



**Northumbria Healthcare**  
NHS Foundation Trust

**2018 / 19**

# **ANNUAL REPORT**



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# **Northumbria Healthcare NHS Foundation Trust**

## **Annual Report 2018/19**

Presented to Parliament pursuant to Schedule 7, Paragraph 25 (4) (a) of  
the National Health Service Act 2006

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## Part 1: Performance Report

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### Overview of performance: *Statement from Trust Chair*



2018 was a milestone year for our Trust with our own 20<sup>th</sup> birthday and the NHS' 70<sup>th</sup> anniversary.

Our celebrations began with a private dedication at St Aidan's Church, Thockrington, where Lord Beveridge the founder of the NHS is buried before we held a service of thanksgiving at Hexham Abbey. Following on from which there were seven 1940s-themed tea dances across the Trust with

performances from local dance groups organised by our charity - Bright.

While our main events were held on or around the NHS' actual birthday (5 July) the celebrations lasted throughout the year with art projects and a birthday party theme for our staff awards in September.

It really brought home to me that central truth: that the NHS is everyone's gift to the nation and to each other – we should be so proud.

However this hasn't been the only 'big' birthday this year - we started 2018/19 with the 20th anniversary of our Trust (1 April) with 20 days of celebration to acknowledge the hard work and dedication of our staff over an extended period and ended it by marking 20 years of transforming healthcare in Tanzania with our ground-breaking partnership with Kilimanjaro Christian Medical Centre.

Our staff – giving freely of their own time – have made an incredible difference. From training surgeons and nursing staff, both in person and remotely by an award-winning video link, to introducing laparoscopic surgery to the country and establishing the first burns clinics.

It is a legacy that will endure even as the relationship deepens and flourishes.

While these birthdays have been a welcome addition to our year, they certainly haven't detracted from our core day-to-day role: providing outstanding care.

At Northumbria it has become part of our ethos that whilst we know delivering world-class medical care matters we are also aware that it is not the whole picture. How care is given, how people feel when receiving it and the atmosphere which surrounds it are just as important. So when I see that our patients' experience scores continue to be among the best in the country it is something of which I am incredibly proud.

Our expertise means we are leading the way nationally in a number of areas and this year I have been pleased to see the success of our programme to improve the care of patients who suffer a hip fracture shared with five other Trusts across the country. The results have

## PART 1: Performance Report *(continued)*

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been quite staggering with 119 lives (and counting) saved so far and more than 100 extra patients returning to their own homes rather than a nursing or residential home.

This year we were happy to welcome eminent clinician Professor Sir Alan Craft as a non-executive director to our board. It is a real privilege to have someone of his standing; calibre and track record for pushing medical boundaries join us. His experience and insight will be invaluable to us as we look to implement our £150million investment into services over the next five years. Alongside management changes which have seen two chief operating officers with vast NHS experience join our senior team – Helen Ray and Marion Dickson, the latter also taking on the role of interim executive director of nursing and midwifery – our leadership is stronger than it ever has been.

Also of great value to us will be the continued input of our Council of governors. Over the last year, our governors have carried out important work, acting as a much-needed link to the many communities we serve and generally being a sounding board for us. One of the best was Peter Latham who we sadly lost this year. A former teacher and councillor he was one of our longest-serving members. His insights and unashamed passion – especially for his beloved North Tyneside – will be deeply missed.

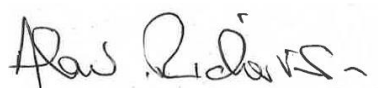
We also said farewell to Allan Hepple who has stood down as a non-executive director due to personal commitments and I'd like to thank him for his contribution over the last two years.

I wish to place on record my congratulations, on behalf of all staff and governors of the Trust, to our chief executive on receiving a knighthood in the New Year's Honours List. This recognition for Jim – rather Sir James – is well-earned and deserved and testament to the successful leadership role he has had here and across the NHS over many years.

Finally, none of this would be possible without the hard work and dedication of our staff. No matter what role they do, no matter where they do it, I never cease to be moved by the dedication and commitment shown. Even now – after three years as Chair – barely a day goes by when I don't see some new example of selflessness or excellence.

On behalf of myself, the Board and the Council of Governors: thank you and have a good 2019/20.

**Alan Richardson**



**Chair, Northumbria Healthcare NHS Foundation Trust**

**23<sup>rd</sup> May 2019**

## PART 1: Performance Report *(continued)*

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### Overview of performance: *Statement from Trust Chief Executive*

I am very pleased to present our annual report and accounts for 2018/19, my first full financial year back in Northumbria, following my secondment to NHS Improvement.

I hope that you will see from this Report that it has been another very successful year for Northumbria Healthcare. We have delivered strong performance against constitutional standards, made progress against our safety and quality priorities, returned a surplus of £21.3m for this year but, most importantly, delivered some of the best patient and staff experience results in England.



We are rightly proud of all that has been achieved this year, and delivering high quality results is, and will always be, core to the Northumbria Way. We will, however, not take this excellent performance for granted and will remain focussed on continuing to provide excellent patient care in the years ahead.

However, reflecting on this year, I think the really big things to highlight is our focus on our staff and our patients. Our patient experience programme continues to show that satisfaction levels are very strong and improving. 51,780 people took the time to give us feedback on their care this year. Over 98% of them would rate their experience as good, very good or excellent. Our real time programme highlights that the high standards set for the quality of our care have been consistently maintained over the course of the year - our patients giving an overall rating of 96% for all domains of care. Given the Trust's strong commitment to infection control over winter, a near perfect patient score of 99% for the cleanliness of our hospitals was particularly encouraging to see. In addition, public confidence in our services stands at 85% (equivalent to John Lewis and Amazon). This, I hope, shows our appetite to improve and really go the extra mile to meet the needs of our patients.

Second, the strength of the broader Northumbria Team really stands out. It was very clear at this stage last year that our staff were continuing to deliver great care, with remarkable compassion, but were struggling to keep pace with demand and workload pressures. So, our staff experience programme that started last October was a major new innovation, building on our patient experience work, with the aim of making Northumbria the best possible place to work and train. Whilst we have much to do, early signs are very encouraging - our initial results highlight just how committed and engaged our staff are alongside highlighting a number of opportunities for team led service improvements.

## PART 1: Performance Report *(continued)*

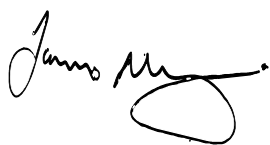
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Overwhelmingly staff are very proud of the work they do and are willing to go above and beyond every day to make a difference for patients.

Finally, we have made huge strides over the last few months to increase our focus on prevention and out of hospital care (what we call Integrated Neighbourhood Care). Again, this is really gaining traction in and across the Northumbria area of delivery and we will invest around £2m in this area in 2019/20.

All in all, I hope you will agree this has been another successful year for the Trust. This really is the product of a huge effort by a large, diverse, skilled and committed team. I am, as ever, humbled by the commitment of the team and the support and collective drive to maintain excellence. I would like to take this opportunity to record my sincere thanks to the whole Northumbria team for another great year and look forward to the year ahead. I hope you enjoy the Report.

**Sir James Mackey, Chief Executive Officer**



**Northumbria Healthcare NHS Foundation Trust**

**23<sup>rd</sup> May 2019**

## PART 1: Performance Report (*continued*)

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### Overview of performance: *About us*

The purpose of the overview section is to provide brief information on the organisation, its purpose, key risks and performance:

#### **Key facts**

- Provide a range of health and care services to support the more than 500,000 people living in Northumberland and North Tyneside
- Deliver care from hospitals, in a range of community venues and in people's own homes. Services include:
  - Emergency and urgent care services including emergency surgery
  - Planned and on-going care and rehabilitation
  - Outpatient clinics in a range of conditions
  - Elective surgery
  - Diagnostic services
  - Maternity services
  - Children's services
  - End of life care
  - Therapies including physio, occupational and speech and language
  - Community services such as district nursing and health promotion
  - Adult social care in Northumberland
- Deliver care from multiple sites including an emergency care hospital, general and community hospitals, outpatient and diagnostic centres and an integrated health and social care facility
- Rated 'outstanding' overall by the Care Quality Commission
- One of the North East's largest employers with more than 10,000 dedicated members of staff.
- Has a Council of Governors representing the public, staff and some of its external partners

### Our history

Northumbria Healthcare was established on 1<sup>st</sup> April 2008 and in 2018/19 celebrated its 20th birthday. Becoming a foundation Trust on 1 August 2006, it is regulated by NHS Improvement and is a membership-based, public benefit corporation.

