The Trust and Group implemented a revised quality governance structure in March 2024, which included the establishment of a Clinical Board Quality and Safety Governance Framework, quality and performance reviews focusing on quality and safety, Quality and Safety peer reviews and a revised Quality Committee reporting and escalation structure to ensure effective quality governance reporting and escalation mechanisms from Ward to Board.

To further strengthen Clinical Board governance monthly Quality Oversight Group meetings were established, led by a clinical Quality and Safety Lead, a senior medical leader within the Clinical Board. Key stakeholders include staff within the Clinical Board and key corporate services staff such as Quality and Safety, Risk and Assurance, Quality Improvement, Human Resources, Finance and Estates. A standardised agenda is in place for Quality Oversight Group meetings across the Trust and Group to ensure consistency and focus on all priority areas of quality and safety. The Clinical Board governance arrangements have been further strengthened by the appointment of non-medical Quality and Safety Leads who further support the quality and safety agenda and driving improvements Clinical Boards.

6. Principal Risks to Compliance with NHS Provider Licence Section 4

The Newcastle upon Tyne Hospitals NHS Foundation Trust and Group were inspected by the CQC in July 2023 and following a full comprehensive inspection, the Trust and Group were rated as requires improvement in November 2023.

Over the course of 2024/25 the Trust and Group have worked very closely with the CQC as well as ICB colleagues to demonstrate improvements. Regular meetings take place with the CQC and ICB to provide evidence and assurance that improvements have been delivered and embedded within the Trust and Group.

The Trust and Group are confident on the ability to demonstrate and provide evidence and assurance in relation to:

- The effectiveness of governance structures.
- The responsibilities of directors.
- Effective reporting lines and accountability between the Board, its committee functions and the Executive Team.
- Rigor of oversight at Trust Board in relation to performance.

The Trust and Group is registered with the CQC and there are currently no restrictions on the Trust and Group provider licence to deliver NHS services.

NHS Foundation Trusts and Groups are required to publish an up-to-date register of interests for decision-making staff within the past twelve months as per the 'managing conflicts of interest' NHSE guidance. The Trust and Group has published all declarations of interest using the Trust and Groups Declaration of Interest Portal DECLARE. The DECLARE portal maintains a real time public register of declarations throughout the year accessible via the Trust Internet Page. The Trust reports declarations of interest annually to the Audit, Risk and Assurance Committee and within the Trust and Group Annual Report and Accounts.

6.1 Workforce Safeguards

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employers 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 regulation.

By implementing a structured approach to comply with Equality, Diversity and Inclusion legislation and NHS contract requirements we align our legal obligations with the NHS Standard Contract and frameworks like the Equality Delivery System (EDS2/EDS2022), WRES and WDES.

The Trust and Group EDI Steering Group provides a platform to engage staff to achieve a more inclusive culture. Its main purpose, to drive forward the development and Trust-wide delivery of the Trust's Equality, Diversity and Inclusion agenda. The Steering Group supports the strategic direction for equality and diversity in line with our people plan, and the development and delivery of key priorities that aim to serve as a catalyst for change by promoting equity and cohesion whilst tackling inappropriate behaviours and discrimination.

In 2024, the Trust and Group developed and implemented the People Plan as well as the People Programme Board to support the delivery of the People Plan as well as emphasising and supporting cultural focus and identifying priorities and planning initiatives in line with the Trust's people agenda. Key priorities involve workforce planning, culture change, supporting future-ready Clinical Boards and reshaping the People Directorate to prioritise people.

In the first year of the People Plan the Trust and Group have:

- Successfully developed and launched a Behaviour and Civility Charter acknowledging the importance and

responsibility to establish an inclusive workplace, where everyone feels physically and psychologically safe.

- Launched a sexual misconduct and sexual violence policy in the workplace.
- Become signatories to NHSE's Sexual Safety in Healthcare Organisational Charter recognising that those who work, train and learn within the healthcare system have the right to be safe and feel supported at work.
- Reviewed and updated the Equality Impact Assessment Policy and developed a manager's guidance with the aim of ensuring all decisions actively consider and address potential impacts on individuals from protected characteristics groups and wider inclusion groups in line with our Public Sector Equality Duty - A vital tool in inclusive decision making particularly for those at risk of disadvantage or inequity.
- Co-produced a reasonable adjustment guide and a Neurodiversity in the workplace guide.

The Trust and Group understand the importance of data to drive improvements, monitoring and reporting is essential to ensure transparency and accountability. The collection of workforce data is enabling the Trust and Group to identify disparities in workforce representation and staff experience across different protected characteristics as well as allowing for trend identification and the measurement of impact.

The Trust and Group annual People reporting cycle includes:

- Collecting and analysing data on protected characteristics across the employee lifecycle (recruitment, promotion and disciplinary).
- Publishing data in accordance with WRES, WDES and Gender Pay Gap reporting requirements.
- In line with the EDI Improvement Plan monitoring and review of ethnicity pay gap data and support plans to review Disability and Sexual orientation pay gaps.

The Trust and Group have several staff networks established in the Trust these include Race, Enabled, Pride and Woman, who are actively involved in ensuring the Trust and Group value and celebrate diversity with passion and energy. The staff networks continue to be highly committed and are instrumental in delivering a health service where equality, diversity and inclusion are embraced and communicated in everyday work. Each staff network is now supported by an Executive Team Lead.

In line with Developing Workforce Safeguards (NHS1 2018) processes are in place across the Trust and Group to ensure safe staffing governance is robust and regularly reported to the Trust Board and relevant Board Committees.

A comprehensive six-month deep dive report in relation to nurse staffing is undertaken in line with guidance and reported to the Trust Board for discussion and challenge to ensure processes are safe and sustainable. This includes the use of validated and recommended safe staffing tools alongside professional judgment and the monitoring of clinical outcomes.

A process of regular reporting of midwifery staffing is also in place in line with national best practice and Maternity Incentive Scheme guidance. Over the last financial year, AHP staffing has been reported to the Quality Committee and Trust Board. Work is in progress to further strengthen AHP reporting to ensure it mirrors the robust reporting already in place for nursing and midwifery.

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

The Trust and Group is committed to be a global leader in sustainable healthcare delivery through collaboration and innovation, helping our patients and

communities thrive within the means of our planet. The Trust Board approved Climate Emergency Strategy contains three long term goals:

- **Zero Carbon Care**
  - By 2030 the emissions we control will be net zero – our 'Newcastle Hospitals Carbon Footprint'.
  - By 2040 the emissions we can influence will be net zero – our 'Newcastle Hospitals Carbon Footprint Plus'.
- **Clean Air**
  - By 2030 our operational transport activities generate no harmful air pollution.
  - By 2040 our healthcare facilities are accessed by only zero emission travel.
- **Zero Waste**
  - By 2030 we will reuse and repair everything that can be reused and repaired.
  - By 2040 we will produce no waste. We will manage resources within the circular economy, with items surplus to requirements becoming a resource in another part of the system.

The Climate Emergency Strategy includes a comprehensive five-year action plan covering eight Sustainable Healthcare in Newcastle (Shine) priorities. A sustainability report is produced annually, to demonstrate progress towards the achievement of the Trust and Group sustainability priorities.

7. Review of Economy, Efficiency and Effectiveness of the Use of Resources

The Trust and Group has a range of processes to ensure that resources are used economically, efficiently, and effectively. Arrangements are in place for the setting of objectives and targets annually, this includes financial planning and ensuring the financial strategy is robust, affordable and plans are in place to manage cost savings.

Performance against objectives is monitored and actions identified through a number of ways, for example:

- Monthly monitoring and reporting to the Committees of the Board and Board of Directors on key performance indicators such as finance, activity, performance, patient safety and quality.
- Weekly reporting to the Executive Team on the Trusts financial position and performance.
- Quality & Performance Reviews focusing on quality and safety, performance, productivity, finance and workforce.
- Assurance committee reporting.
- Reporting to NHSE and the ICB.
- Collective development and approval of the operational plan, activity plan and financial plan.

Quality & Performance Reviews take place throughout the Trust at an operational level which focuses on quality and safety, performance, productivity, finance and workforce through review and discussions on a range of metrics. The purpose of the Quality & Performance Review is to ensure that Clinical Boards and Corporate directorates are progressing in line with aims, objectives, and priorities, as well as focussing on any outliers in metrics and working collectively to understand and support how improvements can be made.

The Trust and Group agree an annual audit programme with the Trust's internal auditors through delegated authority to the Trust Audit, Risk and Assurance Committee. The Audit, Risk and Assurance Committee receives internal audit reports in line with an agreed work plan that aims to test the economy, efficiency and effectiveness of Trust systems and processes, including financial management and control. The audit plan is reviewed and agreed by the Audit, Risk and Assurance Committee in April each year.

Any report which offers limited assurance results are reported to the Executive Team, the Audit, Risk and Assurance Committee and the relevant committee of the Trust Board and any remedial management action plan are monitored through quarterly reporting to the appropriate committee of

the Trust Board based on the focus of the Audit. All serious issues identified are escalated to the Board of Directors via the Committee Chairs and Executive Team.

8. Information Governance (IG)

The Trust and Group are committed to ensuring the organisation complies with the UK Data Protection Act 2018, General Data Protection Regulations, Caldicott principals and NHS Data Security Standards.

The Trust and Group has effective arrangements in place for IG and monitoring of performance against the Data Security and Protection Toolkit with regular updates reported to the Senior Information Risk Owner (SIRO).

IG, data protection and cyber security form part of the Terms of Reference for the Digital and Data Committee and updates are provided by the SIRO to this committee.

The UK Data Protection Act 2018 aligns with the NHS data security standards and includes requirements for new or changed IT systems to be developed with data privacy by design as a pre-requisite with the starting point being the protection and security of the personal data held and processed by the Trust and Group. The Trust and Group has implemented processes and procedures to monitor the privacy throughout the lifecycle of developments.

The Data Security and Protection Toolkit is the mandated method for monitoring the Trust and Group performance in the key areas of Data Protection, IG, Information risk and technical/cyber security. This is based on the NHS Data Security Standards and is focussed on ensuring the Trust and Group remains compliant with laws concerning personal information handling, sharing and continued resilience to current and future cyber threats.

The Trust and Group completed the Data Security and Protection Toolkit submission assessment in 2024/2025 with full Standards Met.

The Trust and Group follow the approved Risk Management Policy and Procedures to ensure the effective management and mitigation of risks in relation to IG, cyber security, and IT Security.

In 2024/25, no incidents met the threshold for reporting to the Information Commissioners Office (ICO).

9. Data Quality and Governance

The Trust and Group have appropriate controls in place to assure the Board of Directors of the accuracy and production of data which supports the Trust to make informed decision making, both clinical and non-clinical.

The Trust and Group have a Data Quality Policy which outlines the roles and responsibilities of the Trust and Group and its staff in order to maintain good data quality. The policy also provides staff with guidance on roles and responsibilities and states the importance of recording accurate information in a timely way to deliver quality patient care.

The core principles of the Trust and Group Data Quality Policy is to improve and maintain the quality of patient related data and this is underpinned by a range of regular audit reports and initiatives such as regular validation of clinical and non-clinical data. The Trust has comprehensive computerised and manual systems in place to support pre and post data quality analysis of both non-clinical data and clinical data. Regular data quality reports are produced to identify and collect missing data items and errors.

There is a dedicated Data Quality function within the Trust Information Services Department that provides routine and ad-hoc data quality analysis, reporting and root cause analysis of all data issues. National benchmarking resources such as the Commissioning Data Set (CDS) Data Quality Dashboards and the Data Quality Maturity Index (DQMI) are used to compare and track the quality of data and allow for benchmarking against local Trusts and national peers to ensure that high standards are met and maintained.

Data quality forms part of the Terms of Reference for the Digital and Data Committee and updates are received by the Committee to ensure that NHS data standards are adhered to.

The Information Team continues to support and train system users and suppliers to improve real time validation. The Performance Management Framework is integrated throughout the Trust to ensure Directorate/ Department level processes and systems feed into and support the high-level organisational objectives and priorities.

An Integrated Board Report is produced and is regularly reviewed throughout the Trust governance structure including committees of the Trust Board and at Trust Board Meetings which includes data metrics relating to quality and safety, finance, performance and workforce.

10. Review of Effectiveness of Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, and the Executive Team, Senior Management Team and corporate and clinical leaders within the NHS Foundation Trust and the Group who have responsibility for the development and maintenance of the internal control framework. I have drawn upon the performance information available to me. My review is also informed by feedback from the external auditors and in their management letters and reports, as well as the work undertaken to evidence and provide assurance in response the findings of the CQC inspection in 2023/24.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for the financial year 2024/25 provided a reasonable level of assurance.

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 and the Audit Committee, and plan to continue to develop plans to address any identified weaknesses and ensure improvements of the system are put in place.

The Trust and Group internal audit plan for 2024/2025 was set over the following key categories:

- Governance, risk and performance.
- Ethical governance.
- Data and digital governance.
- Finance, contracting and capital.
- HR and workforce.
- Data quality.
- Patient safety and quality and
- Follow up.

A total of 569 days were assigned to deliver the Internal Audit Plan for 2024/2025 with progress updates provided to the Audit, Risk and Assurance Committee quarterly.

In 2024/25 the Trust and Group received two limited assurance audits which identified weaknesses in the Trust and Group systems of internal control. Areas of weakness have been reviewed and discussed with the Executive Team, Audit, Risk and Assurance Committee and Trust Board, actions to address areas of weakness have been identified and action plans have been put in place to close the gap in control or assurance.

Conclusion

I am assured on the progress that the Trust and Group has made throughout 2024/2025 specifically in relation to the removal of the notice of decision and associated restrictions on our provider licence conditions.

I acknowledge further improvements are required to strengthen our system of internal control as identified through the internal audit plan 2024/2025 and in relation to our CQC Well Led requirements, however I am assured that where areas of concern or

weaknesses are identified, mitigations are put in place to close the gaps in control or assurance.

The Trust and Group has continued to take a robust approach to targeting areas identified as being of potential concern or area of weakness as highlighted in the CQC inspection report and has established new controls and oversight arrangements as demonstrated in section 5 to monitor and make improvements.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit, Risk and Assurance Committee, and plan to continue to develop robust plans to address any weaknesses and ensure continuous improvements of the system are in place. I am assured that the processes in place for responding to issues are monitored effectively and escalated appropriately.

I can conclude that no significant issues of internal control have been identified.

Mr Rob Harrison
Acting Chief Executive Officer

26 June 2025

Audit and Controls

Investment Managers (Newcastle Hospitals Charity Investments) – CCLA Investment Management Ltd & Newton Investment Management Ltd.

Banker – HSBC, RBS (Government Banking Service), Barclays, Virgin Money

Payroll – NHS Payroll Services

Legal Advisors

- Samuel Phillips Law Firm
- Ward Hadaway LLP
- Sintons LLP
- Addleshaw Goddard LLP
- Capsticks Solicitors LLP
- DAC Beachcroft LLP
- Hempsons Ltd
- 39 Essex Chambers
- Kings Chambers
- Trinity Chambers
- Manleys Solicitors
- Hill Dickinson LLP
- Matrix Chambers Ltd
- KPMG LLP

External Auditors – Forvis Mazars LLP and Robson Laidler

The principal objective of the Independent Auditor was to carry out an audit in accordance with paragraph 24(s) of Schedule 7 of the National Health Service Act 2006 and the requirements of the Code of Audit Practice issued by the National Audit Office, which by necessity ensures compliance with International Standards of Audit (UK & Ireland) issued by the Auditing Practice Board. This required an opinion on the Annual Accounts and a Review of arrangements for legality, financial standing, internal financial control, and standards of financial conduct, including fraud and corruption.

Robson Laidler carry out an audit of Newcastle Hospitals Charity.

The Audit, Risk and Assurance Committee met on a regular basis to assess a range of studies and work programmes, including detailed value for money scrutinies.

The internal and external auditors attended quarterly meetings of the Audit, Risk and Assurance Committee and on each occasion and auditors also had unrestricted access to the Audit, Risk and Assurance Committee, its Chair and individual members.