## PART 1: Performance Report (*continued*)

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Public members elect the majority of its Council of Governors – the remainder being governors elected by staff – which has a statutory duty to hold the non-executive directors, individually and collectively, to account for the performance of the Board of Directors.

### Our geography

The Trust is geographically one of the largest in the country and provides a range of health and care services to a population of more than half a million people living in Northumberland and North Tyneside. Services are delivered in hospitals, in the community, such as GP practices and health centres, and in people's own homes including:

- A specialist emergency care hospital – The Northumbria
- General hospitals at Hexham, North Tyneside and Wansbeck
- Community hospitals at Alnwick, Berwick, Rothbury and Blyth
- An integrated health and social care facility at Haltwhistle
- An elderly care unit in Morpeth (temporarily relocated to Wansbeck General Hospital)
- An outpatient and diagnostic centre at Morpeth
- Sexual health centres in North Tyneside and Northumberland



- |                                       |
|---------------------------------------|
| 1 – Hexham General Hospital           |
| 2 – North Tyneside General Hospital   |
| 3 – Wansbeck General Hospital         |
| 4 – The Northumbria                   |
| 5 – Alnwick Infirmary                 |
| 6 – Berwick Infirmary                 |
| 7 – Blyth Community Hospital          |
| 8 – Haltwhistle War Memorial Hospital |
| 9 – Morpeth NHS Centre                |
| 10 – Rothbury Cottage Hospital        |
| 11 – Whalton Unit                     |

### Our principal activities

In Northumberland, the Trust manages adult social care services on behalf of Northumberland County Council and, for many years, the two organisations have worked together to successfully integrate health and social care in one of the most rural parts of England. This unique partnership helps to ensure that patients experience a smooth



## PART 1: Performance Report *(continued)*

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transition between hospital and home and that support is in place for patients to manage independently at home and avoid future hospital admission where possible.

Looking after the health and wellbeing of its communities, the Trust encourages residents, where possible, to take positive steps to improve their health and prevent illness.

### Patient and staff experience

#### Patient experience

We are passionate about ensuring that every one of our patients has the best experience possible whilst with us, and that they feel valued and listened to. We want families to feel well supported too and appropriately involved in decisions about care and treatment where necessary.

With this in mind, we have developed our approach over a number of years – our patient experience improvement programme is now recognised to be one of the most comprehensive programmes in the NHS. Our aim is to ensure that the feedback of thousands of patients listened to and acted upon every year. In 2018 we took important steps to spread real time measurement and improvement across the NHS as part of our Patient Experience Collaborative.

We believe that this commitment to real time measurement continues to pay real dividends enabling us to respond swiftly to the needs of individuals and families and deliver care of the highest standard.

#### Staff experience

Linked to our successful real time patient experience programme, the Trust took important steps in 2018 to develop a similar programme to understand staff experience and what could be done to improve it. Following a successful pilot in the autumn, we launched the first of our real time staff experience surveys on the 5th of December 2018. The results, overall, are very positive. They represent the views of an engaged workforce that is committed to the aims and objectives of the Organisation. The real time findings correlate with high performance in national staff experience results. The consistency across business units and professional groups is also encouraging.

More information on staff experience can be found on page 16 as well as in the Quality Account at Appendix A.

## PART 1: Performance Report *(continued)*

### Our purpose

We strive to ensure that every patient and service user has an exceptional experience. This is reflected in our 'Five Year Strategy' which outlines our vision for 2018 – 2023.



### Engaging with stakeholders

Stakeholder engagement is a priority for us to further build strong partnerships and Trusted relationships - the foundation of our vision and strategy. We appreciate that our continued success would not be possible without the support and collaboration of our key stakeholders. We have a robust programme of engagement in place with a wide range of stakeholders as their contributions help shape our strategic direction and are crucial to our success.

## PART 1: Performance Report (*continued*)

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### Subsidiary Undertakings

#### Northumbria Healthcare Facilities Management Ltd (NHFML)

NHFML was established on 17 January 2012, and is a wholly-owned subsidiary of the Trust. It provides specialist project management services for large and small capital developments, estates maintenance services and a full range of facilities services.

NHFML helps clients through the capital development process from concept through to final occupation. This includes developing initial briefings and options, securing appropriate sites and planning consents, appointing consultant designers and advisors, managing the detailed design process, appointing contractors, managing the construction process and getting clients into fully operational buildings. It also provides maintenance services to ensure that premises are safe, comfortable and correctly meet the business needs of the client and comply with all statutory and/or mandatory requirements. Once the asset has been created, a complete range of facilities services can also be provided to support the on-going operational needs of any client.

The highlights of the last year for NHFML include:

- Providing on-going consultancy support to a number of NHS Trusts to assist them in developing their individual plans for managing their estates
- Established a ground-breaking LLP with a local Trust
- Provision of facilities management services at the Northumberland's pioneering Proton Beam; which is a new multi-million pound cancer treatment centre
- Ongoing support to the Trust in relation to the development of the ambulatory care facility at The Northumbria.

#### Northumbria Primary Care (NPC) Ltd

In 2018/19 our pioneering partnership with local GPs through NPC has gone from strength to strength. NPC now manages seven GP practices – listed below – across 12 sites with around 44,000 registered patients in Northumberland and North Tyneside:

- Ponteland Medical Group
- Cramlington Medical Group
- Spring Terrace Health Centre
- 49 Marine Avenue
- The Rothbury Practice
- Haydon Bridge and Allendale Medical Group
- Elsdon Avenue Surgery

## PART 1: Performance Report (*continued*)

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During 2018/19, a number of important initiatives have been delivered in line with our 5 year Strategic Plan, helping us deliver our mission *‘to revolutionise the relationship between primary, secondary and community care to deliver high quality, innovative and seamless care to our patients’*.

Key achievements include:

- All of our practices have been rated as ‘good’ by CQC (3 inspections during 2018/19)
- Introduction of ‘NPC clinical support service – centralised medicines technicians and clinical coders
- Runner up in the general practice team of the year award
- Introduction of NHS (AfC) terms and conditions
- Introduction of Specialist Nurse Practitioners (Frailty and Minor surgery)
- Collaborative working with other providers of primary care at scale
- Reduction in variation through standardisation of SystmOne / clinical templates, including end of life, frailty and safeguarding
- Introduction of 15 minute appointments for people with complex conditions

### Other subsidiaries

The Trust has a further three subsidiary undertakings; Northumbria Digital Solutions Ltd (‘NDSL’), Northumbria Primary Care Cost Sharing Limited and Northumbria Academy Trust. The latter two were dormant throughout 2018/19. The Trust established NDSL in July 2017 to look at IT solutions. A subsequent decision was taken by the Board of Directors in to keep IT services within the Trust in order to support the delivery of an ambitious five year strategy for IT. NDSL has not conducted any business within the year, with its contract being terminated with the parent Trust in the previous financial year. It has continued to process transactions during the year during a period where contracts are being transferred.

## PART 1: Performance Report (*continued*)

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### Key issues and risks

In order to maintain a strong system of governance, the Board of Directors and senior managers regularly review the key issues and risks that may undermine the achievement of the Trust's strategic objectives. The matters outlined below are those that the Board of Directors considers to be of particular significance to the Trust:

- ***Access targets***

If demand continues to grow rapidly, we may be under significant pressure to meet targets including the four-hour A&E, Cancer GP referral to treatment and bowel cancer screening targets and 18-week referral to treatment target. We manage this risk primarily via the Joint Operational Team and there are also regular reviews by the Executive Management Team and Board of Directors. Demand management initiatives and close partnership working with primary care as well as local providers including the ambulance Trust, are some of the key mechanisms deployed by us to address this risk.

- ***Quality targets***

It is imperative that the Trust maintains its strong reputation for safe and high quality care. All services that the Trust provides are reviewed using our well-established 'quality panel' process to ensure that there is consistently high quality care provided across the Trust. The Board of Directors, the Safety & Quality Committee, and Council of Governors monitor a range of metrics, from sepsis compliance, learning from deaths mortality data, to information relating to incidents in order to ensure that quality is maintained throughout the Trust.

- ***Financial sustainability***

The Trust's financial context, both regionally and nationally, is becoming increasingly challenging. The Trust's role in creating a more sustainable financial landscape was a top priority for the Board of Directors during 2018/19 and will continue into 2019/20. The Annual Governance Statement, from page 80, outlines in further detail how we manage risk.

### Going concern disclosure

After making enquiries, the Directors have a reasonable expectation that the NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. The group generated net cash from operating activities of £38.0 million and holds cash and cash equivalents of £64.166 million alongside net current assets of £69.4 million. For this reason, they continue to adopt the going concern basis in preparing the accounts.

### Performance analysis

#### How the Trust measures performance

We measure performance according to the delivery of objectives as outlined in our Annual Operational Plan. The Trust refreshed its five year strategy in 2018 and the operational plan for 2019/20 sets out the vision for the coming year and the key objectives that we committed to delivering within this plan are closely aligned to the five year strategy.

The Operational Plan for 2017-19 was split between four core areas: **activity - quality – finance – workforce**.

#### *Activity*

The Trust adopts an evidence-based approach to forecasting demand and understanding its capacity needs. We monitor activity against our expectations for the year and continually adapt our model to reflect changes in the configuration of services across the Trust. We continue to closely follow the impact of The Northumbria after three and a half years in operation, as well as the change in function of the associated 'base' hospitals sites in Hexham, Wansbeck and North Tyneside.

#### *Quality*

One of the key ways in which we monitor the quality of care we provide and the extent to which we are continually improving as a Trust is via the annual priorities for quality improvement. Other sources of information which inform how we are performing from a quality perspective include:

- *Patient experience data*
- *Complaints and patient feedback*
- *Clinical audit*

Further detail on how we monitor quality is outlined in the Quality Account in Appendix A.

#### *Operations*

We consider a wide range of national, regulatory, and internal measures in order to assess operational performance. This includes, for example, analysis of performance against the national target for 95% of A&E patients to be seen, treated, admitted or discharged within four hours.

#### *Finance*

Each year we commit to a financial plan which includes a cost improvement target to be achieved, a capital plan, and a forecast outturn for the year end. Further detail regarding the Trust's financial performance against the plan is outlined from page 20.

## PART 1: Performance Report *(continued)*

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### Quality

#### Safety and quality priorities

Our safety and quality priorities for 2018/19 are highlighted in the table below. These priorities were identified in collaboration with members of the public, staff, Governors and key stakeholders. We take pride in using patient and service user feedback to support the quality improvements we wish to focus on. We also worked with clinicians who made recommendations to the Board of Directors and Council of Governors in order to develop our priorities.

Safety & Quality Priorities
1. Falls
2. Staff experience
3. Surviving sepsis
4. Flow
5. Frailty



Performance against the priorities above has been monitored by the Board of Directors, Safety & Quality Committee, and Council of Governors. Further detail in relation to the safety & quality priorities is described in detail in the Quality Account in Appendix A.

#### Clinical audit

During 2018/19, 49 quality account national clinical audits and 3 national confidential enquiries covered relevant health services that we provide. During that period we participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and national confidential enquiries we were eligible to participate in.

The Quality Account in Appendix A outlines in further detail the clinical audit activity during 2018/19.

#### Complaints and patient feedback

We place significant emphasis on the feedback we receive from patients, whether positive or negative. To ensure that we continue to improve the quality of care and patient experience provided in our hospitals, we thoroughly track, review and monitor the complaints, concerns and compliments we receive and our response to these. We have a Patient Feedback Sub-Committee which reports to the Board of Director's Safety and Quality Committee and is predominantly concerned with the identification of themes and issues arising from patient feedback gathered via formal complaints, informal concerns, and comments about the Trust on social media.

## PART 1: Performance Report (*continued*)

The table below summarises the 2018/19 performance against complaints key performance indicators:

Measure	Target	2018/19 Outturn	2017/18 Outturn	2016/17 Outturn	2015/16 Outturn
New complaints received	no target	334	391	440	504
Acknowledge all complaints within 3 days of receipt	100%	100%	99%	100%	100%
Complaints closed	no target	414	403	486	513
Complaints closed within timescale agreed with complainant	95%	94%	90%	81%	93%
Percentage of well – founded complaints	no target	70%	69%	68%	64%

Further information relating to complaints, including the themes and trends identified, is provided in the Quality Account in Appendix A.

### Patient experience

There are several ways in which we gather, analyse and react to patient experience data:

- **Real-time programme**

Our real time programme involves an independent team carrying out face to face interviews whilst patients are still in hospital – it allows us to respond quickly to things that individuals and their families wish were better, as well as give immediate feedback to staff about things that were working well. The last year reveals a very strong overall performance by our ward teams with our data remaining consistently excellent throughout 2018. There was evidence of statistical improvements in cleanliness on the ward and communication about medicines and side effects. From a very high baseline, scores in co-ordination and consistency of care, and pain management have a meaningful decline when compared with overall performance in 2017. The decline occurred during the winter period when demands on the service were at their most challenging. The overall patient experience score of 96% remains very high and unchanged this year.

The learning over the last year would not have been possible without the willingness of patients and their families to share their experiences, and for this we are very grateful. We spoke to 6655 individuals in real time, collectively they gave the following scores for our care:

- 94% for **Consistency & Coordination**
- 99% for **Respect & dignity**
- 96% for **Involvement** in decisions about care



## PART 1: Performance Report (*continued*)

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- 98% for the quality of relationships with our **Doctors**
- 99% for the quality of relationships with our **Nurses**
- 99% for the **Cleanliness** of our wards and bathrooms
- 98% for the way the team managed **Pain**
- 84% for **Communicating about medicines** and side effects
- 94% for Noise at Night
- 99% for Kindness & Compassion

As well as capturing people's experiences on the day of discharge, we survey thousands of patients once they leave hospital to enable us to have a very balanced view of their experience of our care. We have used this feedback to target and improve essential aspects of our care that we know matter most.

- ***Patient perspective 2018***

These surveys are sent to out-patients and in-patients once they have returned home to gather their views and experiences of services. An independent company approved by the Care Quality Commission evaluates the results for the Trust. They received feedback from 9199 people - the following is their account of the patient experience in our services.

Overall, the inpatient results for 2018 continue to be very good and the Trust is in the top 20% of all Trusts on all 19 most important questions to patients. The overall score for the Trust is 87.6% which is in the top 20% of Trusts (84% cut off point) and similar to 2017. Overall, 98% of patients rated their care as excellent, very good or good. Results for day-case patients are better still than for inpatients, averaging 92.3%.

The outpatient results continue to be extremely good. On average the Trust is in the top 20% of all Trusts in England. It is in the top 20% for all survey questions. All sites have an overall score in the national top 20%. All specialties are in the national top 20% with the exception of Pain Management. The overall score is 90.8%, with the score for the top 20% in England standing at 85%. This performance is similar to 2017. 99% of patients rate the Trust as excellent, very good or good.

Overall, the emergency department results remain very good. The Trust remains in the top 20% of all Trusts in England on 24 of the 27 questions that are comparable with national data. The average score is 83.9%, and is comparable with the previous year's score of 83.4%. The top 20% score for England is 78% and above.

This score has been consistently high in each quarter since April 2011. Average scores across the four sites are – The Northumbria 78% (specialist emergency care hospital), Hexham 87%, North Tyneside 82%, Wansbeck 82% (urgent care centres).

## PART 1: Performance Report *(continued)*

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### Staff experience: Towards happy, healthy and productive teams

We celebrated the 70<sup>th</sup> anniversary of the NHS in 2018. When the NHS was set up in 1948 by a deeply traumatised post-war society, it was with a commitment to caring for everybody in the country, regardless of wealth, status, prestige, or background - a compassionate and inclusive system. In choosing to work for the NHS, we know most staff have made an important decision to dedicate an enormous part of their lives to caring for their fellow human beings, so they too have a core work value of compassion.

Each day we will have the privilege of meeting people at critical moments in their lives – many will be worried, frightened, sick and suffering - they will share their stories with us and allow us to work with them to help. The gifts of confidence, hope, knowledge and safety can only come from a workforce that feels confident, hopeful, competent and safe themselves. Joy and pride at work are therefore essential resources for a happy, healthy and productive healthcare teams.

Staff experience, leadership and high levels of performance for patient care are all inextricably linked. All three improve together and conversely all three will decline together. Work will involve dedicating leader time, attention, skill development and necessary resources to an on-going effort to improve joy and pride in work.

Of the 1.4 million people who work in the NHS in England, more than 50% say they're unable to meet all of the conflicting demands on their time at work. Nearly 40% say that they've been unwell as a result of stress at work in the previous year. Around 50% more staff report debilitating levels of work stress, compared with the general working population as a whole, and we know that this has a direct and harmful impact on the quality of care. We know that the challenges we face in the NHS are varied and complex. In the process of trying to respond to them, we risk damaging the health and wellbeing of the very people we ask to deliver the health, care and wellbeing of our communities.