Abbreviations and Glossary of Terms

A&E	Accident and Emergency
ACE	Accrediting Excellence
ACL	Anterior Cruciate Ligament
ACS	Acute Coronary Syndromes
AGS	Annual Governance Statement
AHP	Allied Health Professionals
AI	Artificial Intelligence
ATLS	Advanced Trauma Life Support
AVAnT1A	AntiViral Action Against Type 1 Autoimmunity
BAF	Board Assurance Framework
BAME	Black, Asian, and Minority Ethnic
BBV	Blood-Borne Viruses
BPPC	Better Payments Practice Code
BREEAM	Building Research Establishment Environmental Assessment Method
CAHF	Clean Air Hospital Framework
CAP	Course Approval Panel
CAR T-cell	Chimeric Antigen Receptor T-cell
CAV	Campus for Ageing and Vitality
CB	Clinical Board
CBE	Commander of the Order of the British Empire
CDC	Community Diagnostic Centre
CDEL	Capital Departmental Expenditure Limit
CDS	Commissioning Data Set
CEO	Chief Executive Officer
CET	Commercial Enterprise Team
CFO	Chief Finance Officer
CGARD	Clinical Governance and Risk Department
CHUF	Children's Heart Unit Foundation
CIC	Community Interest Companies
CIPFA	Chartered Institute of Public Finance and Accountancy
CNO	Chief Nursing Officer
COPD	Chronic Obstructive Pulmonary Disease

Abbreviations and Glossary of Terms *continued*

COSHH	Control of Substances Hazardous to Health
CPD	Continuing Professional Development
CQC	Care Quality Commission
CRDC	Commercial Research Delivery Centre
CRESTA	Clinics for Research and Service in Themed Assessment
CRF	Clinical Research Facility
CS	Corporate Service
CT	Computerised Tomography
CYP	Children and Young People
DHSC	Department of Health and Social Care
DNA	Deoxyribonucleic Acid
DQMI	Data Quality Maturity Index
DSPT	Data Security and Protection Toolkit
DTC	Day Treatment Centre
ECG	Electrocardiograms
ECMO	Extracorporeal Membrane Oxygenation
ED	Emergency Department
EDI	Equality, Diversity and Inclusion
EDoN	Executive Director of Nursing
ENT	Ear, Nose and Throat
EPR	Electronic Patient Record
EPRR	Emergency Preparedness Resilience and Response
ERF	Elective Recovery Fund
ESG	Environmental, Social and Governance
FCE	Finished Consultant Episodes
FDS	Faster Diagnosis Standard
FE	Further Education
FH	Freeman Hospital
FT	Foundation Trust
FTE	Full-Time Equivalent
FTSU	Freedom to Speak Up

Abbreviations and Glossary of Terms *continued*

Gateshead Health / GHFT	Gateshead Health NHS Foundation Trust
GDI	Good Doctor International
GIRFT	Getting it Right First Time
GLH	Genomic Laboratory Hub
GMC	General Medical Council
GMS	Genomic Medicine Service
GMSA	Genomics Medicine Service Alliance
GNCH	Great North Children's Hospital
GNCR	Great North Care Record
GNHA	Great North Healthcare Alliance
GP	General Practitioner
GSF	Gold Standards Framework
HCA	Healthcare Assistants
HFC	Harm Free Care
HI	Health Inequality
HIV	Human Immunodeficiency Virus
HPB	Hepato-Pancreatico-Biliary
HR	Human Resources
HRH	His Royal Highness
HSE	Health and Safety Executive
IBD	Inflammatory Bowel Disease
IBR	Integrated Board Report
ICB	Integrated Care Board
ICO	Information Commissioners Office
ICP	Integrated Care Partnership
ICS	Integrated Care System
ICU	Intensive Care Unit
IFRS	International Financial Reporting Standard
IG	Information Governance
ILD	Interstitial Lung Disease
ILM	Integrated Laboratory Medicine

Abbreviations and Glossary of Terms *continued*

ILM	Institute of Leadership and Management
IMD	Indices of Multiple Deprivation
IoT	Institute of Transplantation
IPC	Infection Prevention and Control
IPEM	Institute of Physics and Engineering in Medicine
IPWL	Inpatient Waiting List
IT	Information Technology
KPI	Key Performance Indicator
LCEAs	Local Clinical Excellence Awards
LD	Learning Disability
L&D	Learning and Development
LeD	Light-emitting Diode
LED	Locally Employed Doctors
LeDeR	Learning Disabilities Mortality Review
LEO	Leading An Empowered Organisation
LGBTQ+	Lesbian, Gay, Bisexual, Transgender, Queer/Questioning
LoS	Length of Stay
MBA	Master's in Business Administration
MCC	Merkel Cell Carcinoma
MRI	Magnetic Resonance Imaging
MSC	Mesenchymal Stem Cells
NCC	Newcastle City Council
NCCC	Northern Centre for Cancer Care
NCIC	North Cumbria Integrated Care NHS Foundation Trust
NEAS	The North East Ambulance Service NHS Foundation Trust
NECTAR	North East and Cumbria Transport and Retrieval
NE	North East
NED	Non-Executive Director
NEEF	National Energy Efficiency Fund
NEHODS	Northern England Haemato-oncology Diagnostics Service
NEIL	North East Innovation Lab https://commercial.newcastle-hospitals.nhs.uk/our-services/innovation-lab/

Abbreviations and Glossary of Terms *continued*

NENC	North East and North Cumbria
Newcastle Hospitals	The Newcastle upon Tyne Hospitals NHS Foundation Trust
NEY	North East and Yorkshire
NEY GMS	North East and Yorkshire Genomics Medicine Service
NHIP	Newcastle Health Innovation Partners
NHPL	Newcastle Hospitals Pharmaservices Limited
NHRP	Newcastle Health Research Partnership
NHS	National Health Service
NHSA	Northern Health Science Alliance
NHSAc	Newcastle Hospitals Skills Academy
NHSE	NHS England
NIHR	National Institute for Health and Care Research
NJRO	Newcastle Joint Research Office
NMAHP	Nursing, Midwifery and Allied Health Professionals
Northumbria Healthcare	Northumbria Healthcare NHS Foundation Trust
NSTC	Newcastle Surgical Training Centre
NSTEMI	Non–ST-segment Elevation Myocardial Infarction
OD	Organisational Development
OHID	Office for Health Improvement and Disparities
OHS	Occupational Health Service
OIT	Oral Immunotherapy
ONS	Office for National Statistics
OPWL	Outpatient Waiting List
PBR	Payment by Results
PCN	Primary Care Network
PEP	Patient Engagement Platform
PET	Positron Emission Tomography
PFI	Private Finance Initiative
PHD	Doctorate of Philosophy
PIFU	Patient-Initiated Follow-Up
PPE	Personal Protective Equipment

Abbreviations and Glossary of Terms *continued*

PRP	Performance-Related Pay
PRSAS	Pulmonary Rehabilitation Services Accreditation Scheme
PSDS	Public Sector Decarbonisation Scheme
PSI	Patient Safety Incidents
PSIRF	Patient Safety Incident Response Framework
PSSG	Paediatric Spine Support Group
QI	Quality Improvement
QIP	Quality Improvement Plan
RCP	Royal College of Physicians
RIDDOR	Reporting of Injuries, Diseases, and Dangerous Occurrences Regulations
RTT	Referral To Treatment
rUTI	Recurrent Urinary Tract Infections
RVI	Royal Victoria Infirmary
SAS	Specialty Associate Specialist
SAR	Self-Assessment Report
SCPHN	Specialist Community Public Health Nursing
SDEC	Same Day Emergency Care
SHINE	Sustainable Healthcare in Newcastle
SID	Senior Independent Director
SIRO	Senior Information Risk Owner
SHC	Sustainable Healthcare Committee
SME	Small and Medium-sized Enterprise
SOF	System Oversight Framework
SSC	Staff Social Club
TAVI	Transcatheter Aortic Valve Implantation
TFCD	Task Force on Climate-Related Financial Disclosures
TIM	Team Immediate Meet
tolDC	Tolerogenic Dendritic Cell
TVC	The Value Circle
UG	Undergraduate
UK	United Kingdom
UTC	Urgent Treatment Centre

Abbreviations and Glossary of Terms *continued*

VAT	Value Added Tax
VFF	Veteran Friendly Framework
VPAG	Voluntary Scheme for Branded Medicine Pricing, Access and Growth
VSM	Very Senior Manager
W	Week
WDES	Workforce Disability Equality Standard
WGS	Whole Genome Sequencing
WL	Waiting List
WRES	Workforce Race Equality Standard
WTE	Whole-time equivalent

Annual Accounts 2024/25

3. Annual Accounts 2024/25

Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

The accounts for the year ended 31 March 2025 are set out on the following pages and comprise the Consolidated Statement of Comprehensive Income, the NHS Foundation Trust Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the NHS Foundation Trust Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' and Others' Equity, the NHS Foundation Trust Statement of Changes in Taxpayers' Equity, the Statements of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by The Newcastle upon Tyne Hospitals NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 within the National Health Services Act 2006.

Robert Harrison
Acting Chief Executive Officer

26 June 2025

Independent auditor's report to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of The Newcastle upon Tyne Hospitals NHS Foundation Trust ('the Trust') and its subsidiaries ('the Group') for the year ended 31 March 2025 which comprise the Group and Trust Statements of Comprehensive Income, the Group and Trust Statements of Financial Position, the Group and Trust Statements of Changes in Taxpayers' Equity, the Group and Trust Statements of Cash Flows, and notes to the financial statements, including material accounting policy information.

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 2024/25 as contained in the Department of Health and Social Care Group Accounting Manual 2024/25, 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 2025 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 2024/25; 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 for the audit of the financial statements" 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 other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. 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.

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 2024/25 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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, anti-money laundering regulation, data protection, environmental protection, corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of

material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- inquiring with management and the Audit, Risk and Assurance Committee, as to whether the Trust and the Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- 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 the Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the National Health Service Act 2006 (as amended by the Health and Social Care Act 2012.

In addition, 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 related to posting manual journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimates and the risk of fraud revenue and expenditure recognition in relation to the accuracy and valuation of year-end accruals.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Internal Audit and the Audit, Risk and Assurance Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud;
- addressing the risks of fraud through management override of controls by performing journal entry testing:
- addressing the risk of fraud in revenue recognition by performing appropriate sample testing of revenue; and
- addressing the risk of fraud in expenditure recognition by performing appropriate sample testing of expenditure.

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, Risk and Assurance 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, (Revised 2024) and Supplementary Guidance Note 01, issued by the Comptroller and Auditor General in November 2024.

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 2025.

On the basis of our work, having regard to the guidance issued by the Comptroller and Auditor General in November 2024, we have identified the following significant weakness in the Trust's arrangements for the year ended 31 March 2025.

In June 2024 we identified a significant weakness in relation to governance arrangements and securing economy, efficiency and effectiveness arrangements for the 2023/2024 year. In our view this significant weakness remains for the year ended 31 March 2025:

Significant weakness in arrangements - issued in a previous year	Recommendation
January 2024 CQC inspection report In January 2024 the CQC issued a report to the Trust which highlights the following key weaknesses: • a deterioration in operational performance, including safety and quality concerns; • failings in performance and risk management arrangements; and • a deterioration of staff relations, which could lead to retention and recruitment issues. The matters identified, in our view, are evidence of significant weaknesses in the Trust's arrangements to achieve economy, efficiency and effectiveness in its use of resources, specifically in the governance and improving the 3 es criteria.	The Trust should take the following actions: • deliver the CQC action plan to successfully address the improvement points; and • continue to work with the CQC and other stakeholders to ensure successful and timely resolution of regulatory notices and other CQC findings.

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 November 2024.

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 2024/25; 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 2024/25; 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 The Newcastle upon Tyne Hospitals NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Department of Health and Social Care has been completed and that no further work is required to be completed by us.

Mark Outterside, Key Audit Partner
For and on behalf of Forvis Mazars LLP
(Local Auditor)

The Corner
Bank Chamber
26 Mosley Street
Newcastle upon Tyne
NE1 1DF

26 June 2025

Consolidated Statement of Comprehensive Income

		for the year ended 31 March 2025	
		2024/25	2023/24
	Note	**Group £000**	Group £000
OPERATING INCOME			
Operating income from patient care activities	3	**1,571,014**	1,419,143
Other operating income	4	**201,660**	167,985
TOTAL OPERATING INCOME		**1,772,674**	1,587,128
Operating expenses	5	**(1,738,122)**	(1,576,028)
OPERATING SURPLUS		**34,552**	11,100
FINANCE INCOME AND COSTS			
Finance income	7	**10,575**	11,943
Finance expense - financial liabilities	8	**(44,626)**	(75,918)
PDC dividends payable	9	**(1,782)**	(1,860)
Net finance costs		**(35,833)**	(65,835)
Other gains and losses	10.2	**(385)**	3,548
OPERATING SURPLUS FROM CONTINUING OPERATIONS		**(1,666)**	(51,187)
DEFICIT FOR THE YEAR		**(1,666)**	(51,187)
Other Comprehensive Income			
Will not be reclassified to income and expenditure:			
Impairments	10.1	**(3,187)**	(5,205)
Total Other Comprehensive Income		**(3,187)**	(5,205)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**(4,853)**	(56,392)

NHS Foundation Trust Statement of Comprehensive Income

	Note	for the year ended 31 March 2025 2024/25 Total £000	2023/24 Total £000
OPERATING INCOME			
Operating income from patient care activities	3	**1,571,014**	1,419,143
Other operating income	4	**195,693**	163,679
TOTAL OPERATING INCOME		**1,766,707**	1,582,822
Operating expenses	5	**(1,731,410)**	(1,569,175)
OPERATING SURPLUS		**35,297**	**13,647**
FINANCE INCOME AND COSTS			
Finance income	7	**9,318**	10,678
Finance expense - financial liabilities	8	**(44,626)**	(75,918)
PDC dividends payable	9	**(1,782)**	(1,860)
Net finance costs		**(37,090)**	(67,100)
Gains/(losses) on disposal of assets	10.2	**(33)**	44
OPERATING SURPLUS FROM CONTINUING OPERATIONS		**(1,826)**	**(53,409)**
DEFICIT FOR THE YEAR		**(1,826)**	(53,409)
Other Comprehensive Income **Will not be reclassified to income and expenditure:**			
(Impairments) / Reversal of Impairments (net)	10.1	**(3,187)**	(5,205)
Other reserve movements		**0**	0
Total Other Comprehensive Income		**(3,187)**	(5,205)
TOTAL COMPREHENSIVE INCOME		**(5,013)**	(58,614)

The Trust's performance for the year against the agreed NHS England control total is detailed in Note 2.0

Consolidated Statement of Financial Position

	Note	as at 31 March 2025 GROUP 31 March 2025 £000	31 March 2024 £000
NON-CURRENT ASSETS			
Intangible assets	11	**5,281**	6,734
Property, plant and equipment	12	**616,945**	597,918
Right of use assets	13	**27,560**	27,892
Other investments	15	**47,407**	44,175
Trade and other receivables	17	**16,375**	19,248
TOTAL NON-CURRENT ASSETS		**713,568**	695,967
CURRENT ASSETS			
Inventories	16	**32,527**	26,591
Trade and other receivables	17	**110,387**	89,043
Cash and cash equivalents	18	**151,365**	191,088
TOTAL CURRENT ASSETS		**294,279**	306,722
CURRENT LIABILITIES			
Trade and other payables	19	**(187,816)**	(175,823)
Other liabilities	20	**(77,002)**	(79,812)
Borrowings	21	**(18,040)**	(16,118)
Provisions	22	**(917)**	(12,514)
TOTAL CURRENT LIABILITIES		**(283,775)**	(284,267)
NON-CURRENT LIABILITIES			
Borrowings	21	**(414,239)**	(412,912)
Provisions	22	**(3,365)**	(3,174)
TOTAL NON-CURRENT LIABILITIES		**(417,604)**	(416,086)
TOTAL ASSETS EMPLOYED		**306,468**	302,336
TAXPAYERS' EQUITY			
Public dividend capital *		**293,998**	285,014
Revaluation reserve *		**92,816**	96,003
Income and expenditure reserve *		**(132,564)**	(130,862)
TOTAL TAXPAYERS' EQUITY		**254,250**	250,155
OTHERS' EQUITY			
Charitable fund reserves *		**52,218**	52,181
TOTAL TAXPAYERS' AND OTHERS' EQUITY		**306,468**	**302,336**

* Reserves are described further in Note 1.15

The accounts on pages 207 to 283 were approved by the Board on 26 June 2025 and signed on its behalf by:

Mr R Harrison
Interim Chief Executive

26 June 2025

NHS Foundation Trust Statement of Financial Position

		as at 31 March 2025 NHS FOUNDATION TRUST	
		31 March 2025	31 March 2024
	Note	**£000**	£000
NON-CURRENT ASSETS			
Intangible assets	11	**5,281**	6,734
Property, plant and equipment	12	**616,945**	597,918
Right of use assets	13	**27,560**	27,892
Trade and other receivables	17	**26,395**	19,248
TOTAL NON-CURRENT ASSETS		**676,181**	651,792
CURRENT ASSETS			
Inventories	16	**28,785**	26,549
Trade and other receivables	17	**104,935**	89,481
Cash and cash equivalents	18	**143,452**	182,686
TOTAL CURRENT ASSETS		**277,172**	298,716
CURRENT LIABILITIES			
Trade and other payables	19	**(185,663)**	(175,823)
Other liabilities	20	**(77,002)**	(79,812)
Borrowings	21	**(18,040)**	(16,118)
Provisions	22	**(917)**	(12,514)
TOTAL CURRENT LIABILITIES		**(281,622)**	(284,267)
NON-CURRENT LIABILITIES			
Borrowings	21	**(414,239)**	(412,912)
Provisions	22	**(3,365)**	(3,174)
TOTAL NON-CURRENT LIABILITIES		**(417,604)**	(416,086)
TOTAL ASSETS EMPLOYED		**254,127**	250,155
TAXPAYERS' EQUITY			
Public dividend capital*		**293,998**	285,014
Revaluation reserve*		**92,816**	96,003
Income and expenditure reserve*		**(132,687)**	(130,862)
TOTAL TAXPAYERS' EQUITY		**254,127**	**250,155**