Burnout affects all aspects of the pursuit of better health and health care. It leads to lower levels of staff engagement, which correlate with lower patient experience, lower productivity, and an increased risk of workplace accidents. These all significantly affect the financial vitality of an organisation. Lower levels of staff engagement are linked with lower-quality patient care including mortality and patient safety, and burnout limits providers' empathy — a crucial component of effective and person-centred care.

The pursuit of joy at work, and the notion that human caring, the effort to do better for others, can make a difference can seem hopelessly naïve, but it isn't. In developing our own, innovative, real time staff experience programme, we have drawn on the literature and 20 years of research on high performing organisations, staff engagement and the leadership behaviours, system design, operating values, communication patterns and technical support that ensure happy and effective teams. We mapped this learning to the Joy at Work

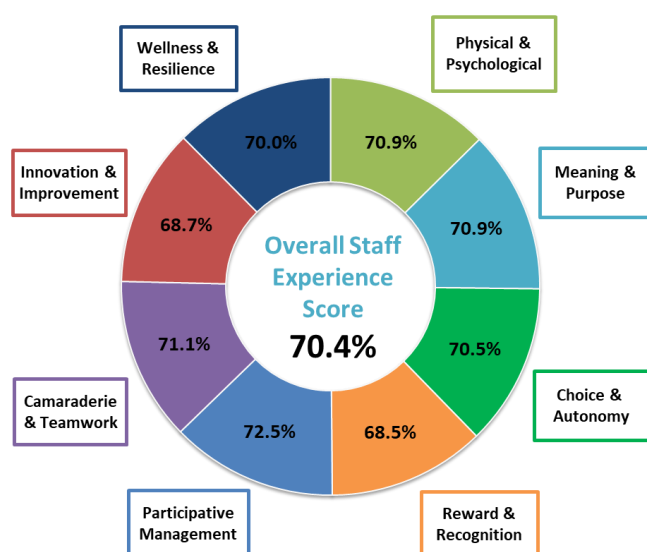
## PART 1: Performance Report *(continued)*

framework outlined by the Institute for Healthcare Improvement (IHI), to establish 8 core domains of staff experience that we want to pay particular attention to.

In building our own programme, we want to integrate a real time understanding of staff experience with our well established real time programme for capturing the quality of patient care and experience. In this first year of implementation, we intend to go wide and deep with our measurement approach. Across the organisation, we will encourage as many staff as possible to complete pulse surveys that will allow us to meaningfully understand what our staff care about and how they feel about the organisation. An appreciative and well-designed communication strategy will give energy and momentum to our programme. We will learn from new technologies and a contemporary approach to listening and understanding to what matters most to our staff. In addition to broad measurement, we are interested to learn about improvement and what factors are the most influential in terms of enhancing staff experience and performance? We intend to pilot and evaluate this work in 8 teams. Each team will provide feedback to shape their own their own improvement profile based on baseline assessment in 8 core domains.

Our Trust wide baseline results are shown below, based on the views of over 2,700 staff from more than 200 teams.

<b>I would recommend Northumbria as a place to work</b>	<b>7.21</b>
<b>Sustainable Engagement Indicator</b>	<b>7.30</b>
<b>Overall Staff Experience Score</b>	<b>7.04</b>



Staff giving average scores of:

- 79% for being able to handle the challenges of their job effectively
- 79% for recognising they play a role in team dynamics and have an impact on their colleagues working life
- 79% for those who are willing to go beyond what is required to help the Trust succeed
- 77% for teams willingly provide support for each other.
- 77% for staff who report they are proud to work for Northumbria
- 73% Sustainable Engagement Indicator

## PART 1: Performance Report *(continued)*

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### Freedom to Speak Up Guardian

Staff within the Trust can speak up to their Freedom To Speak Up (FTSU) Guardian about any concern that they have. Staff can text, email or telephone the Guardian confidentially to seek support and advice on how to escalate or manage their concerns.

The Freedom to Speak Up process is adhered to by the Guardian which provides structure and consistency when managing each speak up case. It is the role of the Guardian to ensure that the identity of staff speaking up to them is protected, that conversations take place to understand and manage expectations, and to gain consent to sharing identity where appropriate.

The table below shows that there has been an increase in the number of Speak Ups received each Quarter with an extra 126 Speak Ups being received in 2018/19 compared to 2017/18. The number of anonymous Speak Ups remains low across the past two years as staff are empowered to come forward without the need for anonymity.

	2018/19				TOTAL 18/19	2017/18				TOTAL 17/18
	Q1	Q2	Q3	Q4		Q1	Q2	Q3	Q4	
<b>Number of Speak Ups</b>	75	57	77	61	<b>270</b>	29	25	34	56	<b>144</b>
<b>Number of Speak Ups raised anonymously</b>	0	3	4	1	<b>8</b>	0	2	0	1	<b>3</b>

## PART 1: Performance Report (*continued*)

### Operational

The Trust measures a range of key performance indicators ('KPIs') in order to ensure the services it provides to patients are the best they possibly can be. Examples of the KPIs that are monitored by the Board of Directors and also reported to the Council of Governors on a monthly basis are:

- Cases of MRSA
- Cases of C. difficile
- 18 weeks Referral to Treatment (incomplete pathways)
- Four-hour A&E target
- Elective operations not cancelled
- Cancer – two 62 day referral to treatment NHS Improvement Single Oversight Framework targets
- Sickness
- CQC overall rating
- Learning disability standards
- Improving access to psychological therapies (IAPT)

Our performance for the year versus these targets is shown in the table below:

KPI	Target	Performance for 2018/19
MRSA	0	1
C difficile	No more than 29 cases in the year	16
18 weeks referral to treatment (incomplete pathways)	92%	Achieved at end of each month
A&E 4 hour wait	95%	96.01%
Cancer: 62 day RTT from urgent GP referrals	85%	Achieved for 2 out of 12 months
Cancer: 62 day RTT from the national screening service	90%	Achieved for 9 out of 12 months
CQC overall rating	Outstanding	Outstanding
Learning disability	Meet learning disability standards	Fully met
IAPT - treated within 6 weeks of referral	75%	Achieved at end of each quarter
IAPT - treated within 6 weeks of referral	95%	Achieved at end of each quarter
IAPT - completing treatment and moved to recovery	50%	Achieved at end of each quarter

## PART 1: Performance Report *(continued)*

### Financial

We recorded a surplus for the year of £9.2 million (£7.8 million in 2017/18). The surplus is after an impairment of fixed assets of £24.4 million.

This reflects the strength of financial management and efficiency in the Trust and enables us to continue to have an excellent rating for financial risk. Our well-established commercial activity has been one of the key factors in enabling us to maintain a strong financial position with other operating income increasing from £112.5 million to £132.6 million.

Patient activity (by payment by results only)	Plan	Outturn	Outturn
	2018-19	2018-19	2017-18
Non-elective inpatient spells	42,705	42,599	41,965
Elective inpatient and day case spells	44,782	45,191	43,792
Outpatient new	142,580	159,247	149,893
Outpatient follow-up	300,246	321,214	307,541
Outpatient radiology	44,591	47,626	42,587
Outpatient procedures	32,410	35,819	29,153
Diagnostic tests (direct access only)	2,381,329	2,498,932	2,134,374
A&E attendances	205,381	215,869	206,209

There are a number of financial challenges facing the Trust and wider NHS and public sector. Included within these challenges are a number of issues:

- The financial performance of our Clinical Commissioning Groups and local providers
- As with most large building projects, there are a number of post completion defects in The Northumbria building. The Trust is working closely with its build partner, Lend Lease, to ensure that the defects are remedied to on a jointly agreed standard and pace.
- The general economic climate and impact on healthcare and our supply chain

### Better payment practice code

The code provides that all payments due to our non-NHS suppliers and contractors are made within 30 days of the receipt of the goods or services unless other terms have been agreed. We are working towards full compliance with the code and, in particular, make payments to small and local businesses within 10 days. No payments of interest have been paid under the Late Payment of Commercial Debts (interest) Act 1998.

## PART 1: Performance Report *(continued)*

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### Further information

#### Awards 2018/19:

- Won the CHKS Top Hospitals 2018 national patient experience award for the third consecutive year
- Scaling up HIP QIP Project has been shortlisted for a BMJ award for Clinical Leadership
- Janice Hutchinson - Professional of the Year – Overall Winner award and Lifetime Achievement award at the Patient Experience Network Awards 2019
- Named among the country's 40 best performing organisations in CHKS Top Hospitals 2018 for the 11<sup>th</sup> consecutive year
- Won the patients choice award at the Building Better Healthcare Awards 2018 for our Tanzania tele-mentoring link
- Won the compassionate patient care award at the 2018 HSJ Awards for our birth reflection service
- Won the Patients Choice award at the Building better healthcare Awards 2018 and was highly commended in Best Use of Technology and Clinicians Choice award
- Kirsty McVay was shortlisted as Nurse of the Year at the Nursing Time awards 2018
- Won the Most innovative outreach project award at the African Healthcare Awards 2018
- Northumbria has been shortlisted for a number of awards in the HSJ short list in the following categories; Acute Sector Innovation, Compassionate Patient Care, Enhancing Care by Sharing Data and Information, Innovation in Mental Health and Optimisation of Medicines Management

#### Patient Safety Awards 2019

The Patient Safety Awards recognise, reward and thank the hard-working teams and individuals. The drive to continually improve the safety of patients at Northumbria Healthcare NHS Foundation Trust has been recognised with nine national award nominations.

Northumbria has more finalists than any other entrant in the 2019 HSJ Patient Safety Awards and is the only NHS Trust in the north to be shortlisted for patient safety organisation of the year for its work prioritising patient safety and quality in its hospitals and community services. The nominations reflect the breadth of work taking place across Northumberland and North Tyneside.

The winners will be announced in Manchester on the 2<sup>nd</sup> July 2019.

## PART 1: Performance Report (*continued*)

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### Environmental Matters (including sustainability)

The Trust continues to focus on sustainable healthcare and is committed to perpetuate the reduction of the environmental impact of its activities.

#### Our Commitment

The Sustainability Management Strategy continues to set out our aims for reducing carbon emissions by 2021 and also identifies those actions that will support sustainable healthcare within our local areas of Northumberland & North Tyneside.

The Trust accepts its sustainable responsibility to manage finite resource and the requirements to adapt to continue to provide a sustainable healthcare solution for future generations. It will do this by managing its activities in the following streams:

- Energy & Utilities
- Waste
- Travel & Transport
- Information Management & Technologies
- Procurement

It also considers the impact of climate change on its service provision and the adaptation required to be able to continue to provide its services under changeable environmental conditions.

#### Carbon Base Line (2016-2021)

The Trust continues to utilise the revised 2007/08 baseline calculated in 2015 to include those carbon emissions from the new Northumbria Specialist Emergency Care Hospital and the community business units. This baseline is 25,551 tCO<sub>2</sub>e, which includes total carbon emissions relating to all of scopes 1, 2 and 3 carbon emissions.

Stream	2016/17 tCO <sub>2</sub> e	2018/19 tCO <sub>2</sub> e	Actual Change tCO <sub>2</sub> e	% Change
Energy	18,168	14,798	3,370	18.55%
Travel	17694	16285	1,410	7.97%
Procurement	No Data			
Waste	762	225	537	70.47%
Total	36,853	31,308	5,317	-15.05%



## PART 1: Performance Report *(continued)*

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The increasing demands on healthcare within our area has resulted in an increase of carbon emissions relating to both travel & waste during the last twelve months. Energy related carbon emissions are still well ahead of target. The carbon reduction target of 17,645 tCO<sub>2</sub>e remains.

The five year plan continues to be reviewed annually to ensure the targets are met as far as is practicable.

### Energy and Carbon

The Trust continues to invest in its Sustainability management Plan and with the carbon emissions relating to energy now standing at 14,798 tCO<sub>2</sub>e p.a. we can report that we have exceeded the 34% reduction in carbon emissions required by the Climate Change Act 2008 2 years ahead of schedule.

The main highlights are a continued investment into the installation of LED lighting and electric motor controls. The Trust successfully applied for funding to install further LED lights from the NHS Energy Efficiency Fund.

This not only provided a large reduction in carbon emissions and the associated reduction in energy consumed but it also provided a large financial benefit in terms of both cost reduction and also costs associated with both maintenance and repairs.

These projects provided a large contribution to the Trust's overall cost improvement programme returning a significant benefit of monies available for patient care.

The main aim now is to continue to develop scheme to meet the next target of a 64% reduction in carbon emissions based on the 2007 baseline.

### Sustainable Waste

We as a Trust promote the good management of resource, by reuse, recycling and disposal of waste as per the definition of the waste hierarchy produced by DEFRA.

This provides the following benefits to the Trust:

- Legislative compliance
- Implementation of internal policy and strategy commitments
- Cost minimisation
- Reduced environmental impact

A significant increase in patient activity has seen volume of waste increase by 19% over the previous period. The carbon emissions has decreased significantly due to the process of the general waste now going to an Energy From Waste station instead of landfill. A small proportion of bulk waste only goes to landfill, this equivocates to around 10% of the total volume.

## PART 1: Performance Report (*continued*)

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We have seen a further increase in 2019 in the disposal of our offensive waste by 17% since the implementation of offensive waste stream in 2019. This has been achieved by removing a significant portion of waste that was previously disposed of by high temperature incineration to energy recovery, a process which will generate electricity. The offensive waste stream has now been rolled out into all of the Trusts acute and community hospitals. The Trust continues to ensure that it manages its waste compliantly with all pre-acceptance waste audits carried out on time, following legislative compliance, best practices and reducing risk.

### Sustainable Commuting

*2020 target: 34% reduction in all measurable travel CO<sub>2</sub>e.*

2018/19 was another exciting year for sustainable transport at Northumbria Healthcare. The main strategy was maximising the health benefits of our travel and transport activity whilst minimising the environmental impacts.

Travel is a significant and necessary part of our business activity. Transporting staff, patients, visitors and materials around Northumbria Healthcare Trust contributes over 20% to our direct carbon footprint and is a significant cost for the organisation – so encouraging smarter and more active travel has clear all-round benefits, including staff health and wellbeing.

Different sustainable travel related projects were looked at 2018/19 which mainly includes travel planning for staff, cycling facilities, electric vehicle infrastructure and introduction of new cycle to work scheme for buying electric bikes.

All transport for Northumbria Healthcare Foundation Trust for 2018/2019 accounted for 16,307 CO<sub>2</sub>.

Highlights from 2018/19 include:

- The Trust has now 15 Zero emission fully electric vans which operate from 5 different sites
- The Trust has introduced a new cycle to work scheme, Green Commute Initiative for staff to purchase electric bikes through Salary Sacrifice scheme. 7 staff has used this scheme
- We are continuing to promote cycling as a part of the green travel plan. The number of Cycle to Work vouchers increased by 62 % in comparison to 2017/18. The Trust also host free Dr. Bike sessions for staff throughout the year
- There was an increase of 27.38% in staff using Trust public transport discounted tickets

## PART 1: Performance Report *(continued)*

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- NHS Fleet Solutions were promoting Electric and Hybrid Cars for staff which resulted an increase in the uptake of lease cars. The scheme provides a new car of their choosing for staff through salary sacrifice scheme which involves a financial savings for staff and the Trust as well as carbon saving to the Trust
- In 2019, the Trust is planning to improve the electric charging infrastructure on all the sites so that the staff can lease zero emission fully electric vehicles
- Electric Vehicle Charging sessions across the Trust in 2018/19 were 17991 which equates to 7% increase in usage compared to 2017/18 with a carbon savings of 88.69 tonnes.
- Video Conferencing facilities were improved in order to reduce the staff travelling between sites for meetings.

### Procurement (Shared Procurement Service)

During the course of this year all documentation includes a standard sustainability requirement from all contractors who want to work with the Trust aligned to the Trust's sustainability strategy. This documentation has been added to an online platform for all procurement staff, across Northumbria and Northumberland County Council to access and include in all tender and contract documents. New projects undergo a Sustainability Impact Assessment (SIA), the score of this will help inform how environmental, social and economic factors are included within the specification and evaluation of procurement activity.

To ensure that the sustainable procedures have been undertaken a Sustainable Procurement Policy has been written, this policy underpins the documentation and the SIA tool embedding; carbon reduction, social value, targeted recruitment and training, ethical trading and regional development considerations throughout

Northumbria Healthcare has been looking into helping the environment and reducing the amount of products that should be recycled going into the general waste. We have sourced the following products that go into the general waste and degrade over time.

All of the following products are classed as biodegradable products:

- Wood Knives
- Wood Forks
- Wood Spoons
- All the takeaway boxes
- Straws

### Next Year Goals

Biodegradable products are currently used by the catering department across the Trust; we are planning to provide these products to the wards in 2018/19. The Trust is gathering information on salad boxes, paper cups (for water machine and hot beverages) napkins and

## PART 1: Performance Report *(continued)*

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stickers. The catering department is also looking into providing reusable cups that staff can purchase over the counter to reduce the general and recyclable waste.