* Reserves are described further in Note 1.15

The accounts on pages 207 to 283 were approved by the Board on 26 June 2025 and signed on its behalf by:

Mr R Harrison
Interim Chief Executive

26 June 2025

Consolidated Statement of Changes in Taxpayers' and Others' Equity

for the year ended 31 March 2025

GROUP 2024/25	Note	Public dividend capital* £000	Revaluation reserve* £000	Income and expenditure reserve* £000	Charitable fund reserves* £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 2024		285,014	96,003	(130,862)	52,181	**302,336**
Surplus/(deficit) for the year		0	0	(4,224)	2,558	**(1,666)**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(3,187)	0	0	**(3,187)**
Other reserve movements - Charitable funds consolidation movement		0	0	2,521	(2,521)	**0**
Total comprehensive income for 2024/25		**0**	**(3,187)**	**(1,703)**	**37**	**(4,853)**
Public dividend capital received		8,984	0	0	0	**8,984**
Total reserve movements for 2024/25		**8,984**	**(3,187)**	**(1,703)**	**37**	**4,131**
Taxpayers' and others' equity at 31 March 2025		**293,998**	**92,816**	**(132,564)**	**52,218**	**306,468**

* An explanation of the purpose of each reserve can be found in note 1.15

Consolidated Statement of Changes in Taxpayers' and Others' Equity

for the year ended 31 March 2024

GROUP 2023/24	Note	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Charitable reserves*	Total taxpayers' and others' equity
		£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023		283,797	101,208	71,212	49,959	**506,176**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023		0	0	(148,664)	0	**(148,664)**
Total Taxpayers' and others' equity at 1 April 2024		**283,797**	**101,208**	**(77,452)**	**49,959**	**357,512**
Surplus/(deficit) for the year		0	0	(53,959)	2,772	**(51,187)**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(5,205)	0	0	**(5,205)**
Other reserve movements - Charitable funds consolidation movement		0	0	550	(550)	**0**
Total comprehensive expense for 2023/24		**0**	**(5,205)**	**(53,409)**	**2,222**	**(56,392)**
Public dividend capital received		1,217	0	0	0	**1,217**
Total reserve movements for 2023/24		**1,217**	**(5,205)**	**(53,409)**	**2,222**	**(55,175)**
Taxpayers' and others' equity at 31 March 2024		**285,014**	**96,003**	**(130,862)**	**52,181**	**302,336**

* An explanation of the purpose of each reserve can be found in note 1.15

NHS Foundation Trust Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2025

NHS FOUNDATION TRUST 2024/25	Note	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
		£000	£000	£000	£000
Taxpayers' equity at 1 April 2024		285,014	96,003	(130,862)	**250,155**
Total comprehensive income for 2024/25					
Surplus/(deficit) for the year		0	0	(1,826)	**(1,826)**
Transfers between reserves		0	0	0	**0**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(3,187)	0	**(3,187)**
Total comprehensive income for 2024/25		**0**	**(3,187)**	**(1,826)**	**(5,013)**
Public dividend capital received		8,984	0	0	**8,984**
Public dividend capital repaid	1.21	0	0	0	**0**
Total reserve movements for 2024/25		**8,984**	**(3,187)**	**(1,826)**	**3,971**
Taxpayers' equity at 31 March 2025		**293,998**	**92,816**	**(132,687)**	**254,127**

NHS FOUNDATION TRUST 2023/24	Note	Public dividend capital*	Revaluation reserve*	Income and expenditure reserve*	Total taxpayers equity
		£000	£000	£000	£000
Taxpayers' equity at 1 April 2023		283,797	101,208	71,212	**456,217**
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023		0	0	(148,664)	**(148,664)**
Total Taxpayers' and others' equity at 1 April 2022		**283,797**	**101,208**	**(77,452)**	**307,553**
Surplus/(deficit) for the year		0	0	(53,409)	**(53,409)**
Transfers between reserves		0	0	0	**0**
Impairments and Revaluation gains on property, plant and equipment	12.1	0	(5,205)	0	**(5,205)**
Total comprehensive income for 2023/24		**0**	**(5,205)**	**(53,409)**	**(58,614)**
Public dividend capital received		1,217	0	0	**1,217**
Public dividend capital repaid	1.21	0	0	0	**0**
Total reserve movements for 2023/24		**1,217**	**(5,205)**	**(53,409)**	**(57,397)**
Taxpayers' equity at 31 March 2024		**285,014**	**96,003**	**(130,862)**	**250,155**

* An explanation of the purpose of each reserve can be found in note 1.15

Statements of Cash Flows

	Note	for the year ended 31 March 2025 GROUP 2024/25 £000	GROUP 2023/24 £000	NHS FOUNDATION TRUST 2024/25 £000	NHS FOUNDATION TRUST 2023/24 £000
Cash flows from operating activities					
Net cash generated from operating activities	23	**34,303**	61,053	**29,910**	63,276
Cash flows from investing activities					
Interest received		**9,354**	10,925	**9,402**	10,925
Purchase of intangible assets		**(1,186)**	(2,263)	**(1,186)**	(2,263)
Purchase of property, plant and equipment		**(48,994)**	(39,185)	**(48,994)**	(39,185)
Sales of property, plant and equipment		**53**	2	**53**	2
Initial up front payments in respect of new right of use assets (lessee)		**(12)**	0	**(12)**	0
Receipt of cash donations to purchase capital assets		**1,641**	300	**4,162**	850
NHS Charitable funds - net cash flows from investing activities		**(2,313)**	1,265	**0**	0
Net cash used in investing activities		**(41,457)**	(28,956)	**(36,575)**	(29,671)
Cash flows from financing activities					
Public dividend capital received		**8,984**	1,217	**8,984**	1,217
Movement in other loans		**375**	0	**375**	0
Capital element of lease liability repayments		**(4,721)**	(5,182)	**(4,721)**	(5,182)
Capital element of private finance initiative obligations		**(12,294)**	(11,474)	**(12,294)**	(11,474)
Interest on other loans		**(3)**	0	**(3)**	0
Interest element of lease liability repayments		**(435)**	(562)	**(435)**	(562)
Interest element of private finance initiative obligations		**(26,311)**	(25,933)	**(26,311)**	(25,933)
Public dividend capital dividend paid		**1,836**	(4,767)	**1,836**	(4,767)
Net cash used in financing activities		**(32,569)**	(46,701)	**(32,569)**	(46,701)
(Decrease)/increase in cash and cash equivalents		**(39,723)**	(14,604)	**(39,234)**	(13,096)
Cash and cash equivalents at 1 April		**191,088**	205,693	**182,686**	195,782
Cash and cash equivalents at 31 March	18	**151,365**	191,088	**143,452**	182,686

Notes to the Accounts

1. Accounting policies and other information

NHS England has directed that the financial statements of the NHS Foundation 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 2024/25 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) 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 (FRAB). 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 NHS Foundation 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.

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 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 including the investments held within the charitable fund.

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

a) Private Finance Initiative (PFI) schemes:

As part of the Transforming Newcastle Hospitals (TNH) PFI scheme, the NHS Foundation Trust is required to pay the operator for lifecycle replacement assets. A judgement has been made that payment for these assets is accounted for in equal annual instalments over the period of the scheme, rather than when payments are made. This results in a prepayment for assets being established in the early years of the scheme, which is used in later years when the asset replacement occurs.

As part of a negotiated settlement with the PFI provider the final stage of the TNH scheme was excluded from the agreement with regard to completion, service charge and lifecycle payments. The capital element continues to be repayable over the remaining life of the agreement.

1. Accounting policies and other information (continued)

1.1.1 Critical accounting judgements in applying the NHS Foundation Trust's accounting policies (continued)

b) Valuation of land and buildings

The directors have made the assumption that the NHS Foundation Trust's PFI and relevant exchequer buildings should be valued exclusive of VAT. This is based on the assumption that any new provision of these buildings would be procured via a special purpose vehicle or via an alternative to PFI/PF2 route attracting VAT exemption. The directors have also assumed that the NHS Foundation Trust would provide services from a single site if the opportunity arose as a single site would provide advantages for patient care. Therefore the district valuer was instructed to prepare a valuation of the NHS Foundation Trust's land and buildings at 31 March 2025 which excludes VAT on relevant buildings and uses a single site approach.

c) Right of Use Assets

The Trust recognises right of use assets which are provided to the Trust through lease arrangement as prescribed within the standard of IFRS 16. A number of these arrangements are undocumented with other intra-government departments relating to buildings which have no set term. Where this is the case the Trust exercises judgement in relation to the remaining life of the assets taking into account all relevant factors relating to the future intention to provide services on an ongoing basis from the property. These judgements are reviewed on an annual basis.

1.1.2 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) Indices:

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 District 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 2024/25 was £454,116k (2023/24 £453,671k). Such indices can be subject to significant fluctuation depending on external factors not known at the time of valuation. As little as a 1% change in the underlying assumption would lead to a £4.54m change to the gross carrying value of land and buildings.

b) Asset lives

The Trust depreciates property, plant and equipment based upon its assessment of the remaining useful economic life of the underlying asset. Remaining lives for buildings are determined by the District Valuer as part of the Trust's revaluation cycle, whereas remaining lives of plant and equipment are determined by staff within the Electronics and Medical Engineering department. Further details of asset lives used can be found in note 1.6. It is possible that actual lives may vary from those estimated depending on a number of factors such as the quality to which that asset is maintained or unexpected obsolecence due to changing technologies.

1.2 Consolidation and investments in subsidiaries

1.2.1 NHS Charitable Fund

The NHS Foundation Trust is the Corporate Trustee to the Newcastle Upon Tyne Hospitals NHS charitable fund. The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and

- eliminate intra-group transactions, balances, gains and losses.

1.2.2 Other investments in subsidiaries

Subsidiary entities are those over which the NHS Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Where material, the income, expenses, assets, liabilities, equity and reserves are consolidated in full into the appropriate financial statement lines.

Where consolidated, the amounts consolidated are drawn down from the subsidiaries financial statements 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.

Newcastle Hospitals Pharmaservices Ltd was incorporated on 16th September 2024 and is a wholly owned subsidiary of The Newcastle upon Tyne Hospitals NHS Foundation Trust. The company commenced trading on 1st December 2024 and the primary purpose of the company is to provide outpatient pharmacy services on behalf of the Foundation Trust.

The NHS Foundation Trust consolidates the results of investments in subsidiaries and joint ventures where results are material to the NHS Foundation Trust's financial position. The consolidated accounts do not incorporate the results of the additional subsidiaries and joint ventures detailed in Note 14 on the grounds of immateriality to the Group. As a consequence the investments in subsidiaries are stated at cost less impairment losses.

1.3 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS15. 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 or services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods or services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the NHS Foundation Trust accrues income relating to performance obligations satisfied in that year. Where the NHS Foundation 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.

1.3.1 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS). The NHSPS sets out rules to establish the amount payable to trusts for NHS-funded secondary healthcare.

Aligned payment and incentive contracts form the main payment mechanism under the NHSPS. API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, outpatient first attendances and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

The Trust also received additional income outside of the block payments to reimburse specific costs incurred, particularly specialised high cost drugs and devices, and other income top-ups, mainly for Covid testing and vaccination to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the overall contract with the commissioner and are accounted for as variable consideration under IFRS 15. Payment for CQUIN and BTP on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

1. Accounting policies and other information (continued)

1.3.1 Revenue from NHS contracts (continued)

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. Trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the trust contributes to system performance and therefore the availability of funding to the trust's commissioners.

Other contracts particularly those with local authorities in respect of Public Health services are agreed predominantly on a block (fixed price) basis.

1.3.2 NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

1.3.3 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 NHS Foundation Trust's interim performance does not create an asset with alternative use for the NHS Foundation Trust, and the NHS Foundation 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 NHS Foundation 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.

1.3.4 Grants and other contributions to expenditure

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

1.3.5 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 apprenticeship service account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition of the benefit.

1.4 Expenditure on goods and services

Expenditure on goods and services is 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.

Expenditure with a value below £1k, not aligned to a purchase order and which is non routine, is not accrued.

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance controlled by the Trust. They are capable of being sold separately from the rest of the NHS Foundation Trust's business or arise from contractual or other legal rights. Intangible assets are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the NHS Foundation Trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Expenditure on research is not capitalised. Expenditure on development is capitalised when it meets the requirements set out in IAS38.

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 and software licences, is capitalised as an intangible asset where it meets recognition criteria.

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 amortised 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.

1. Accounting policies and other information (continued)

1.5 Intangible assets (continued)

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, normally between 5-10 years.

Intangible assets under development are not amortised.

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if it is capable of being used for a period which exceeds one financial year, it is probable that future economic benefits will flow to, or service potential be supplied to the NHS Foundation Trust, the cost of the item can be measured reliably and it is held for use in delivering services or for administrative purposes.

Also the assets:

a. individually have a cost of at least £5,000; or

b. form a group of assets which collectively have a cost of at least £5,000, and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

c. form part of the initial setting-up cost of a new building, or refurbishment of a ward or unit, and their individual cost exceeds £250.

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. 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.

Measurement

Valuation

All property, plant and equipment is 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. Property assets are measured subsequently at valuation, plant and equipment is held at depreciated historic cost as a proxy for current value.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

Assets which are held for their service potential and are in use (i.e. 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.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) *Appraisal and Valuation Manual*. The latest full asset valuation exercise concluded as at 31 March 2023 when the District Valuer prepared an updated valuation, a desktop exercise has been carried out as at 31 March 2025 to update the asset valuation for all changes since the latest full valuation exercise.

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 modern equivalent asset basis.

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 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 NHS Foundation Trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and that the costs have recoverable VAT for the NHS Foundation Trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, and, where capitalised in accordance with IAS 23. borrowings costs. Assets are revalued and depreciation commences when the asset is 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.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

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 are 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 the following criteria in IFRS 5 are met:

The sale must be highly probable and the asset available for immediate sale in its present condition.

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 useful life is adjusted. The asset is derecognised when scrapping or demolition occurs.

1. Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

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 which is normally on a straight line basis. The useful economic lives and hence depreciation rates for equipment assets are determined by staff within the Electronics and Medical Engineering department. Freehold land is considered to have an infinite life and is not depreciated.

Assets in the course of construction and payments on account are not depreciated until the asset is brought into use. Property, plant and equipment reclassified as 'held for sale' ceases to be depreciated upon reclassification.

Equipment is depreciated on current value evenly over the estimated life of the asset. Useful economic lives reflect the total life of an asset and not the remaining life of an asset.

- Land - Not depreciated
- Buildings - 9 years - 102 years
- Dwellings - 44 years - 52 years
- Assets under construction - Not depreciated
- Plant and machinery - 4 years - 16 years
- Transport equipment - 7 years - 11 years
- Information technology - 5 years - 11 years
- Furniture and fittings - 3 years - 10 years

1.7 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation or 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 or 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.

1.8 Private Finance Initiative (PFI) transactions

PFI transactions which meet the IFRIC12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as "on-Statement of Financial Position" by the NHS Foundation Trust. Annual contract payments to the operator (the unitary charge) are apportioned between the repayment of the liability including the finance cost, the charges for services and lifecycle replacement of components of the asset.

Initial recognition

In accordance with HM Treasury's FReM, the underlying assets are recognised as property, plant and equipment, together with an equivalent liability. Initial measurement of the asset and liability are in accordance with the initial measurement principles of IFRS 16 (see leases accounting policy).

Subsequent Measurement

Assets are subsequently accounted for as property, plant and equipment and/or intangible assets as appropriate.

The liability is subsequently reduced by the portion of the unitary charge allocated as payment for the asset and increased by the annual finance cost. The finance cost is calculated by applying the implicit interest rate to the opening liability and is charged to finance costs in the Statement of Comprehensive Income. The element of the unitary charge allocated as payment for the asset is split between payment of the finance cost and repayment of the net liability.

Where there are changes in future payments for the asset resulting from indexation of the unitary charge, the Trust remeasures the PFI liability by determining the revised payments for the remainder of the contract once the change in cash flows takes effect. The remeasurement adjustment is charged to finance costs in the Statement of Comprehensive Income.