### Communications

An internal communications strategy has been developed to support the aims of the sustainability strategy 2016-2021. A dedicated communications resource is available to support the work of the sustainability team, developing campaigns and promotional material to increase staff awareness of and engagement with the three key overarching themes of the sustainability Strategy: energy, waste and travel & transport.

The strategy is supported by a robust action plan, including the development of the agreed sustainability branding. Progress on the plan is reported to the quarterly sustainability management improvement group. Regular internal communication are included in the weekly staff update e-newsletter which is accessible to all Trust staff, via Team Brief and other established Trust media.

### Future Plans and Objective

- Further investment in energy efficient schemes
- Work to further increase recycling and reduce waste streams
- Up to date information on sustainability website and intranet pages
- Increase sustainability awareness through Trust induction/training programmes.

### Social, community and human rights issues

The Trust recognises the need to forge strong links with the communities it serves and prides itself on having nationally-recognised communications and engagement department. The work of the communications and engagement department is far reaching and covers public research, community engagement, event organisation, media and social media management, internal and external marketing and communication, GP liaison and patient information.

The Department of Health produced a guide in 2013/14 on “Human Rights and Healthcare” setting out scenarios where the Human Rights Act might apply and we are committed to meeting our obligations in respect of the human rights of our staff and patients, which is closely aligned both to the NHS constitution and our values. NHS Trusts are public bodies, and so it is unlawful to act in any way incompatible with the European Convention on Human Rights unless required by primary legislation. The Trust has an Equality, Diversity and Human Rights Policy which guides our approach to managing social, community and human rights issues. The policy is kept under regular review by the Policy Assurance Group in July 2015 to ensure its effectiveness and, in particular, that the Trust’s stance on Equal Opportunities is compliant with legal and best practice standards and that Trust practice in this field is exemplary.

## PART 1: Performance Report (*continued*)

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### International philanthropic programme

Over the past twenty years we have developed strong international links. Since 1999 our charity has supported a ground breaking project which sees our employees working in partnership with Kilimanjaro Christian Medical Centre (KCMC) in Northern Tanzania. During this time our teams have volunteered their time to travel to Tanzania to train their African counterparts, to enable them to provide a vastly improved healthcare service for patients in their country.

The international link continues to gain momentum with a new orthopaedic project and an award of funding from the Commonwealth Partnership on Antimicrobial stewardship to study the use of antibiotics in Northern Tanzania.



Over the years we have introduced a range of new health services to KCMC (Day case surgery, laparoscopic surgery, burns management and ultrasound), hosted medical students from Tanzania, supported Commonwealth fellowship opportunities for Tanzanian consultants to travel to the UK for professional development and undertaken ground breaking medical research.

Since 2016 we have worked with Health Education England North East to provide a unique opportunity for doctors in training. Every year 6 junior doctors join the project team for resilience training. The doctors provide teaching in the hospital and to community health workers in rural villages.

In 2018 during our annual burns visit we met 7 year old Farajah who had suffered severe burns to his face and neck, losing both eyelids and having his chin fused to his neck. Farajah's playful character and positive attitude meant this case was one the team truly bonded over.



Following 8 hours of complicated surgery Farajah had both eyelids restored, effectively saving his vision and the contracture on his neck released. Farajah's story featured on ITV Tyne Tees in January 2019 and we were notified that he was able to return to school later that year.

In March 2019 the programme celebrated its twentieth anniversary with celebrations being held at KCMC and within the Trust.

## PART 1: Performance Report (*continued*)

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### Audit and financial statement risks

During 2018/19, the significant issues that the Board of Directors and Audit Committee have considered in relation to the Trust's financial statements, operations and compliance including: the valuation and impairment of assets; VAT treatment; revenue recognition; and the on-going negotiations with the contractor who delivered The Northumbria. This results in a further significant impairment in the year together with a reimbursable asset. The impact of these issues has been discussed by the Board of Directors and the Audit Committee and advice considered from external audit and external advisors.

### Preparation of report

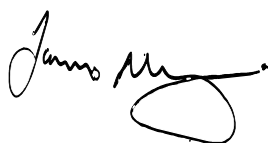
The annual report has been prepared on the same group basis as the Annual Accounts, Appendix B. Where the Trust is judged to control one or more entities under accounting standards for the purposes of its accounts, those entities have been included in the annual report disclosures where relevant.

### Post-year end events

A post-year end event is any event after the year end (31st March 2019) but before the date the annual report and annual accounts are signed which would materially impact upon the content of the annual report and annual accounts. No material post year end events have occurred.

**Sir James Mackey**

**Accountable Officer**



**23<sup>rd</sup> May 2019**

## PART 2: Accountability Report

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### Directors' Report

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#### The Board of Directors – Role and responsibilities

Our Board of Directors ('the Board') functions according to corporate governance best practice. The Board operates as a unitary Board with collective accountability for all aspects of Trust performance, from clinical quality to financial performance and sustainability. Key responsibilities of the Board are:

- Engaging with the Council of Governors to set the strategic direction for the Trust;
- Overseeing the delivery of our Annual Plan;
- Ensuring that the services we provide to patients are high quality, safe and caring;
- Ensuring that we are governed by a robust system of internal control and risk management;
- Ensuring that we are compliant with the conditions of our Foundation Trust licence;
- Overseeing our performance and ensuring that all organisational, local and national performance targets are met;
- Continuously seeking further improvement and innovation.

The Board is led by the Chair, Alan Richardson and the Executive Team is led by Sir James Mackey, Chief Executive Officer.

The Board sets the strategic direction within the context of NHS priorities, allocates resources, monitors performance against organisational objectives, ensures that clinical services are safe, of a high quality, patient-focused and effective, ensures high standards of clinical and corporate governance and, along with the Council of Governors, engages members and stakeholders to ensure effective dialogue with the communities we serve.

The Board of Directors is responsible for exercising all of the powers of the Trust; however, has the option to delegate these powers to senior management and other committees. The Board has several committees which support the seeking of assurance in relation to quality, performance, and risk management throughout the Trust. These committees are: Audit Committee; Safety & Quality Committee; Finance, Investment & Performance Committee; Remuneration Committee; Workforce Committee and Assurance Committee. An Information Management & Technology Committee was established in 2017 in order to seek assurance that mitigations were put in place to address risks to cyber security following the WannaCry attack. This Committee continues to operate in order to support the delivery of an ambitious five year strategy.

## PART 2: Accountability Report (*continued*)

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The Trust has a Scheme of Delegation which outlines when approval for a decision is required from the Board or one of its committees, such as for a high-value business case, and decisions which the Executive team are permitted to make without further approval.

The Board of Directors is jointly and severally responsible for scrutinising and constructively challenging the performance of the Trust to ensure we deliver our strategy, continuously improve, and deliver high quality care.

### Board composition

The Board is comprised of seven Executive Directors and eight Non-Executive Directors, including a Non-Executive Chair. The size of the Board is considered to be sufficient and the balance of skills and experience appropriate for the current requirements of the business. In March 2019, one Non-Executive Director tendered his resignation as a result of which the Nominations, Remuneration and Development Committee will be undertaking a recruitment exercise in the coming year.

All Board members undergo an appraisal process which includes consideration of how an individual's contribution is aligned to our values: Respect; Everyone's contribution counts; Responsibility and accountability; Patients first; Safe and high quality care.

The Chief Executive leads the annual evaluation of each Executive Director and Director, and the results of evaluations are summarised and reported to the Non-Executive Directors at the Remuneration Committee.

A revised Non-Executive Director appraisal process was implemented during 2016 with the Chair leading the appraisal of each Non-Executive Director and the results of evaluations are considered by Governors at the Nominations, Remuneration and Development Committee ('NRD').

The Chair and Non-Executive Directors are appointed by the NRD Committee, which is comprised solely of Governors, for terms of office of up to three years and may seek reappointment in line with the provisions set out in the NHS Foundation Trust Code of Governance ('the Code'). All of the Non-Executive Directors are considered to be independent in character and in judgement. Additional assurance of independence and commitment for those Non-Executive Directors serving longer than six years is achieved via a rigorous annual appraisal and review process in line with the recommendations outlined in the Code. A report of the Nomination, Remuneration and Development Committee is detailed further from page 48.