The service charge is recognised in operating expenses in the Statement of Comprehensive Income.

Initial application of IFRS 16 liability measurement principles to PFI liabilities in 2023/24

IFRS 16 liability measurement principles were applied to PFI liabilities in these financial statements from 1 April 2023. The change in measurement basis was applied using a modified retrospective approach with the cumulative impact of remeasuring the liability on 1 April 2023 recognised in the income and expenditure reserve.

Lifecycle replacement

An amount is set aside from the unitary payment each year into a lifecycle replacement prepayment to reflect the fact that the NHS Foundation Trust is effectively pre-funding some elements of future lifecycle replacement by the PFI operator.

When the operator replaces a capital asset, the fair value of this replacement item is recognised as property, plant and equipment.

Where the item was planned for replacement and therefore its value is being funded through the unitary payment, the lifecycle prepayment is reduced by the amount of the fair value.

The prepayment is reviewed annually to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

1.8 Private Finance Initiative (PFI) transactions (continued)

Where the lifecycle item was not planned for replacement during the contract it is effectively being provided free of charge to the NHS Foundation Trust. A deferred income balance is therefore recognised instead and this is released to operating income over the life of the replacement component.

1.9 Foreign Exchange

The functional and presentational currency 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.

1.10 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.

The Trust as lessee

Initial recognition and 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.

1.10 Leases (continued)

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 4.72% applied to new leases commencing in 2024 and 4.81% to new leases commencing in 2025.

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.

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.

The Trust as lessor

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.

1.11 Inventories

Inventories are valued at the lower of cost and net realisable value, by reference to supplier information on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventory. The de minimis level for inventory items is £100 inclusive of VAT.

1. Accounting policies and other information (continued)

1.11 Inventories (continued)

Obsolete and defective stock are charged to the Statement of Comprehensive Income as an expense.

Between 2020/21 and 2023/24 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. Distribution of Inventories by the Department ceased in March 2024.

1.12 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 bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. Interest earned on bank accounts is recorded as 'finance income' in the year to which it relates. Bank charges are recorded as operating expenditure in the years to which they relate.

As the NHS Foundation Trust has no bank overdrafts there is no difference between the amount disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1.13 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal obligation 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 where 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 HM Treasury's discount rates effective from 31 March 2025.

		Nominal rate	Prior year rate
Short term	Up to 5 years	4.03%	4.26%
Medium term	After 5 years up to 10 years	4.07%	4.03%
Long term	Exceeding 10 years	4.81%	4.72%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2025.

1. Accounting policies and other information (continued)

1.13 Provisions (continued)

	Inflation rate	Prior year rate
Year 1	2.60%	3.60%
Year 2	2.30%	1.80%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.4% in real terms (prior year: 2.45%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 22 but is not recognised in the NHS Foundation Trust's accounts.

Annual premiums under the scheme are charged to operating expenses and provision is made for the 'excess' payable on a case when the liability arises.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation 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 specific claims, are charged to operating expenses as and when the liability arises.

Other provisions

Other provisions relate predominantly to potential remedial building works resulting from on-going developments. The provision and amount is recognised and determined following professional advice from independent qualified property surveyors. The timing of payments is dependent on work programme estimates.

1.14 Contingencies

Contingent liabilities are not recognised in the accounts but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

a) 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 NHS Foundation Trust's control; or

b) 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 Reserves

a) Public dividend capital represents the Secretary of State for Health and Social Care's 'equity' investment in the NHS Foundation Trust.

b) The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment as well as intangible assets.

c) The NHS Foundation Trust's and its wholly owned subsidiary Newcastle Hospitals Pharmaservices Ltd accumulated surpluses and deficits are recognised in the Income and Expenditure reserve.

d) Charitable reserves relate to those held by the Newcastle upon Tyne Hospitals NHS Charity. Further analysis can be found in Note 33.

1.16 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 accounts to the extent that employees are permitted to carry forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care, in England and Wales. The schemes are not designed in a way that would enable the NHS Foundation Trust to identify its share of the underlying scheme assets and liabilities. Therefore the schemes are accounted for as though they are a defined contribution scheme: the cost to the NHS Foundation Trust is taken as equal to the employer's pension contributions payable to the schemes for the accounting period. The contributions are charged to operating expenses as 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 operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

1.17 Value Added Tax (VAT)

Most of the activities of the NHS Foundation 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation tax

NHS Foundation Trusts are exempt from corporation tax on their principal health care income under section 519A Income and Corporation Taxes Act 1988. The NHS Foundation Trust does not have any corporation tax liability in the current or prior year.

The Trust's wholly owned subsidiary Newcastle Hospitals Pharmaservices Ltd is subject to corporation tax on its profits.

The Newcastle upon Tyne Hospitals NHS Charity is a registered charity, and as such is entitled to certain tax exemptions on income and profits for investments, and surpluses on trading activities carried out in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes.

1.19 Third party assets

Assets belonging to third parties in which the NHS Foundation Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in Note 30 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual (FReM).

1.20 Public Dividend Capital and Public Dividend Capital - Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from the NHS Foundation Trust. PDC is recorded at the value received.

A charge reflecting the cost of capital utilised by the NHS Foundation 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 NHS Foundation 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 in the PDC dividend policy issued 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 and Social Care (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 calculated is not revised should any adjustments to net assets occur as a result of the audit of the annual accounts. However any movement in net assets would be reflected in the calculation for the following year.

1.21 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 31) is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.22 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities which arise where the NHS Foundation 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 NHS Foundation Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e. when receipt or delivery of the goods or service is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through profit and loss. 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 leasing arrangements are recognised and measured in accordance with the accounting policy for leases described above.

Financial assets are predominantly classified as subsequently measured at amortised cost or fair value through profit or loss. The Charity however, holds some financial assets at fair value through profit or loss.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through profit or loss.

1. Accounting policies and other information (continued)

1.22 Financial assets and financial liabilities (continued)

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 rate 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 as financing income or expense.

Financial assets at fair value through profit and loss

The Trust's Charity currently holds a number of investments which are held at fair value through profit and loss. These assets are held at fair value on the SOFP, and any changes in the fair value are recorded through the Statement of Comprehensive Income.

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 NHS Foundation Trust recognises an allowance for expected credit losses.

The NHS Foundation Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increase (stage 2).

The expected credit loss is arrived at by reviewing the length of time a specific debt has been outstanding. Generally the NHS Foundation Trust will recognise an impairment against a receivable if it is older than 90 days for non-NHS customers. The NHS Foundation Trust has not recognised expected credit losses against debts relating to NHS customers as this is not permitted as per the GAM. In addition further credit losses may be recognised sooner if there is a known factor or future event that will influence the customers ability to pay the debt due to the NHS Foundation Trust.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial assets' original effective interest rate.

1.22 Financial assets and financial liabilities (continued)

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

De-recognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

1.23 Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

1.24 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. As detailed in note 1.22 Impairment of Financial Assets, a allowance for impairment of trade receivables is established when there is an expectation that the NHS Foundation Trust will not be able to collect all amounts due according to the original terms of the receivables. Future expected credit losses are determined by; significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delay in payments (more than 90 days overdue Non NHS) are considered indicators that the trade receivable is impaired. The amount of the allowance is the difference between the asset's gross carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Comprehensive Income.

1.25 Standards, amendments and interpretations in issue but not yet effective or adopted

The DHSC GAM does not require the following IFRS Standards to be applied in 2024/25:

IFRS 17 Insurance Contracts

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 has been adopted by the FReM from 1 April 2025. Adoption of the Standard for NHS bodies will therefore be in 2025/26. The Standard revises the accounting for insurance contracts for the issuers of insurance. Application of this standard from 2025/26 is not expected to have a material impact on the financial statements.

1. Accounting policies and other information (continued)

1.25 Standards, amendments and interpretations in issue but not yet effective or adopted (continued)

IFRS 18 Presentation and Disclosure in Financial Statements

The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Standard is effective for accounting periods beginning on or after 1 January 2027. The Standard is not yet UK endorsed and not yet adopted by the FReM. Early adoption is not permitted. The expected impact of applying the standard in future periods has not yet been assessed.

1.26 Future Changes to the Government Accounting Manual (GAM)

Changes to non-investment asset valuation

Following a thematic review of non-current asset valuations for financial reporting in the public sector, HM Treasury has made a number of changes to valuation frequency, valuation methodology and classification which are effective in the public sector from 1 April 2025 with a 5 year transition period. NHS bodies are adopting these changes to an alternative timeline.

Changes to subsequent measurement of intangible assets and PPE classification / terminology to be implemented for NHS bodies from 1 April 2025:

- Withdrawal of the revaluation model for intangible assets. Carrying values of existing intangible assets measured under a previous revaluation will be taken forward as deemed historic cost.
- Removal of the distinction between specialised and non-specialised assets held for their service potential. Assets will be classified according to whether they are held for their operational capacity.

These changes are not expected to have a material impact on these financial statements.

Changes to valuation cycles and methodology to be implemented for NHS bodies in later periods:

- A mandated quinquennial revaluation frequency (or rolling programme) supplemented by annual indexation in the intervening years.
- Removal of the alternative site assumption for buildings valued at depreciated replacement cost on a modern equivalent asset basis. The approach for land has not yet been finalised by HM Treasury.

The impact of applying these changes in future periods has not yet been assessed. PPE and right of use assets currently subject to revaluation have a total book value of £511.4m as at 31 March 2025. Assets valued on an alternative site basis have a total book value of £432.2m at 31 March 2025.

2.0 NHS Foundation Trust Adjusted Financial Performance (Control Total)

The NHS Foundation Trust reports to NHS England on an adjusted financial performance (control total) basis, these figures differ to those reported in the NHS Foundation Trusts statement of comprehensive income on page 208. This is as a result of excluding certain funding streams and technical adjustments as identified below.

2024/25	**£000**
Reconciliation to control total	
Deficit for the year (SOCI Trust)	**(1,826)**
Surplus for the year (NHPS Limited)	**123**
Less/Add: Reversal of impairments/impairments	**1,595**
Add: Donated asset depreciation	**1,279**
Add: pepercorn ROU asset depreciation	**58**
Less: Donated income received for asset purchases	**(4,162)**
Remove PFI revenue costs on an IFRS 16 basis	**55,414**
Add back PFI revenue costs on a UK GAAP basis	**(52,481)**
Underlying result	**0**
Control Total Plan	**0**

2023/24	£000
Reconciliation to control total	
Deficit for the year (SOCI Trust)	(53,409)
Surplus for the year (NHPS Limited)	
Less/Add: Reversal of impairments/impairments	15,019
Add: Donated asset depreciation	1,340
Less: Donated income received for asset purchases	(866)
Remove net impact of consumables donated from other DHSC bodies	76
Remove actual IFRIC 12 scheme finance costs	75,330
Add back forecast IFRIC 12 scheme interest on an IAS 17 basis	(13,336)
Add back forecast IFRIC 12 scheme contingent rent on an IAS 17 basis	(18,107)
Remove PDC dividend benefit arising from PFI liability	(5,970)
Underlying result	77
Control Total Plan	0

2.0 NHS Foundation Trust Adjusted Financial Performance (Control Total) (continued)

2.1 Segmental Analysis

The NHS Foundation Trust has determined that the Chief Operating Decision Maker is the Board of Directors, on the basis that all strategic decisions are made by the Board. Segmental information is not provided to the Board of Directors and therefore it has been determined that there is only one business segment, that of Healthcare.

The NHS Foundation Trust conducts the majority of its business with Health Bodies in England. Transactions with entities in Scotland, Ireland and Wales are conducted in the same manner as those within England. The NHS Foundation Trust generates its income predominantly from the provision of secondary care services.

Organisations that contributed 4% or more of the NHS Foundation Trust's operating income in either year are set out in the table below. NHS England established 42 statutory integrated care boards (ICBs) on 1 July 2022 in line with its duty in the Health and Care Act 2022. Further information can be found in Note 27, Related Party Transactions. Operating income used in the calculation is before the impact of impairments and consolidation.

	2024/25	2023/24
	%	%
NHS England	**46**	46
NHS North East and North Cumbria ICB	**42**	43

3. Operating income from patient care activities

3.1 Income from patient care activities by nature

GROUP and NHS FOUNDATION TRUST	2024/25 £000	2023/24 £000
Acute Services		
Income from commissioners under API contracts - variable element*	**338,680**	296,223
Income from commissioners under API contracts - fixed element*	**813,332**	754,850
High cost drugs income from commissioners	**269,001**	245,943
Other NHS clinical income ***	**13,110**	19,957
	1,434,123	1,316,973
Community Services		
Income from commissioners under API contracts*	**53,481**	43,038
Income from other sources	**6,494**	8,738
	59,975	51,776
All Services		
Private patient income	**3,510**	2,407
Other clinical income ***	**15,398**	13,432
Additional pension contribution central funding****	**54,949**	33,813
Agenda for change pay award central funding**	**3,059**	742
	76,916	50,394
	1,571,014	1,419,143

The NHS Foundation Trust's Terms of Authorisation set out the mandatory goods and services that the NHS Foundation Trust is required to provide. All of the income from activities shown above, excluding private patient income and other clinical income, is derived from the provision of mandatory services.

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023/25 NHS Payment Scheme documentation.
https://www.england.nhs.uk/pay-syst/nhs-payment-scheme/

**Additional funding was made available by NHS England in 2024/25 and 2023/24 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2024/25 Funding was made available to cover a backdated pay award for Resident Doctors averaging 4.05% of salary. 2023/24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024.

*** Other clinical income comprises non-protected clinical income and relates to the NHS Injury Compensation Scheme, overseas patients, devolved government and cross border activity.

**** The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019 and form 20.6% to 23.7% from 1 April 2024. Since 2019/20, 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.

3. Operating income from patient care activities (continued)

3.2 Income from patient care activities by source

GROUP and NHS FOUNDATION TRUST

	2024/25 £000	2023/24 £000
NHS Foundation Trusts	**3,027**	1,707
Integrated Care Boards	**742,794**	691,579
NHS England	**793,275**	695,020
Local Authorities	**6,494**	8,738
NHS Other (including UKHSA & MHRA)	**3,499**	3,186
Non NHS (including non-English NHS):		
- Private patients	**3,510**	2,407
- Overseas patients (chargeable to patient)	**1,231**	852
- Injury cost recovery scheme*	**4,324**	3,906
- Other **	**12,860**	11,748
	1,571,014	1,419,143

All income relates to continuing operations

* Injury Cost Recovery Scheme income is subject to a provision for impaired receivables to reflect expected rates of collection. The provision is based on the value of receivables not recovered in previous years which is assessed at 24.45% (2023/24 23.07%). Any movement in year is adjusted against the receivable balance in the Statement of Financial Position.

** Non-NHS other income relates primarily to healthcare activity income from Scottish, Welsh and Irish health bodies.

3.3 Income from overseas visitors

	2024/25 £000	2023/24 £000
Income recognised in the year	**1,231**	852
Cash payments received in-year (relating to invoices raised in the current and previous years)	**339**	283
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	**921**	479
Amounts written off in-year (relating to invoices raised in the current and previous years)	**577**	254

4. Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2024/25 £000	2023/24 £000	**2024/25 £000**	2023/24 £000
Research and development	**55,141**	46,484	**55,141**	46,484
Education and training	**61,948**	57,623	**61,948**	57,623
Non-patient care services to other bodies *	**34,064**	23,347	**34,064**	23,347
Other income **	**38,237**	33,027	**38,237**	33,027
Education and training - notional income from apprenticeship fund	**1,529**	1,448	**1,529**	1,448
Donations/grants of physical assets - received from other bodies	**0**	16	**0**	16
Cash donations for the purchase of capital assets - received from NHS charities	**0**	0	**2,521**	550
Cash donations for the purchase of capital assets - received from other bodies	**1,641**	300	**1,641**	300
Contributions to expenditure - consumables (inventory) donated from DHSC group bodies for COVID response	**0**	299	**0**	299
Rental revenue from operating leases	**612**	585	**612**	585
Charitable fund incoming resources	**8,488**	4,856	**0**	0
Total Other Operating Income	**201,660**	167,985	**195,693**	163,679
Total income from patient care activities	**1,571,014**	1,419,143	**1,571,014**	1,419,143
Total operating income	**1,772,674**	1,587,128	**1,766,707**	1,582,822

* Non-patient care services to other bodies includes the hosting of Northern Medical Physics and Clinical Engineering (NMPCE) (formerly known as Regional Medical Physics Department (RMPD) Services) and Regional Drugs and Therapeutics Services.

** Other income includes Department of Health and Social Care funding for clinical excellence awards, clinical test income, property utilities income and catering and nursery income.

4.1 Fees and charges

The Group and NHS Foundation Trust had no schemes which individually had a cost exceeding £1,000k in the current or preceding year.

4. Other operating income (continued)

4.2 Additional information on contract revenue (IFRS 15) recognised in the period

	2024/25 £000	2023/24 £000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	**14,865**	10,446

4.3 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the NHS Foundation 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:

	2024/25 £000	2023/24 £000
Income from services designated as commissioner requested services	**1,110,041**	1,002,676
Income from services not designated as commissioner requested services	**460,973**	416,467
	1,571,014	1,419,143

4.4 Operating lease income

GROUP and NHS FOUNDATION TRUST

	2024/25 £000	2023/24 £000
Building rental recognised in other income	**612**	585

Future minimum lease payments due

- not later than one year	**290**	286
- later than one year and not later than five years	**984**	1,074
- later than five years	**1,236**	1,392
	2,510	2,752

The NHS Foundation Trust acts as lessor of certain buildings and office accommodation, principally for healthcare purposes.

5. Operating Expenses

	GROUP		NHS FOUNDATION TRUST	
	2024/25 £000	2023/24 £000	**2024/25 £000**	2023/24 £000
Purchase of healthcare from NHS and DHSC bodies	**42,660**	11,048	**42,660**	11,048
Purchase of healthcare from non NHS bodies	**16,048**	19,971	**16,048**	19,971
Employee expenses - non-executive directors	**199**	191	**199**	191
Employee expenses - staff and executive directors	**956,758**	859,231	**956,174**	859,231
Supplies and services - clinical (excluding drugs costs)	**183,217**	164,759	**183,217**	164,759
Supplies and services – clinical: utilisation of consumables donated from DHSC group bodies for COVID response	**0**	375	**0**	375
Supplies and services - general	**14,258**	12,708	**14,258**	12,708
Drugs inventories consumed	**288,001**	277,699	**288,989**	277,699
Inventories written down (net, including inventory drugs)	**342**	262	**342**	262
Consultancy costs	**1,216**	545	**1,216**	545
Establishment	**10,155**	9,814	**9,992**	9,814
Premises - business rates payable to Local Authorities	**6,500**	4,979	**6,499**	4,979
Premises - other	**58,513**	47,867	**58,434**	47,867
Transport - business	**2,677**	2,342	**2,677**	2,342
Transport - other (including patient travel)	**2,710**	2,682	**2,710**	2,682
Depreciation on property, plant and equipment (Note 12 & 13.1)	**34,476**	35,997	**34,476**	35,997
Amortisation on intangible assets (Note 11)	**2,639**	2,561	**2,639**	2,561
Net impairments of property, plant and equipment * (Note 12 & 13.1)	**1,595**	15,019	**1,595**	15,019
Movement in credit loss allowance: contract receivables/ assets (Note 17.2)	**704**	1,925	**704**	1,925
Provisions arising /(released) in year	**0**	310	**0**	310
Change in provisions - discount rate	**8**	(133)	**8**	(133)
External audit fees - Statutory audit**	**204**	126	**174**	126
External audit fees - Charitable fund accounts	**11**	11	**0**	0
Internal audit costs not included within employee expenses	**0**	268	**0**	268
Clinical negligence - amounts payable to NHS Resolution (premium)	**29,937**	26,807	**29,937**	26,807
Legal fees	**789**	622	**789**	622
Insurance	**789**	666	**783**	666
Research and development - staff costs	**30,352**	28,194	**30,352**	28,194
Research and development - non-staff costs	**22,759**	18,385	**22,759**	18,385
Education and training - non-staff	**3,132**	2,927	**3,132**	2,927
Education and training - notional expenditure funded from apprenticeship fund	**1,529**	1,448	**1,529**	1,448
Rentals under operating leases - minimum lease payments	**368**	1,146	**368**	1,146
Redundancy costs - staff costs	**0**	97	**0**	97
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	**13,663**	11,455	**13,663**	11,455
NHS Charitable fund - other resources expended	**6,838**	6,842	**0**	0
Other	**5,075**	6,882	**5,087**	6,882
	1,738,122	1,576,028	**1,731,410**	1,569,175

* Net impairments total £1,595k (2023/24 £15,019k net reversal of impairment).

** External audit fees - Statutory audit include VAT (£145k excl. VAT).

5. Operating Expenses (continued)

5.2 Auditors' remuneration

The amounts paid by the Newcastle Upon Tyne Hospitals NHS Foundation Trust for auditors' remuneration are disclosed inclusive of VAT.

The NHS Foundation Trust has approved the principal terms of engagement with its auditors, Forvis Mazars, covering the period of 1 October 2024 to 30 September 2027 as auditors.

5.3 Directors' remuneration and other benefits

Details of director's remuneration and other benefits are disclosed in the remuneration section of the annual report.

5.4. Staff costs and numbers

5.4.1 Staff costs

	GROUP	NHS FOUNDATION TRUST	GROUP	NHS FOUNDATION TRUST
	2024/25 £000	**2024/25 £000**	2023/24 £000	2023/24 £000
Salaries and wages *	**783,909**	**783,455**	712,982	712,982
Social security costs	**69,854**	**69,811**	66,190	66,190
Apprenticeship levy	**3,744**	**3,742**	3,508	3,508
Pension cost - employer contributions to NHS pension schemes	**84,208**	**84,157**	77,410	77,410
Pension cost - employer contributions paid by NHSE on provider's behalf (2024/25 9.4%, 2023/24 6.3%)	**54,949**	**54,915**	33,813	33,813
Pension cost - Other	**281**	**281**	447	447
Agency and contract staff	**7,136**	**7,136**	7,572	7,572
Total gross staff costs	**1,004,081**	**1,003,497**	901,922	901,922
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	**(9,419)**	**(9,419)**	(6,477)	(6,477)
Recoveries from Other bodies in respect of staff cost netted off expenditure	**(7,552)**	**(7,552)**	(7,923)	(7,923)
Total staff costs	**987,110**	**986,526**	887,522	887,522
Analysed into operating expenditure - Note 5.1				
Employee expenses - staff and executive directors	**956,758**	**956,174**	859,231	859,231
Research and development	**30,352**	**30,352**	28,194	28,194
Redundancy	**0**	**0**	97	97
Total employee benefits excluding capitalised costs	**987,110**	**986,526**	887,522	887,522

* Included within salaries and wages is an amount of £70,737k (2023/24 £58,326k) relating to recharges from Northumbria NHS Foundation Trust, the host body for Junior Doctors in training.

5. Operating Expenses (continued)

5.4. Staff costs and numbers (continued)

5.4.2 Staff numbers

Staff numbers are included within the staff report section of the Annual Report.

5.4.3 Retirements due to ill-health

During 2024/25 there were 12 (2023/24 10) early retirements from the NHS Foundation Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £1,665k (2023/24 £995k).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

5.4.4 Reporting of other compensation packages

There were no exit payments following employment tribunal (2023/24 - nil).

Further details can be found within the staff report section of the Annual Report.

6. Better payment practice code

6.1 Better payment practice code - measure of compliance

GROUP	2024/25 Number	2024/25 Value £000
Total Non-NHS trade invoices paid in the year	**230,475**	**744,074**
Total Non-NHS trade invoices paid within target	**214,435**	**701,884**
Percentage of Non-NHS trade invoices paid within target	**93%**	**94%**
Total NHS trade invoices paid in the year	**4,928**	**186,093**
Total NHS trade invoices paid within target	**4,627**	**182,708**
Percentage of NHS trade invoices paid within target	**94%**	**98%**

	2023/24 Number	2023/24 Value £000
Total Non-NHS trade invoices paid in the year	223,205	682,094
Total Non-NHS trade invoices paid within target	211,425	651,870
Percentage of Non-NHS trade invoices paid within target	95%	96%
Total NHS trade invoices paid in the year	5,639	139,483
Total NHS trade invoices paid within target	5,060	136,058
Percentage of NHS trade invoices paid within target	90%	98%

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

6. Better payment practice code (continued)

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

GROUP and NHS FOUNDATION TRUST

	2024/25 £000	2023/24 £000
Amounts included within interest payable arising from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**1**	1

7. Finance income

Finance income represents interest received on assets and investments in the period.

	GROUP		NHS FOUNDATION TRUST	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
Interest on bank accounts	**9,304**	10,678	**9,249**	10,678
NHS Charitable fund - investment income	**1,271**	1,265	**0**	0
Other Finance Income*	**0**	0	**69**	0
Total finance income	**10,575**	11,943	**9,318**	10,678

* Other finance income relates to interest charged to the Foundation Trust's subsidiary in relation to a working capital facility.

8. Finance expense - financial liabilities

Finance expenditure represents interest and other charges involved in the borrowing of money.

GROUP and NHS FOUNDATION TRUST	2024/25 £000	2023/24 £000
Interest on lease obligations	**435**	562
Interest on other loans	**3**	0
PFI - Main finance costs	**26,311**	25,933
PFI - Remeasurement of liability resulting from a change in index or rate*	**17,812**	49,397
Total interest expense	**44,561**	75,892
Unwinding of discount on provisions	**65**	26
Total finance expense	**44,626**	75,918

9. PDC dividends payable

GROUP and NHS FOUNDATION TRUST

The NHS Foundation Trust is required to pay a dividend to the Department of Health and Social Care equal to 3.5% of the average of opening and closing net relevant assets for the year. As set out in the Department of Health and Social Care Group Accounting Manual (DHSC GAM), the calculation of the dividend excludes donated assets. Details of this calculation are available within the DHSC GAM section 4.289.

PDC dividend payable for the year is £1,782k (2023/24 £1,860k).

10. Impairments and gains/(losses) on disposal

10.1 Impairments of assets

GROUP and NHS FOUNDATION TRUST

	2024/25 £000 Net impairments	**2024/25 £000 Impairments**	**2024/25 £000 Reversals**	2023/24 £000 Net impairments	2023/24 £000 Impairments	2023/24 £000 Reversals
Changes in market price and optimal site valuation	**1,595**	**3,704**	**(2,109)**	15,019	16,416	(1,397)
Total impairments (credited)/charged to operating surplus	**1,595**	**3,704**	**(2,109)**	15,019	16,416	(1,397)
Net impairments (credited)/ debited to the revaluation reserve	**3,187**	**4,655**	**(1,468)**	5,205	7,926	(2,721)
Total impairments	**4,782**	**8,359**	**(3,577)**	20,224	24,342	(4,118)

10.2 Gains/(losses) on assets

GROUP and NHS FOUNDATION TRUST

	GROUP		**NHS FOUNDATION TRUST**	
	2024/25 £000	2023/24 £000	**2024/25 £000**	2023/24 £000
Gains on disposal of other property, plant and equipment	**38**	2	**38**	2
Losses on disposal of other property, plant and equipment	**(71)**	0	**(71)**	0
Gains on disposal of right of use assets	**0**	42	**0**	42
Fair value gains/(losses) on charitable fund investments & investment properties	**(352)**	3,504	**0**	0
	(385)	3,548	**(33)**	44

11. Intangible Assets

GROUP and NHS FOUNDATION TRUST	Software licences £000	Under development £000	Total £000
Cost at 1 April 2024	24,068	1,005	**25,073**
Additions purchased	488	698	**1,186**
Reclassifications	873	(873)	**0**
Disposals	(23)	0	**(23)**
Cost at 31 March 2025	**25,406**	830	**26,236**
Accumulated amortisation at 1 April 2024	18,339	0	**18,339**
Provided during the year	2,639	0	**2,639**
Disposals	(23)	0	**(23)**
Accumulated amortisation at 31 March 2025	**20,955**	0	**20,955**
Net book value			
Purchased	4,451	830	**5,281**
Total at 31 March 2025	**4,451**	830	**5,281**
Cost at 1 April 2023	22,626	184	22,810
Additions purchased	1,000	1,263	2,263
Reclassifications	442	(442)	0
Cost at 31 March 2024	24,068	1,005	25,073
Accumulated amortisation at 1 April 2023	15,778	0	15,778
Provided during the year	2,561	0	2,561
Accumulated amortisation at 31 March 2024	18,339	0	18,339
Net book value			
Purchased	5,729	1,005	6,734
Total at 31 March 2024	5,729	1,005	6,734

There is no difference between the Group and the NHS Foundation Trust's intangible assets.

The NHS Foundation Trust does not hold any donated or leased intangible assets (31 March 2024 £Nil) and has no intangibles funded by government grant (31 March 2024 £Nil).

Revaluations

At the year end a review was carried out to determine if the current value of intangible assets was still appropriately stated. No adjustment to current value was deemed necessary.

12. Property, Plant and Equipment

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2024/25 Financial Year GROUP	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2024	21,421	481,404	614	9,717	224,165	458	32,612	831	**771,222**
Additions purchased	0	2,354	0	31,853	14,604	0	2,976	0	**51,787**
Additions purchased from cash donations	0	0	0	1,312	2,850	0	0	0	**4,162**
Reclassifications	0	20,424	0	(20,481)	57	0	0	0	**0**
Impairments charged to operating expenses	0	(3,704)	0	0	0	0	0	0	**(3,704)**
Impairments charged to the revaluation reserve	0	(4,636)	(19)	0	0	0	0	0	**(4,655)**
Reversal of impairments credited to operating expenses	0	326	0	0	0	0	0	0	**326**
Reversal of impairments credited to the revaluation reserve	94	1,210	164	0	0	0	0	0	**1,468**
Depreciation eliminated on revaluation	0	(15,305)	(19)	0	0	0	0	0	**(15,324)**
Disposals	0	0	0	0	(13,922)	(20)	(814)	0	**(14,756)**
Cost or valuation at 31 March 2025	**21,515**	**482,073**	**740**	**22,401**	**227,754**	**438**	**34,774**	**831**	**790,526**
Accumulated Depreciation at 1 April 2024	0	2	0	0	143,527	383	28,562	830	**173,304**
Provided during the year	0	15,305	19	0	13,340	13	1,595	0	**30,272**
Reversal of impairments credited to operating expenses	0	0	0	0	0	0	0	0	**0**
Depreciation eliminated on revaluation	0	(15,305)	(19)	0	0	0	0	0	**(15,324)**
Reclassifications	0	0	0	0	0	0	0	0	**0**
Disposals	0	0	0	0	(13,837)	(20)	(814)	0	**(14,671)**
Accumulated Depreciation at 31 March 2025	**0**	**2**	**0**	**0**	**143,030**	**376**	**29,343**	**830**	**173,581**
Net book value As at 31 March 2025	**21,515**	**482,071**	**740**	**22,401**	**84,724**	**62**	**5,431**	**1**	**616,945**
Net book value As at 31 March 2024	21,421	481,402	614	9,717	80,638	75	4,050	1	597,918
Financing of property, plant and equipment									
Owned	21,515	309,016	740	22,401	76,699	62	5,393	1	**435,827**
PFI	0	164,218	0	0	0	0	0	0	**164,218**
Owned - donated/granted	0	8,837	0	0	8,025	0	38	0	**16,900**
Total at 31 March 2025	**21,515**	**482,071**	**740**	**22,401**	**84,724**	**62**	**5,431**	**1**	**616,945**

12. Property, Plant and Equipment (continued)

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements: (continued)

2024/25 Financial Year

Reclassifications

The reclassifications relate to transfers from assets under construction to other asset categories once the projects to which they relate to have been completed.

Impairments and revaluations

During 2024/25 the following took place which resulted in movements to the statement of comprehensive income, the revaluation reserve and the income and expenditure reserve.

A desktop update of the NHS Foundation Trust's estate was carried out as at 31 March 2025 by a qualified valuer within the Valuation Office Agency. The resulting valuation was based on both national and regional Building Cost Indices and involved a full comprehensive inspection of all Trust sites. The district valuer was instructed, as in the prior year, to prepare the valuation on a single site basis. This recognises any efficiencies that could be obtained if the NHS Foundation Trust's buildings were to be rebuilt maintaining the current level of service provision on a single site. In addition the district valuer was instructed to prepare the valuation excluding VAT from the value of buildings acquired via PFI procurement methods and NHS Foundation Trust direct purchases. The valuation resulted in the following income and reserve movements:

Statement of Comprehensive Income

i) £3,704K (2023/24 £9,795k) charge to operating expenditure relating to impairments in year.

ii) a £2,109k (2023/24 £1,397k) credit to operating expenditure reversing prior year impairments.

Revaluation reserve

i) a £4,655k (2023/24 £7,926k) charge to the revaluation reserve for impairments in year.

ii) a £1,468k (2023/24 £2,721k) credit to the revaluation reserve relating to an increase in asset values.

Donated assets

None of the assets donated during the financial year have had restrictions in use imposed upon them by the donor.

There is no difference between the cash donated and the fair value of the assets acquired.

2024/25 Financial Year

NHS FOUNDATION TRUST

The only differences between the Group property, plant and equipment and the NHS Foundation Trust property, plant and equipment is in the treatment of donated assets.