The Executive Directors and Directors are appointed by the Remuneration Committee on behalf of the Board of Directors. All Directors are appointed on permanent contracts and undertake an annual appraisal process to ensure that the focus of the Board remains on the



## PART 2: Accountability Report (*continued*)

patient and delivering safe, high quality, patient-centred care. A report of the Remuneration Committee is detailed further on page 54.

The composition of the Board over the year is set out on the following page and includes details of background, committee membership and attendance.

The performance of the Board as a whole is reviewed on an annual basis by undertaking a self-assessment of the effectiveness of the Board of Directors, subsidiary Boards, and Board of Directors' committees.

Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
<b>Sir James Mackey</b> - Chief Executive Officer	<p>Sir James Mackey, known as Jim, returned to his substantive role as Chief Executive of the Trust in November 2017, a post he previously held for ten years. He was welcomed back after completing a two year secondment in a national role as Chief Executive of the NHS Improvement.</p> <p>Jim successfully oversaw the creation of NHS Improvement who are responsible for overseeing NHS Trusts. NHS Improvement supports providers to ensure patients are given consistently safe, high quality, compassionate care within local health systems that are financially sustainable.</p> <p>Previous to his time at Northumbria Healthcare, Jim held a number of senior roles within the NHS and the Regional Health Authority in the North East.</p>	15/16	94%
<b>Birju Bartoli</b> – Executive Director of Performance & Development	<p>Birju Bartoli was named as Executive Director of Performance &amp; Improvement in 2018 having previously been Executive Director of Systems Strategy &amp; Transformation.</p> <p>She was the project director for The Northumbria Specialist Emergency Care Hospital which opened in June 2015, the first hospital of its kind in the UK.</p> <p>Birju has worked for the Trust since 2003 when she joined as an NHS management trainee and over the years has worked in a number of operational areas from manager to deputy director level.</p> <p>She holds a number of healthcare qualifications including an applied biochemistry degree and a PhD in cancer research.</p>	14/16	88%
<b>Paul Dunn</b> – Executive Director of Finance	<p>Paul Dunn has been Executive Director of Finance since 2004. He is a qualified accountant with over 30 years' experience of working in the health service. Paul helped develop the Trust's successful application for foundation status and long-term financial strategy.</p>	16/16	100%

## PART 2: Accountability Report *(continued)*

Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
<b>Ellie Monkhouse</b> – Executive Director of Nursing and Midwifery (to 13/11/2018)	<p>Ellie joined Northumbria in November 2017 as Executive Director of Nursing and Midwifery. She is currently on secondment to North Lincolnshire and Goole NHS Foundation Trust.</p> <p>After training in Derby, Ellie qualified as a registered general nurse in 1995, and has a nursing background in medical and surgical units, and as a matron in emergency care and neonatal medicine.</p> <p>Previously she was the director of nursing and quality across Leeds North and Leeds South and East CCGs helping to establish the organisational quality governance structures. Ellie was also acting Chair of the Leeds adult safeguarding board, and supported the development of various workforce initiatives across primary care, representing nursing on regional and national programmes.</p>	9/9	100%
<b>Marion Dickson</b> – Interim Executive Director of Nursing and Midwifery (from 14/11/2018)	Marion is our Chief Operating Officer for surgery and has taken up the role of Executive Director of Nursing and Midwifery while Ellie Monkhouse is on secondment.	7/7	100%
<b>Ann Stringer</b> – Executive Director of HR & OD	<p>Ann Stringer has been Executive Director of Human Resources and Organisational Development for the Trust since 2005.</p> <p>After graduating from Newcastle University in sociology and social administration, she joined a large supermarket retailer on their graduate scheme as an HR trainee, before progressing to working for Rowntree Mackintosh. She then moved to Findus as the site HR manager and became the UK HR director responsible for manufacturing, sales and marketing as well as the European head office. Ann then moved to Northumbria Healthcare in 2005 and since then has worked hard to build a strong and proactive HR function, with constructive and open employee relations contributing to a steady improvement in staff survey results.</p>	14/16	88%
<b>Daljit Lally</b> – Executive Director of System Leadership and Social care	<p>Daljit Lally is the Executive Director of System Leadership and Community employed in a formal joint role between Northumbria Healthcare NHS Foundation Trust and Northumberland County Council.</p> <p>In this role Daljit is responsible to the Chief Executive of Northumbria Healthcare NHS Foundation Trust, as well as being the Chief Executive of Northumberland County Council. She is a qualified Registered General Nurse (RGN), holds a BA(Hons) Business and Finance and an MBA (2002) from Durham University.</p>	11/16	69%

## PART 2: Accountability Report *(continued)*

Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
	Daljit has held a number of clinical and management roles in the private and public sectors		
<b>Jeremy Rushmer – Executive Medical Director</b>	<p>Dr Jeremy Rushmer was appointed Executive Medical Director in March 2016, providing clinical leadership on all aspects of patient safety, quality of care and clinical strategy.</p> <p>Jeremy has been a consultant with the Trust for over 18 years in intensive care medicine and anaesthesia. He will continue to care for seriously ill patients at Northumbria Specialist Emergency Care Hospital in Cramlington where he has also been site medical director since September 2015. Between 2012 and 2015 Jeremy spent time as medical director at North Cumbria University Hospitals NHS Trust where he successfully led vital quality improvements, resulting in safer and more effective care for patients.</p>	15/16	94%
Non-Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
<b>Alan Richardson – Trust Chair</b>	Alan Richardson was appointed as Chair in January 2016, officially taking up the post in March. A chartered engineer by background, Alan has a wealth of experience running large and successful organisations. He has served on several boards, most notably Scottish Power Plc, Reyrolle Ltd and Glasgow Development Agency. Most recently Alan served as chair of Coventry University for the past six years before recently moving back to his native North East.	16/16	100%
<b>Martin Knowles – Non-Executive Director</b>	<p>Martin Knowles joined the Trust as a Non-Executive Director in January 2016. He brings extensive experience at Board level in the public sector, having been chief executive of South Tyneside Homes and Four Housing Group, as well as finance director at North Tyneside General Hospital in the 1990s.</p> <p>More recently, Martin moved from Executive to Non-Executive roles, including Vice-Chair of Audit at Sunderland Council and Tyne and Wear Fire Service, as well as being a Board member at New College Durham. Martin was also Chair of the Trust's Audit Committee until May 2017 when Malcolm Page took up the position. Since then Martin has been Chair of the Trust's Finance, Investment and Performance Committee.</p>	13/16	81%
<b>Peter Sanderson – Non-Executive Director</b>	Peter Sanderson joined the Trust as a Non-Executive Director in 2014. Peter, a retired GP, worked as a family doctor in Guide Post, south east Northumberland, for 31 years. Before becoming a GP, Peter spent five years as an RAF	13/16	81%

## PART 2: Accountability Report *(continued)*

Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
	medical officer. He was secretary of the Northumberland Local Medical Committee for 16 years and previously held a part-time role as GP clinical advisor with Northumbria Healthcare. Peter is Chair of the Remuneration Committee.		
<b>Alison Marshall – Non-Executive Director</b>	<p>Alison joined the Trust in January 2017 and brings with her a wealth of legal experience. A qualified lawyer and previously a partner at Dickinson Dees LLP, Alison acted for NHS and public sector clients throughout her career before retiring in 2013. She became a non-executive director at Northern Powergrid in 2014. Alison, from Felton, has been a governor of her local school for more than 15 years.</p> <p>Alison is Chair of the Trust's Safety &amp; Quality Committee as well as the Trust's Charitable Funds Committee.</p>	15/16	94%
<b>Allan Hepple – Non-Executive Director (to 1/3/2019)</b>	<p>Allan joined the Trust in January 2017, providing extensive local authority experience. Allan, a councillor for Cramlington South East on Northumberland County Council and cabinet member for planning, economic growth, housing and transport, has helped bring positive changes for local communities.</p> <p>Allan tendered his resignation from his role as Non-Executive Director in March 2019.</p>	11/14	79%
<b>Moira Davison – Non-Executive Director</b>	<p>Moira Davison joined as a Non-Executive Director in May 2017 and has considerable experience over many years in NHS management working across the North East and Cumbria.</p> <p>She has held director roles in South of Tyne and Wear PCT and the North of England Cancer Network. Moira retired from the NHS in March 2013 before establishing a consultancy company and undertaking a range of health service projects. Most recently she was the managing director of Northumbria Primary Care.</p> <p>Moira has a keen interest in quality and patient safety and is the designated Non-Executive for the Trust's emergency preparedness. Moira is also Chair of the Trust's Assurance Committee.</p>	15/16	94%
<b>Malcolm Page – Non-Executive Director</b>	<p>Malcolm joined the Trust as a Non-Executive Director in April 2017 and is currently the Chief Operating Officer at Teesside University.</p> <p>During his career, Malcolm has held numerous Board level positions within large organisations across the region including as Deputy Chief Executive of One North East. He has extensive experience in a number of areas including strategy, resource management and property. Malcolm is a qualified accountant and also</p>	13/16	81%