For the NHS Foundation Trust this would result in a movement of £2,521k (2023/24 £550k) between additions purchased and additions donated in the financial year. As a result the NHS Foundation Trust's property, plant and equipment note has not been included within the accounts.

12. Property, Plant and Equipment (continued)

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements: (continued)

2023/24 Financial Year GROUP	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2023	21,421	474,791	616	21,382	213,569	433	32,285	831	**765,328**
Additions purchased	0	2,259	0	21,744	12,265	25	343	0	**36,636**
Additions - donations of physical assets (non-cash)	0	0	0	0	16	0	0	0	**16**
Additions purchased from cash donations	0	0	0	229	621	0	0	0	**850**
Reclassifications	0	33,638	0	(33,638)	0	0	0	0	**0**
Impairments charged to operating expenses	0	(9,795)	0	0	0	0	0	0	**(9,795)**
Impairments charged to the revaluation reserve	0	(7,926)	0	0	0	0	0	0	**(7,926)**
Reversal of impairments credited to operating expenses	0	1,397	0	0	0	0	0	0	**1,397**
Reversal of impairments credited to the revaluation reserve	0	2,704	17	0	0	0	0	0	**2,721**
Depreciation eliminated on revaluation	0	(15,664)	(19)	0	0	0	0	0	**(15,683)**
Disposals	0	0	0	0	(2,306)	0	(16)	0	**(2,322)**
Cost or valuation at 31 March 2024	**21,421**	**481,404**	**614**	**9,717**	**224,165**	**458**	**32,612**	**831**	**771,222**
Accumulated Depreciation at 1 April 2023	0	2	0	0	133,214	368	26,476	830	**160,890**
Provided during the year	0	15,664	19	0	12,619	15	2,102	0	**30,419**
Depreciation eliminated on revaluation	0	(15,664)	(19)	0	0	0	0	0	**(15,683)**
Disposals	0	0	0	0	(2,306)	0	(16)	0	**(2,322)**
Accumulated Depreciation at 31 March 2024	**0**	**2**	**0**	**0**	**143,527**	**383**	**28,562**	**830**	**173,304**
Net book value As at 31 March 2024	**21,421**	**481,402**	**614**	**9,717**	**80,638**	**75**	**4,050**	**1**	**597,918**
Net book value As at 31 March 2023	21,421	474,789	616	21,382	80,355	65	5,809	1	604,438
Financing of property, plant and equipment									
Owned	21,421	305,571	614	9,717	74,407	75	3,991	1	**415,797**
PFI	0	168,191	0	0	0	0	0	0	**168,191**
Owned - donated/granted	0	7,640	0	0	6,231	0	59	0	**13,930**
Total at 31 March 2024	**21,421**	**481,402**	**614**	**9,717**	**80,638**	**75**	**4,050**	**1**	**597,918**

12.2 Assets held at open market value

Of the closing balances at 31 March 2025 £3,308k (2023/24 £3,308k) related to land around non-specialised buildings which are valued at open market value.

12.3 Analysis of assets held under PFI contracts

PFI assets	**£000**
Valuation at 1 April 2024	**168,191**
Additions	**2,354**
Reclassifications	**667**
Impairments	**(6,994)**
Valuation at 31 March 2025	**164,218**
Accumulated Depreciation at 1 April 2024	**0**
Provided during the year	**5,071**
Depreciation eliminated on revaluation	**(5,071)**
Accumulated Depreciation at 31 March 2025	**0**
Net book value at 31 March 2025	**164,218**
Valuation at 1 April 2023	176,631
Additions	2,259
Reclassifications	446
Impairments	(11,145)
Valuation at 31 March 2024	168,191
Accumulated Depreciation at 1 April 2023	0
Provided during the year	5,916
Depreciation eliminated on revaluation	(5,916)
Accumulated Depreciation at 31 March 2024	0
Net book value at 31 March 2023	168,191

The PFI arrangements relate to the Transforming Newcastle Hospitals scheme and the Boiler Houses at the RVI and Freeman sites. See Note 21 for further information.

The PFI assets detailed above are included within the column headed 'Buildings excluding dwellings' in Note 12.1.

VAT is excluded from the valuation of the Trust's PFI buildings in both the current and prior year.

13. Leases

The NHS Foundation Trust leases certain buildings and equipment under leases where financial assessment has provided evidence that leasing provides better value for money than outright purchase. Leases for buildings are predominantly for residential and office space. Significant equipment leases relate to managed service contracts.

13.1 Right of use assets

2024/25 Financial Year GROUP	Property (Land and Buildings)	Plant and Machinery	Transport Equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2024 - brought forward	**29,346**	**4,455**	**208**	**34,009**	**21,424**
Additions - lease liability	348	388	38	**774**	0
Additions - up front lease payments (before or on commencement)	11	0	1	**12**	0
Remeasurements of Lease Liability	1,157	146	0	**1,303**	1,135
Reversal of Impairments charged to operating expenses	1,783	0	0	**1,783**	1,483
Depreciation eliminated upon revaluation	(1,233)	0	0	**(1,233)**	(1,175)
Disposals - Lease Termination	(305)	(1,079)	(61)	**(1,445)**	(60)
Cost or valuation at 31 March 2025	**31,107**	**3,910**	**186**	**35,203**	**22,807**
Accumulated depreciation at 1 April 2024 - brought forward	4,129	1,870	118	**6,117**	2,652
Provided during the year - right of use asset	3,305	776	65	**4,146**	2,540
Provided during the year - peppercorn leased asset	58	0	0	**58**	0
Depreciation eliminated on revaluation	(1,233)	0	0	**(1,233)**	(1,175)
Disposals - Lease Termination	(305)	(1,079)	(61)	**(1,445)**	(60)
Accumulated depreciation at 31 March 2025	**5,954**	**1,567**	**122**	**7,643**	**3,957**
Net book value at 31 March 2025	**25,153**	**2,343**	**64**	**27,560**	**18,850**
Net book value of right of use assets leased from other NHS providers	**9,707**	**0**	**0**	**9,707**	
Net book value of right of use assets leased from other DHSC Group Bodies	**9,143**	**0**	**0**	**9,143**	

13. Leases (continued)

13.1 Right of use assets (continued)

2023/24 Financial Year GROUP	Property (Land and Buildings)	Plant and Machinery	Transport Equipment	Total	Of which: leased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2023 - brought forward	**44,738**	**4,039**	**211**	**48,988**	**34,660**
Additions - lease liability	0	383	0	**383**	0
Remeasurements of Lease Liability	208	33	0	**241**	1,208
Impairments charged to operating expenses	(6,621)	0	0	**(6,621)**	(6,066)
Depreciation eliminated on revaluation	(3,623)	0	0	**(3,623)**	(3,534)
Disposals - Lease Termination	(5,356)	0	(3)	**(5,359)**	(4,844)
Cost or valuation at 31 March 2024	**29,346**	**4,455**	**208**	**34,009**	**21,424**
Accumulated depreciation at 1 April 2023 - brought forward	4,797	809	50	**5,656**	3,879
Provided during the year - right of use asset	4,357	1,061	71	**5,489**	3,428
Provided during the year - peppercorn leased asset	89	0	0	**89**	0
Depreciation eliminated on revaluation	(3,623)	0	0	**(3,623)**	(3,534)
Disposals - Lease Termination	(1,491)	0	(3)	**(1,494)**	(1,121)
Accumulated depreciation at 31 March 2024	**4,129**	**1,870**	**118**	**6,117**	**2,652**
Net book value at 31 March 2024	**25,217**	**2,585**	**90**	**27,892**	**18,772**
Net book value of right of use assets leased from other NHS providers	**8,339**	**0**	**0**	**8,339**	
Net book value of right of use assets leased from other DHSC Group Bodies	**10,433**	**0**	**0**	**10,433**	

13.2 Revaluation of property right of use assets

The Trust assesses each lease on an individual basis using cost as a proxy for fair value or current value in existing use for its right of use assets when one of the following conditions apply.

a) The economic life of the asset, judged as the lease term, is shorter than full revaluation cycle.

b) There is provision within the agreement to update the lease payment terms to reflect market conditions on a regular basis and there is not a high risk that the fair value of the asset will fluctuate in the interim period.

The Trust has therefore applied the cost model to its right of use assets with exception of the following assets.

i) Peppercorn leases which are supplied to the Trust at no cost and therefore not set using market conditions.

ii) The North Cumbria Cancer Centre which is a specialist building which could be subject to fluctuations of its value in use and therefore measured at depreciated replacement cost.

Therefore a revaluation of these assets have been carried out by a by a qualified valuer within the Valuation Office Agency resulting in the reversal of previous impairments totalling £1,783k (2023/24 impairment of £6,621k).

13. Leases (continued)

13.3 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 21.

GROUP and NHS FOUNDATION TRUST	Total 2024/25	Of which: leased from DHSC group bodies 2024/25	Total 2023/24	Of which: leased from DHSC group bodies 2023/24
	£000	£000	£000	£000
As at 1 April	**33,008**	**25,058**	41,473	30,906
Lease additions	**774**	**0**	383	0
Lease liability remeasurements	**1,303**	**1,135**	241	1,208
Interest charge arising in year	**435**	**235**	562	332
Early terminations	**0**	**0**	(3,907)	(3,762)
Lease Payments (cash outflows)	**(5,156)**	**(3,455)**	(5,744)	(3,626)
Carrying value at 31 March	**30,364**	**22,973**	**33,008**	**25,058**

13.4 Maturity analysis of future lease payments

GROUP and NHS FOUNDATION TRUST	Total 31 March 2025	Of which: leased from DHSC group bodies 31 March 2025	Total 31 March 2024	Of which: leased from DHSC group bodies 31 March 2024
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	**5,157**	3,434	4,760	3,308
- later than one year and not later than five years;	**17,647**	13,642	17,433	13,147
- later than five years	**9,451**	6,679	13,031	9,576
Total gross future lease payments	**32,255**	23,755	35,224	26,031
Finance charges allocated to future periods	**(1,891)**	(782)	(2,216)	(973)
Net lease liabilities at 31 March	**30,364**	**22,973**	**33,008**	**25,058**
Of which:				
- Current	4,777	3,229	4,364	3,083
- Non-Current	25,587	19,744	28,644	21,975

14. Investments in Subsidiaries and Joint Ventures

The investments relate to the shareholdings detailed below. The investments in companies which would qualify as subsidiaries have not been consolidated into the group accounts on the basis of immateriality. The results of the Newcastle upon Tyne Hospitals NHS Charity and Newcastle Hospitals Pharmaservices Limited are consolidated.

The investments in subsidiaries and joint ventures are not supported by the underlying net assets of these companies and therefore the investments are impaired to £Nil (2023/24 £Nil).

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2023/24 89%) of the total share capital of Pulse Diagnostics Limited (86% of the ordinary share capital and 93% of the preference share capital). The company is incorporated in the UK for the purpose of developing a method of measuring and analysing pulse wave data for application in early detection of Peripheral Vascular Disease. The NHS Foundation Trust's investment at cost of £113k (2023/24 £113k) has previously been impaired. The company has not yet commenced trading.

The NHS Foundation Trust also has a shareholding in the following dormant company

Newcastle Healthcare Property Company Limited

The NHS Foundation Trust owns 100% of the £1 ordinary share capital of Newcastle Healthcare Property Company Limited, a company incorporated in the UK for general commercial activities. The company has not yet commenced trading.

Newcastle upon Tyne Hospitals NHS Charity

The NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity the results of which are consolidated into the Group accounts.

Newcastle Hospitals Pharmaservices Limited

The NHS Foundation Trust holds 100% of the total share capital of Newcastle Hospitals Pharmaservices Limited. The company is incorporated in the UK for the purpose of providing an outpatient pharmacy service to the Foundation Trust. The company commenced trading in December 2024. The results of the company are consolidated into the group accounts.

15. Other Investments

GROUP

	2024/25 £000	2023/24 £000
Carrying value at 1 April	**44,175**	40,671
Additions	**3,584**	0
Fair value gains / (losses) through profit and loss	**(352)**	3,504
Fair value at 31 March	**47,407**	44,175

The 'other investments' are held within the Newcastle upon Tyne Hospitals NHS Charity. The NHS Foundation Trust does not hold any 'other investments'.

The Investments are held in a (i) Charities Ethical Investment Fund* and a (ii) Growth & Income Fund for Charities** and are administered on behalf of the Newcastle upon Tyne Hospitals NHS Charity by CCLA Investment Management Ltd* and Newton Investment Management**. The investments include equities, property and cash. The equities comprise shareholdings in public companies with stock market quotations, however the portfolio manager refrains from direct investment in companies that derive a substantial amount of their profit from investment in tobacco.

16. Inventories

GROUP	2024/25 £000 Total	2024/25 £000 Drugs	2024/25 £000 Consumables	2024/25 £000 Consumables donated from DHSC	2024/25 £000 Charitable funds inventory
As at 1 April	**26,591**	**8,744**	**17,654**	**151**	**42**
Additions	**455,351**	**307,559**	**147,792**	**0**	**0**
Inventories recognised in expenses	**(449,047)**	**(303,420)**	**(145,627)**	**0**	**0**
Write down of inventories	**(342)**	**(342)**	**0**	**0**	**0**
Movement in Charitable funds inventories	**(26)**	**0**	**0**	**0**	**(26)**
As at 31 March	**32,527**	**12,541**	**19,819**	**151**	**16**

	2023/24 £000 Total	2023/24 £000 Drugs	2023/24 £000 Consumables	2023/24 £000 Consumables donated from DHSC	2023/24 £000 Charitable funds inventory
As at 1 April	22,016	7,961	13,769	227	59
Additions	424,353	278,422	145,632	299	0
Inventories recognised in expenses	(419,499)	(277,377)	(141,747)	(375)	0
Write down of inventories	(262)	(262)	0	0	0
Movement in Charitable funds inventories	(17)	0	0	0	(17)
As at 31 March	26,591	8,744	17,654	151	42

NHS FOUNDATION TRUST	2024/25 £000 Total	2024/25 £000 Drugs	2024/25 £000 Consumables	2024/25 £000 Consumables donated from DHSC
As at 1 April	**26,549**	**8,744**	**17,654**	**151**
Additions	**431,648**	**283,856**	**147,792**	**0**
Inventories recognised in expenses	**(429,070)**	**(283,443)**	**(145,627)**	**0**
Write down of inventories	**(342)**	**(342)**	**0**	**0**
As at 31 March	**28,785**	**8,815**	**19,819**	**151**

	2023/24 £000 Total	2023/24 £000 Drugs	2023/24 £000 Consumables	2023/24 £000 Consumables donated from DHSC
As at 1 April	21,957	7,961	13,769	227
Additions	424,353	278,422	145,632	299
Inventories recognised in expenses	(419,499)	(277,377)	(141,747)	(375)
Write down of inventories	(262)	(262)	0	0
As at 31 March	26,549	8,744	17,654	151

All stock is held at the lower of cost and net realisable value.

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023/24 the NHS Foundation Trust received £299k of items purchased by DHSC.

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

17. Receivables

17.1 Receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2025 £000	31 March 2024 £000	**31 March 2025 £000**	31 March 2024 £000
Current				
Contract receivables invoiced	**40,353**	34,628	**41,080**	34,628
Contract receivables not yet invoiced	**45,821**	41,937	**45,821**	42,658
Allowance for impaired contract receivables / assets	**(4,302)**	(5,493)	**(4,302)**	(5,493)
PFI prepayment (lifecycle replacement)	**6,667**	2,310	**6,667**	2,310
Other prepayments	**8,841**	7,159	**8,710**	7,159
PDC dividend receivable	**0**	3,216	**0**	3,216
VAT receivable	**6,343**	1,722	**2,983**	1,722
Clinician pension tax provision reimbursement funding from NHSE	**64**	82	**64**	82
Interest receivable	**506**	556	**471**	556
Other receivables	**2,487**	2,643	**3,440**	2,643
NHS Charitable fund: Receivables	**3,607**	283	**0**	0
Total current receivables	**110,387**	89,043	**104,934**	89,481
Non-current				
PFI prepayment (lifecycle replacement)	**13,849**	17,119	**13,849**	17,119
Other prepayments	**901**	514	**901**	514
Clinician pension tax provision reimbursement funding from NHSE	**1,625**	1,615	**1,625**	1,615
Other receivables	**0**	0	**10,020**	0
Total non - current receivables	**16,375**	19,248	**26,395**	19,248
Total receivables	**126,762**	108,291	**131,329**	108,729
Of which:				
NHS and DHSC group bodies	**33,224**	40,012	**33,224**	40,012
Non NHS and DHSC group bodies	**93,538**	68,279	**98,105**	68,717
	126,762	108,291	**131,329**	108,729

17. Receivables (continued)

17.2 Allowances for credit losses (doubtful debts)

GROUP and NHS FOUNDATION TRUST

	2024/25 £000 Total	2023/24 £000 Total
At 1 April	**5,492**	6,492
New allowances arising	**2,546**	4,319
Reversals of allowances	**(1,842)**	(2,394)
Utilisation of allowances	**(1,895)**	(2,925)
At 31 March	**4,301**	5,492
Loss/gain recognised in expenditure	**704**	1,925

Included within the above is an allowance for unsuccessful compensation claims and doubtful debts of £2,177k (2023/24 £1,876k) relating to the NHS Injury Cost Recovery Scheme. The Compensation Recovery Unit have advised that the probability of not receiving income is 24.45% (2023/24 23.07%).

17.3 Receivables past due but not impaired

	31 March 2025 £000	31 March 2024 £000
31 to 90 days	**4,215**	4,268
91 to 180 days	**530**	505
By more than 180 days	**20,358**	14,587
Total	**25,103**	19,360

18. Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2024/25 £000	2023/24 £000	**2024/25 £000**	2023/24 £000
Balance at 1 April	**191,088**	205,693	**182,686**	195,783
Net change in year	**(39,723)**	(14,605)	**(39,234)**	(13,097)
Balance at 31 March	**151,365**	191,088	**143,452**	182,686
Made up of:				
Cash at commercial banks and in hand	**2,205**	8,446	**37**	44
Government Banking Service	**99,160**	62,642	**93,415**	62,642
Deposits with the National Loan Fund	**50,000**	120,000	**50,000**	120,000
Cash and cash equivalents as per the Statement of Financial Position	**151,365**	191,088	**143,452**	182,686

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

19. Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2025	31 March 2024	**31 March 2025**	31 March 2024
	£000	£000	**£000**	£000
Current				
Trade payables	**32,244**	17,452	**30,521**	17,452
Capital payables	**19,513**	11,471	**19,513**	11,471
Accruals	**86,048**	89,741	**85,676**	89,741
Annual leave accrual	**6,415**	7,826	**6,415**	7,826
Pension contributions payable	**11,868**	10,973	**11,868**	10,973
Other taxes payable	**18,061**	18,429	**18,029**	18,429
PDC dividend payable	**402**	0	**402**	0
Other payables	**13,238**	19,931	**13,238**	19,931
NHS Charitable funds: Trade and other payables	**27**	0	**0**	0
Total trade and other payables	**187,816**	175,823	**185,662**	175,823
Of which payable to NHS and DHSC group bodies - current	**5,517**	4,106	**5,517**	4,106

The Group and NHS Foundation Trust have no non-current trade and other payables.

20. Other liabilities

GROUP and NHS FOUNDATION TRUST

	31 March 2025	31 March 2024
	£000	£000
Current		
Deferred income	**72,283**	74,331
Other*	**4,719**	5,481
Total other liabilities	**77,002**	79,812

*Other liabilities relate to funding received from Department of Health and Social Care in relation to the NHS Foundation Trusts involvement with the Lighthouse Laboratory, Integrated Covid Hub North East (ICHNE) which the Trust accounts for on an agency basis.

21. Borrowings

21.1 Total Borrowings

GROUP and NHS FOUNDATION TRUST	31 March 2025 £000	31 March 2024 £000
Current		
Lease Liabilities	**4,777**	4,364
Obligations under PFI agreements	**13,077**	11,754
Other Loans	**186**	0
Total current borrowings	**18,040**	16,118
Non-current		
Lease Liabilities	**25,587**	28,644
Obligations under PFI agreements	**388,463**	384,268
Other Loans	**189**	0
Total non-current borrowings	**414,239**	412,912
Total borrowings	**432,279**	429,030

21.2 Reconciliation of liabilities arising from financing activities - 2024/25

GROUP and NHS FOUNDATION TRUST	31 March 2025 £000 Lease liabilities	31 March 2025 £000 PFI obligations	31 March 2025 £000 Other Loans	31 March 2025 £000 Total
Carrying value at 31 March 2024 brought forward	33,008	396,022	0	**429,030**
Cash movements				
Financing cash flows - principal	(4,721)	(12,294)	375	**(16,640)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(435)	(26,311)	(3)	**(26,749)**
Non-cash movements				
Application of effective interest rate (interest charge arising in year)	435	26,311	3	**26,749**
Additions	774	0	0	**774**
Lease liability remeasurements	1,303	0	0	**1,303**
Remeasurement of PFI liability resulting from change in index or rate	0	17,812	0	**17,812**
Carrying Value at 31 March 2025	**30,364**	**401,540**	**375**	**432,279**

21. Borrowings (continued)

21.2 Reconciliation of liabilities arising from financing activities - 2023/24

GROUP and NHS FOUNDATION TRUST	31 March 2024 £000 Lease liabilities	31 March 2024 £000 PFI obligations	31 March 2024 £000 Total
Carrying value at 31 March 2023 brought forward	41,473	209,435	**250,908**
Cash movements			
Financing cash flows - principal	(5,182)	(11,474)	**(16,656)**
Financing cash flows - interest (for liabilities measured at amortised cost)	(562)	(25,933)	**(26,495)**
Non-cash movements			
Application of IFRS 16 measurement principles to PFI liability on 1 April 2023	0	148,664	**148,664**
Application of effective interest rate (interest charge arising in year)	562	25,933	**26,495**
Additions	383	0	**383**
Early termination	(3,907)	0	**(3,907)**
Lease liability remeasurements	241	0	241
Remeasurement of PFI liability resulting from change in index or rate	0	49,397	**49,397**
Carrying value at 31 March 2024	**33,008**	**396,022**	**429,030**

21. Borrowings (continued)

21.3 Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST	31 March 2025 £000	31 March 2024 £000
Gross liabilities which are due:		
Not later than one year	**38,568**	36,930
Later than one year and not later than five years	**152,333**	146,492
Later than five years	**489,115**	504,294
Total gross liabilities	**680,016**	687,716
Finance charges allocated to future periods	**(278,476)**	(291,694)
Net obligations	**401,540**	396,022
Net PFI obligations which are due:		
Not later than one year	**13,077**	11,754
Later than one year and not later than five years	**59,516**	54,104
Later than five years	**328,947**	330,164
	401,540	396,022

21.4 PFI schemes

The NHS Foundation Trust has three PFI schemes which are included within the Statement of Financial Position.

The NHS Foundation Trust has determined that in accordance with the relevant accounting standards, it should recognise an asset of the relevant buildings as an item of property, plant and equipment and a corresponding finance lease liability. This then requires the NHS Foundation Trust to apportion the Unitary Payment for accounting purposes only into the following components: (a) a finance lease rental/asset financing component, (b) a services component and (c) a component in respect of funding for the replacement of parts of the asset over the life of the contract (lifecycle replacement).

21. Borrowings (continued)

21.4 PFI schemes (continued)

Transforming Newcastle Hospitals (TNH) PFI scheme:

Original Capitalised value	£281,635k
Contract Start date	May 2005
Contract End date	May 2043

The Transforming Newcastle Hospitals PFI scheme, for a major service configuration at the Freeman Hospital and Royal Victoria Infirmary, reached financial close on 27 April 2005. After a negotiated settlement the final phase of the scheme, Phase 9, was handed over to the NHS Foundation Trust during 2016/17.

The initial Unitary Payment became payable from April 2005, when the scheme became partly operational (Freeman Multi-Storey Car Park). Construction of the Freeman Multi-Storey Car Park commenced prior to contract completion and was subsequently incorporated into the scheme. The District Valuer has prepared a Modern Equivalent Asset valuation for the separate elements of the scheme (with the exception of Freeman Multi-Storey Car Park) and this value was used when capitalising the assets.

The NHS Foundation Trust pays the operator a monthly Unitary Payment covering the provision of the assets and services. These cash flows can vary due to the following factors:

a) The Unitary payment is adjusted each year for the effects of price changes by applying changes in the RPI to the whole Unitary Payment.

b) The contract provides for the NHS Foundation Trust to deduct amounts from the Unitary Payment to the extent that any part of the buildings are unavailable for use, or if services are not provided to the standards set out in the contract.

The operator is responsible for ensuring the buildings remain in the required condition over the life of the contract, undertaking property maintenance and replacement of components of assets when required. The contract does not include the provision of any 'soft' facilities management provision, e.g. security, cleaning or portering.

At the completion of the PFI contract the buildings will revert to the NHS Foundation Trust at no additional cost. There is no option in the contract for its extension.

RVI Boiler House PFI scheme:

Capitalised value	£5,704k
Contract Start date	October 2002
Contract End date	June 2027

The RVI Boiler House PFI scheme is for the provision of energy through the RVI Boiler House. The scheme commenced on 22 December 2000, with the NHS Foundation Trust paying the PFI contractor to run the transferred plant.

The Unitary Payment became payable from October 2002 when the PFI scheme became fully operational.

Although the contract runs until June 2027 the finance elements of the contract were fully settled in September 2022.

21. Borrowings (continued)

21.4 PFI schemes (continued)

Freeman Boiler House PFI scheme:

Capitalised value	£5,428k
Contract Start date	December 1997
Contract End date	June 2027

The Freeman Boiler House PFI scheme covers two stages, both for the upgrade of facilities and the provision of energy through the Freeman Boiler House. The first stage became operational on 1 December 1997 and the second on 1 January 2008.

21.5 Analysis of amounts payable to service concession operators

	31 March 2025 £000	31 March 2024 £000
Unitary payment payable to service concession operators	**55,710**	52,162
Consisting of:		
Service element	**13,663**	11,455
Repayment of finance lease liability	**12,294**	11,474
Interest charge	**26,311**	25,933
Capital lifecycle costs - including prepayment element	**3,442**	3,300
Total amount paid to service concession operators	**55,710**	52,162

The NHS Foundation Trust made no additional payments to the PFI operator during the current or prior year and recognised no PFI support income within the Statement of Comprehensive Income in the current or prior year.

21.6 Total PFI arrangements - commitments

Maturity analysis of unitary payments

The NHS Foundation Trust is committed to make the following Unitary Payments over the remaining period of the PFI schemes:

	31 March 2025 £000	31 March 2024 £000
Total future payments committed	**937,545**	951,703
Of which payments due:		
Not later than one year	**55,699**	53,418
Later than one year and not later than five years	**210,409**	206,404
Later than five years	**671,437**	691,881
	937,545	951,703

The amounts shown above are measured at current prices at 31st March 2025 and exclude any future impact of inflation.

21. Borrowings (continued)

21.7 Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2025 £000	31 March 2024 £000	**31 March 2025 £000**	31 March 2024 £000
Not later than one year	**38,568**	36,930	**13,077**	11,754
Later than one year and not later than five years	**152,333**	146,492	**59,516**	54,104
Later than five years	**489,115**	504,294	**328,947**	330,164
Sub-total	**680,016**	687,716	**401,540**	396,022
Less: finance cost attributable to future periods	**(278,476)**	(291,694)		
Total	**401,540**	396,022		

21.8 Services component of PFI schemes

	Gross payments	
	31 March 2025 £000	31 March 2024 £000
Not later than one year	**12,640**	12,189
Later than one year and not later than five years	**40,157**	42,744
Later than five years	**124,233**	127,712
	177,030	182,645

The services component excludes the impact of inflation in future years.

The amount charged to operating expenses during the year in respect of services was £13,663k (2023/24 £11,455k).

The actual amounts paid vary to forecast due to inflation, contract variations and credits received for service failures.

21. Borrowings (continued)

21.9 Lifecycle replacement component of PFI schemes

	Gross payments	
	31 March 2025 £000	31 March 2024 £000
Not later than one year	**3,528**	3,376
Later than one year and not later than five years	**14,112**	13,506
Later than five years	**56,442**	54,020
	74,082	70,902

The lifecycle component excludes the impact of inflation in future years.

22. Provisions

GROUP and NHS FOUNDATION TRUST	**31 March 2025 £000**	31 March 2024 £000
Pensions - Injury benefits	**1,740**	1,689
Legal claims - other	**166**	386
Clinician pension tax reimbursement	**1,689**	1,697
Other	**687**	11,916
Total	**4,282**	15,688
Analysed by:		
Current	**917**	12,514
Non-current	**3,365**	3,174
Total	**4,282**	15,688

22. Provisions (continued)

	Pensions - Injury benefits £000	Legal claims - other £000	Other £000	Clinician pension tax reimbursement £000	Total £000
Movement in year:					
At 1 April 2024	1,689	386	11,916	1,697	**15,688**
Change in the discount rate	8	0	0	(15)	**(7)**
Arising during the year	121	150	0	20	**291**
Utilised during the year - accruals	0	0	0	0	**0**
Utilised during the year - cash	(143)	(94)	(2,860)	0	**(3,097)**
Reversed unused	0	(276)	(8,369)	(95)	**(8,740)**
Unwinding of discount *	65	0	0	82	**147**
At 31 March 2024	**1,740**	**166**	**687**	**1,689**	**4,282**
Expected timing of cash flows					
- not later than one year	0	166	687	64	**917**
- later than one year and not later than five years	539	0	0	197	**736**
- later than five years	1,201	0	0	1,428	**2,629**
Total	**1,740**	**166**	**687**	**1,689**	**4,282**

Pensions - relates to sums payable to former employees having retired prematurely due to injury at work. The outstanding liability is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipients.

Legal Claims - based upon professional assessments, which are uncertain to the extent that they are an estimate of the likely outcome of individual cases. Due dates of settlement of claims are based upon estimates supplied by the NHS Litigation Authority and/or Legal Advisers.

Clinician pension tax reimbursement - 2019/20 Pension Annual Allowance Charge Compensation Scheme (PAACCS) - estimated liability as at 31 March 2025 provided by NHS England. The figures are derived from combining information on applications to join the 2019/20 scheme under the policy, together with information in the scheme pays election form where present, and with averages assumed where these forms are absent or clearly an estimate (values less than £100). Future liabilities based on individual member data and scheme rules are then discounted to give a total for the NHS Foundation Trust.

22. Provisions (continued)

Other - the opening balance relates to building related provisions resulting from the on-going development of the Royal Victoria Infirmary (RVI), Freeman and the Campus for Ageing and Vitality (CAV) sites. The provision relates to building relation provisions which includes asbestos remediation works required across the Trust estate. The remediation works are expected to be carried out within the coming years.

The NHS Foundation Trust has an insurance arrangement through the NHS Resolution in respect of clinical negligence, with liabilities covered by an annual insurance premium payment. Excluded from this note therefore is a sum of £349,344k (2023/24 £128,182k) which is included within the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the NHS Foundation Trust.

Where it is not considered probable that a payment will be made, non-provided amounts are disclosed in Note 26, Contingent Liabilities.

* Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

23. Notes to the Statement of Cash Flows

23.1 Reconciliation of operating surplus to net cash flow from operating activities

	GROUP		NHS FOUNDATION TRUST	
	2024/25 £000	2023/24 £000	**2024/25 £000**	2023/24 £000
Total operating surplus/(deficit)	**34,552**	11,100	**35,297**	13,647
Depreciation and amortisation	**37,115**	38,558	**37,115**	38,558
Net impairments (Reversals)	**1,595**	15,019	**1,595**	15,019
Income recognised in relation to donated assets - cash	**(1,641)**	(316)	**(4,162)**	(866)
(Increase) in inventories	**(5,962)**	(4,592)	**(2,236)**	(4,592)
(Increase) in trade and other receivables	**(17,326)**	20,723	**(24,814)**	20,965
Increase/(Decrease) in trade and other payables	**3,522**	(21,085)	**1,396**	(21,085)
Decrease in other liabilities	**(2,810)**	5,625	**(2,810)**	5,625
Decrease in provisions	**(11,471)**	(3,995)	**(11,471)**	(3,995)
NHS Charitable funds - net adjustments for working capital movements, non-cash transactions and non-operating cash flows	**(3,271)**	16	**0**	0
Net cash generated from operating activities	**34,303**	61,053	**29,910**	63,276

24. Financial Commitments

24.1 Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2025 amount to £7,336k (2023/24 £5,857k).

	31 March 2025 £000	31 March 2024 £000
Property, plant and equipment	**7,336**	5,772
Intangible assets	**0**	85
	7,336	5,857

24.2 Other financial commitments

The NHS Foundation Trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2025 £000	31 March 2024 £000
Not later than 1 year	**28,868**	31,383
After 1 year and not later than 5 years	**40,370**	31,986
Paid thereafter	**6,016**	1,535
Total	**75,254**	64,904

24.3 Leases: exposure to future cash outflows not included in lease liabilities

The Trust is potentially exposed to the following cash outflows which are not included in the measurement of lease liabilities:

	31 March 2025 £000	31 March 2024 £000
Extension options and termination options (not reasonably certain to be exercised)	**849**	973
Total	**849**	973

25. Events after the Reporting Date

There are no events after the reporting date to report.

These accounts were authorised for issue by the Trust Board on 26th June 2025.

26. Contingent Liabilities

GROUP and NHS FOUNDATION TRUST	31 March 2025 £000	31 March 2024 £000
Gross and net value of contingent liabilities - other	**58**	85

The contingent liability figure relates to the non-provided risks for Employer and Public Liability claims based upon risk assessments supplied by the NHS Resolution.

27. Related Party Transactions

27.1 Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. NHS England the Independent Regulator for NHS Foundation Trusts, has the power to control the NHS Foundation Trust within the meaning of IAS 27 Consolidated and Separate Financial Statements. The NHS Foundation Trust Consolidated Accounts are included within the Whole of Government Accounts. NHS England is accountable to the Secretary of State for Health and Social Care (DHSC) and therefore the NHS Foundation Trust's parent department is the DHSC and ultimate parent is HM Government.

27.2 Whole of Government Accounts Bodies

All government bodies which fall within the Whole of Government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes for example all NHS bodies, all local authorities and central government bodies.

27.3 Transactions with other related parties

The NHS Foundation Trust had no direct transactions with board members other than remuneration which is disclosed in the Remuneration Report in the current or previous financial year and had no outstanding payable or receivable balances at 31 March 2025 or 31 March 2024. The table below details the total value of other related party transactions in the current and previous year and the outstanding balances as at 31 March 2025 and 31 March 2024. Further details can be found in note 27.7. This table excludes balances with other whole of government entities.

	31 March 2025 £000 Payables	31 March 2025 £000 Receivables	31 March 2025 £000 Income	31 March 2025 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	**1,609**	**3,975**	**14,694**	**2,982**
Total value of transactions with other related parties and balances as at 31 March	**1,609**	**3,975**	**14,694**	**2,982**

27. Related Party Transactions (continued)

27.3 Transactions with other related parties (continued)

	31 March 2024 £000 Payables	31 March 2024 £000 Receivables	31 March 2024 £000 Income	31 March 2024 £000 Expenditure
Other bodies or persons outside of the whole of government accounting boundary	1,246	1,830	13,711	9,141
Total value of transactions with other related parties and balances as at 31 March	1,246	1,830	13,711	9,141

27.4 Significant transactions and balances with other NHS and whole of government bodies

The table below identifies the eleven organisations with which the NHS Foundation Trust has had the largest value of revenue transactions during the current and previous year. The NHS Pension Scheme and HM Revenues and Customs (excluding VAT) are also included due to the material value of payments made.

	31 March 2025 £000 Payables	**31 March 2025 £000 Receivables**	**31 March 2025 £000 Income**	**31 March 2025 £000 Expenditure**
NHS England	**178**	**2,817**	**804,855**	**1,291**
NHS North East and North Cumbria ICB	**0**	**16,141**	**735,141**	**13**
DHSC (excluding PDC)	**0**	**0**	**41,494**	**0**
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	**11,904**	**0**	**0**	**139,157**
HM Revenues and Customs (excluding VAT)	**18,061**	**0**	**0**	**73,598**

	31 March 2024 £000 Payables	31 March 2024 £000 Receivables	31 March 2024 £000 Income	31 March 2024 £000 Expenditure
NHS England	103	3,662	724,781	718
NHS North East and North Cumbria ICB	0	18,588	687,160	32
DHSC (excluding PDC)	0	899	32,800	(18)
NHS Pension Scheme (Employer's contributions, Payables includes Employee's contributions)	11,007	0	0	111,223
HM Revenues and Customs (excluding VAT)	18,429	0	0	69,698

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.

27. Related Party Transactions (continued)

27.5 Commitments at 31 March 2025

The NHS Foundation Trust continues to negotiate new income contracts with the organisations detailed above. Negotiations are expected to be concluded at an overall value not significantly different to those entered into for 2024/25.

27.6 Charitable funds

The NHS Foundation Trust receives revenue and capital payments from a number of charitable funds, including the Newcastle upon Tyne Hospitals NHS Charity, for which the NHS Foundation Trust acts as 'Corporate Trustee'. The results for this Charity are consolidated within these group accounts.

27.7 Directors

A Non-Executive Director Mr W MacLeod, holds the post is a Lay Member of Council of Newcastle University as well as Chair of Audit Committee. Transactions with the University were both financial and non financial relating principally to income received of £10,409k (2023/24 £7,738k) and expenditure of £2,347k (2023/24 £8,594k). The year end receivable balance was £3,865k (2023/24 £1,787k) and payable balance was £1,600k (2023/24 £1,217k).

The NHS Foundation Trust's Chief Executive Sir J Mackey holds the post of National Director for Elective Recovery for NHS England. Details of transactions with NHS England can be found in note 27.4.

The NHS Foundation Trust's Chief Executive Sir J Mackey is a Trustee of Alnwick Gardens. Transactions during the year consisted of expenditure of £12k (2023/24 £7k).

The NHS Foundation Trust's Acting Chief Executive Robert Harrison is a Director of Health Innovations (NENC). The NHS Foundation Trust provides financial services support to AHSN NENC. Transactions during the year, including funds transfers in respect of receipts and payments made to and by the NHS Foundation Trust on behalf of HI NENC, were income of £4,045k (2023/24 £5,943k) and expenditure of £17k (2023/24 £58k). Year end balances were £42k (2023/24 £17k) receivable and £Nil (2023/24 Nil) payable.

A Non-Executive Director Mr W MacLeod, holds the post of Trustee at Kielder Observatory Astronomical Society the Trust incurred £3k expenditure (£2023/24 nil) with the company.

A Non-Executive Director Mr W MacLeod, is a Non-Executive Director of Newcastle Gateshead Initiative Ltd the Trust incurred £2k expenditure (£2023/24 nil) with the company.

A Non-Executive Director Mr H Kajee, holds the post of Deputy Chair of Northumbria University l. Transactions with the University were income received of £129k (2023/24 £10k) and expenditure of £500k (2023/24 £514k). The year end receivable balance was £63k (2023/24 £Nil) and payable balance was £9k (2023/24 £8k).

A Non-Executive Director Mrs A Stabler, held the post of Trustee at St Oswalds Hospice for a short period during the financial year the Trust incurred £72k expenditure (£2023/24 £363k) and received £109k Income (2023/24 £3k) with the company. At 31st March 2025 The Trust held a receivable balance of £5k (2023/24 £Nil).

27. Related Party Transactions (continued)

27.8 Remuneration of key management personnel

The remuneration of the executive and non-executive directors, who are the key management personnel of the NHS Foundation Trust, is set out in Remuneration report section of the annual report.

There were no amounts owing to key management personnel at the beginning or end of the financial year.

28 Financial Instruments and Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service-provider relationship that the NHS Foundation Trust has with local Integrated Care Boards (ICBs) and the way those ICBs are financed, the NHS Foundation 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 the listed companies to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held in order to change the risks facing the NHS Foundation Trust.

The NHS Foundation Trust's capital and treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the Board of Directors.

IFRS 7 also requires disclosures relating to the risks associated with financial instruments. There are three types of risk which the NHS Foundation Trust has assessed which are detailed below:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For the NHS Foundation Trust, credit risk arises mainly from NHS and other receivable balances. Credit risk is mitigated as a substantial part of the NHS Foundation Trust's activity is carried out with other Health Bodies. For other transactions specific checks are made regarding credit worthiness before the NHS Foundation Trust enters into any new contracts. The NHS Foundation Trust manages this risk by regular review of aged receivable balances, prompt follow up on those which are overdue and provides for any deemed to be impaired. Once the balance is determined to be irrecoverable the amount is written off.

An analysis of aged and impaired receivables is given in Note 17.2.

The credit risk associated with non cash financial instruments is considered to be low. The Group's maximum exposure to credit risk at the balance sheet date is £288,933k (2023/24 £311,514k). There are no amounts held as collateral against these balances.

At 31 March 2025 a review was undertaken of financial assets not past their due date. Those where the credit risk was anticipated to be significant were impaired. Therefore the credit risk of those remaining financial assets neither past their due date nor impaired is deemed to be low.

At 31 March 2025 there are £Nil (2023/24 £Nil) financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

Liquidity risk

Liquidity risk is the risk that the NHS Foundation Trust will encounter difficulty in meeting obligations associated with financial liabilities. The NHS Foundation Trust's net operating costs are incurred under contracts with various commissioning bodies, which are financed from resources voted annually by Parliament. During the year the NHS Foundation Trust will receive income month by month, based on block contracts negotiated with commissioners and with corrections applied to adjust for actual expenditure incurred for some services.

The NHS Foundation Trust largely finances its capital expenditure from internally generated resources. In addition, funds have also been made available from Government, in the form of additional Public Dividend Capital, to progress specific capital schemes. The NHS Foundation Trust can borrow from commercial sources to finance capital schemes. Such financing would be drawn down to match the spend profile of the scheme concerned and the NHS Foundation Trust is not, therefore, exposed to significant liquidity risk in this area.

The NHS Foundation Trust is also subject to liquidity risk in relation to the long term PFI contracts into which it has entered. The maturity analysis for payments under these schemes can be found in Note 21. Expenditure savings have been identified to mitigate the liquidity risk of the PFI contracts. Prior to the contract being entered into the scheme was reviewed by HM Treasury and, subsequently, by Monitor (now NHS England) when the NHS Foundation Trust was applying for Foundation Trust status.

Market Risk - Interest-rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

At the beginning of 2024/25 the NHS Foundation Trust's cash and cash equivalents attracted interest at a rate of 5.14%, however, following a number of interest rate reductions during the financial year linked to the change in the Bank of England base rate, the Trust is now receiving interest at 4.39%. Any reduction in the base rate or interest rate would have an immaterial impact on cash flows and hence interest rate risk on these financial assets is deemed to be immaterial.

An element of the Newcastle upon Tyne Hospitals NHS Charity's cash balance is held on a 95 day fixed term deposit with Virgin Money. The interest rate on this deposit is currently fixed at 3.25%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 1.77%.

A significant area of uncertainty that affects the carrying value of assets held by the Charity is the performance of investment markets. The Charity utilises Investment advisors and regularly reviews their performance in line with the Charity Investment Policy.

The NHS Foundation Trust's PFI arrangements are on fixed interest terms.

Other than as described above, none of the other remaining NHS Foundation Trust financial assets or liabilities carry interest rates which vary with market rates and therefore interest rate risk is not deemed material and a sensitivity analysis is not considered necessary.

29. Financial Assets and Liabilities

29.1 Carrying values of financial assets

	GROUP		NHS FOUNDATION TRUST	
	31 March 2025 £000	31 March 2024 £000	**31 March 2025 £000**	31 March 2024 £000
Receivables (excluding non-financial assets) - with NHS and DHSC bodies	**32,483**	34,055	**32,483**	34,055
Receivables (excluding non-financial assets) - with other bodies	**54,071**	41,913	**65,736**	42,634
Cash and cash equivalents	**149,197**	182,686	**143,452**	182,686
Consolidated NHS Charitable fund financial assets - Investments	**47,407**	44,175	**0**	0
Consolidated NHS Charitable fund financial assets- Receivables (excluding non financial assets)	**3,607**	283	**0**	0
Consolidated NHS Charitable fund financial assets - Cash and cash equivalents	**2,168**	8,402	**0**	0
Total	**288,933**	311,514	**241,671**	259,375

The Group and NHS Foundation Trust financial assets are held at amortised costs, with the exception of the Charitable Investments which are held at fair value through profit and loss.

For presentational purposes the charitable elements of the group's financial assets have been separately disclosed.

29. Financial Assets and Liabilities (continued)

29.2 Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2025 £000	31 March 2024 £000	**31 March 2025 £000**	31 March 2024 £000
Other financial liabilities				
Obligations under leases	**30,364**	33,008	**30,364**	33,008
Trade and other payables (excluding non-financial liabilities) - with other bodies	**146,455**	142,665	**144,361**	142,665
Trade and other payables (excluding non-financial liabilities) - with NHS and DHSC bodies	**4,588**	3,756	**4,588**	3,756
Other Borrownings	**375**	0	**375**	0
PFI finance lease obligations	**401,540**	396,022	**401,540**	396,022
Total	**583,322**	575,451	**581,228**	575,451

All of the Group and NHS Foundation Trust other financial liabilities are carried at amortised cost. Fair value is not considered significantly different from book value.

Maturity of other financial liabilities *				
In one year or less	**195,143**	188,111	**193,049**	188,111
In more than one year but not more than five years	**169,980**	163,925	**169,980**	163,925
In more than five years	**498,566**	517,325	**498,566**	517,325
Total	**863,689**	869,361	**861,595**	869,361

* The values above represent an undiscounted future cash flow (ie gross liabilities including finance charges) and therefore do not match the values in the table above.

30. Third Party Assets

The NHS Foundation Trust held £5k (2023/24 £7k) cash at bank, which relates to monies held by the NHS Foundation Trust on behalf of patients. These monies have not been included in the cash and cash equivalents figure reported in the accounts.

31. Losses and Special Payments

There were 629 cases of losses and special payments totalling £1,382k during the year (2023/24 468 cases totalling £696k). The Losses and special payments are accounted for on an accruals basis but excluding provisions for future losses. An analysis of losses and special payments by category is given in the table below.

Analysis of losses and special payments by category

Category	**2024/25 Total number of cases**	**2024/25 Total value of cases**	2023/24 Total number of cases	2023/24 Total value of cases
	No	**£000**	No	£000
Losses				
Cash losses - overpayment of salaries	**5**	**1**	8	3
Bad debts and claims abandoned in relation to:				
a. private patients	**77**	**45**	25	10
b. overseas visitors	**157**	**577**	73	254
c. other	**164**	**254**	91	58
Damage to buildings, property etc. (including stores losses) due to:				
a. stores losses	**47**	**212**	41	103
b. other	**105**	**189**	148	184
Total losses	**555**	**1,278**	386	612
Special payments				
Compensation under court order or legally binding arbitration	**0**	**0**	0	0
Ex-gratia payments in respect of:				
a. loss of personal effects	**56**	**21**	66	31
b. personal injury with advice	**18**	**83**	16	53
c. other	**0**	**0**	0	0
Total special payments	**74**	**104**	82	84
Total losses and special payments	**629**	**1,382**	468	696

	2024/25 £000	2023/24 £000
Recovered Losses		
Compensation payments received	**19**	5

Recovered losses relate to the retrospective payment of bad debts previously written off, these figures are not included in the Analysis of losses and special payments by category table above.

32 Pension Costs

32.1 NHS Retirement Benefit Scheme

Past and present employees are covered by the provisions of the 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 the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. 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 2025, is based on valuation data as 31 March 2023, updated to 31 March 2025 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 statement by the scheme actuary, which forms part of the annual NHS Pension Scheme Annual Report and 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 (considering recent demographic experience), and to recommend the contribution ratee payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024 to 23.7% of pensionable pay. The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

32 Pension Costs (continued)

32.1 NHS Retirement Benefit Scheme (continued)

The 2024 actuarial valuation is currently being prepared and will be published before new contribution rates are implemented from April 2027.

b) Full actuarial (funding) valuation continued

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2025/26 will be £86,566k (2024/25 £84,208k), which is based on the 14.38% contribution. The additional contributions from 14.38% to 23.7%, estimated to be £56,488k (2024/25 £54,949k) is expected to be paid directly by the Department of Health and Social Care on behalf of the NHS Foundation Trust during the financial year 2025/26.

32.2 National Employment Savings Trust (NEST)

During the year the NHS Foundation Trust made contributions into the National Employment Savings Trust. This is a defined contribution scheme into which eligible staff are automatically enrolled. These employees are not eligible to join the NHS Retirement Benefit scheme. Employers contributions by the NHS Foundation Trust for the year were £281k (2023/24 £447k). During the 2025/26 year Employer's contributions will be 3% of the employee's salary.

33. The Newcastle upon Tyne Hospitals NHS Charity

33.1 Funds

	31 March 2025 £000	31 March 2024 £000
Restricted	**21,566**	18,678
Unrestricted	**30,652**	33,503
	52,218	52,181

As at 31 March 2025 the total funds as disclosed in the Newcastle Upon Tyne Hospitals NHS Charity accounts amount to £37,003k. This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £52,219k. The adjustment to funds of £15,215k has been included within unrestricted funds.

Restricted funds

Restricted funds may be accumulated income funds which are expendable at the trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Unrestricted funds

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for specific future purposes which reduces the amount that is readily available to the charity.

33. The Newcastle upon Tyne Hospitals NHS Charity (continued)

33.1 Funds (continued)

The aim of the Charitable fund is to use the available funds to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff.

33.2 Further information

Further information relating to the use of the Charitable funds and the Trustees' report can be found within the Newcastle upon Tyne Hospitals NHS Charity Annual Report and Accounts which form part of The Newcastle upon Tyne Hospitals NHS Foundation Trust Annual Report and Accounts.