## PART 2: Accountability Report *(continued)*

Executive Directors		Attendance at Board of Director meetings	
Name & position	Background	Total number attended	% attendance
	holds an MBA.  As part of Malcolm's role as Non-Executive director at the Trust, he Chairs the Audit Committee as well as the Information Management & Technology Committee.		
<b>Bernard McCardle</b> – Non-Executive Director (from 16/06/2018)	<p>Bernard, known as Bernie, joined the Trust in July 2018.</p> <p>Bernie is an experienced HR director whose career has spanned the public sector, including public transport, local government and police.</p> <p>After retiring from his role as corporate service 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.</p> <p>Bernie is the Chair of the Trust's Workforce Committee.</p>	11/11	100%
<b>Professor Sir Alan Craft</b> – Non-Executive Director (from 16/10/2018)	<p>Alan Craft joined the Trust as a Non-Executive Director in October 2018.</p> <p>Alan has spent his career in the Health Service as a consultant specialising in paediatric oncology and he was also formerly the Head of Child Health at Newcastle University medical school.</p> <p>Alan is a Northumberland resident and author of over 350 papers, review articles and books. He began his medical career in 1969 before specialising first in paediatric medicine and then in paediatric oncology. He held the presidency of the Royal College of Paediatrics between 2003 and 2006 and that of the International Paediatric Oncology Society for over six years between 1999 and 2005.</p> <p>A pioneer of treatment, research and patient care Professor Craft has led studies into the management of bone tumours and the evaluation of screening for neuroblastoma; to name but two.</p>	6/8	75%

## PART 2: Accountability Report *(continued)*

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### Directors' and Governors' interests

Details of company directorships and other significant interests held by Directors or Governors which may conflict with their management responsibilities are registered and reviewed on an annual basis.

Registers are available from the Company Secretary, North Tyneside General Hospital, Rake Lane, North Tyneside, NE29 8NH or via the website at [www.northumbria.nhs.uk](http://www.northumbria.nhs.uk). No political donations have been made during the year.

## PART 2: Accountability Report (*continued*)

### Audit Committee

The Audit Committee has been chaired by Malcolm Page since May 2017. In compliance with the Code, we have ensured that the committee is chaired by a Non-Executive Director with recent and relevant financial experience.

The Audit Committee met seven times during the year. Standing attendees to the Committee include: Executive Director of Finance; Deputy Director of Finance; representatives of internal and external audit; and others where required.

Meeting attendance for the 2018/19 is shown in the table below:

Member attendance	20/4/18	24/5/18	10/7/18	7/9/18	16/11/18	10/1/19	8/3/19	Total	%
Malcolm Page	✓	✓	✓	✓	✓	✓	✓	7/7	100%
Alan Richardson	-	-	-	-	-	✓	-	1/7	14%
Peter Sanderson	✓	✓	✓	✓	✓	-	✓	6/7	86%
Allan Hepple	✓	✓	✓	-	✓	✓		5/6	83%
Alison Marshall	-	✓	-	✓	-	✓	✓	4/7	57%
Moira Davison	-	✓	✓	-	✓	✓	✓	5/7	71%
Bernard McCardle (from 16/6/2019)			-	-	✓	-	✓	2/5	40%
Alan Craft (from 16/10/2019)					-	-	-	0/3	0%

The Committee is responsible for providing the Board with advice and recommendations on matters which include the effectiveness of the framework of controls in the Trust, the adequacy of the arrangements for managing risk and how they are implemented, the adequacy of the plans of our auditors and how they perform against them, the impact of changes in accounting policy and the Committee's review of the Annual Accounts.

The Committee met its responsibilities during 2018/19 by:

- Reviewing our Assurance Framework;
- Reviewing any risk and internal control-related disclosures, such as the Annual Governance Statement;
- Reviewing the work and findings of Internal Audit, including the Internal Audit annual plan;
- Reviewing the work and findings of External Audit;
- Reviewing the work and findings of the Local Counter Fraud Officer;
- Reviewing the process by which clinical audit is undertaken in the organisation;

## PART 2: Accountability Report (*continued*)

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- Monitoring the extent to which our external auditors undertake non-audit work having reference to the Auditors Guidance Note 1 (AGN01) “General Guidance Supporting Local Audit”
- Reviewing the 2018/19 Financial Statements and Annual Report, prior to submission to the Board and NHS Improvement;
- Seeking assurance that the financial statements have been appropriately compiled on a going concern basis;
- Reviewing and approving the Trust’s Standing Financial Instructions and Scheme of Delegation
- Receiving assurance regarding IT projects in light of the Trust’s ambitious IT strategy
- Reviewing Trust policies such as; the Fraud, Bribery and Corruption policy and the Standards of Business Conduct policy
- Approving the Register of Interests for the Trust Board of Directors
- Seeking assurance in relation to the Trust’s compliance with regulatory changes
- Reviewing the Trust’s policies and procedures following the introduction of the General Data Protection Regulations.

During the year, the external auditors undertook work in addition to the statutory financial statements audit, as follows:

- Review of the Quality Account
- IT services to the North East Patches consortium
- Certification to National Audit Office (NAO) of balances for Whole of Governments Accounts

The Committee is content that the objectivity and independence of the auditor was not compromised by any of these additional assignments and that these services are allowed services under AGN01.

The duty to appoint the External Auditors lies with the Council of Governors. A panel of Governors, supported by Trust officers and the Chair of the Audit Committee is established to oversee the procurement of external audit services regarding the appointment and retention of the external auditor. Following a tendering exercise, the Council of Governors approved the reappointment of the Trust’s external auditor, KPMG LLP, for a period of three years, effective from 1<sup>st</sup> April 2017 with an option of an extension for a further two years.

The Governors External Audit Panel met on three occasions during 2018/19 and received information and reports on the role, remit and responsibility of the Audit Committee along with a statement of assurance from the Audit Committee Chair. The panel also sought assurance as to the activities of Internal and External Audit and the Local Counter Fraud Service.



## **PART 2: Accountability Report (*continued*)**

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### **Statement of compliance with cost allocation and charging requirements**

We have complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information Guidance.

### **Income disclosures**

In 2018/19, we met the requirement that income from the provision of goods and services for the purposes of the Health Service in England must be greater than its income from the provision of goods and services for any other purposes as defined under section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012).

All net income from the provision of goods and services for other purposes has been reinvested back into frontline healthcare for the benefit of patients.

### **Modern Slavery and Human Trafficking Act 2015 - Annual Statement 2018/19**

This statement is made pursuant to s54 of the Modern Slavery Act 2015 and sets out the steps that Northumbria Healthcare NHS Foundation Trust has taken, and is continuing to take, to make sure that modern slavery or human trafficking is not taking place within our business or supply chain during the year ending 31<sup>st</sup> March 2019.

Modern slavery encompasses slavery, servitude, human trafficking and forced labour. Northumbria Healthcare has a zero tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

Northumbria Healthcare NHS Foundation Trust provides hospital and community health services in North Tyneside and hospital, community health and adult social care services in Northumberland to approximately half a million people. We provide care from three general hospitals – Hexham, Wansbeck and North Tyneside, community hospitals in Alnwick, Berwick, Rothbury and Blyth, an integrated health and social care facility at Haltwhistle, an elderly care unit in Morpeth and outpatients and diagnostic centres at Sir GB Hunter in Wallsend and Morpeth NHS Centre.

In June 2015 we opened The Northumbria Specialist Emergency Care Hospital in Cramlington. This is the first purpose-built hospital of its kind in the country, with emergency care consultants working 24 hours a day, seven days a week and specialists in a broad range of conditions on site seven days a week.

## PART 2: Accountability Report (*continued*)

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Our operating income is over £641.5 million and we have a workforce of around 9,500 staff working across our hospitals and in the community.

Northumbria Healthcare NHS Foundation Trust is aware of our responsibilities towards patients, service users, employees and the local community and expects all suppliers to the Trust to adhere to the same ethical principles. We have internal policies and procedures in place that assess supplier risk in relation to the potential for modern slavery or human trafficking.

The Trust considers the likely impact of and any associated criteria with regard to social issues within its supply chain prior to the commencement of a procurement process through its Sustainable Impact Assessment Tool. The Trust has also implemented the Standard Selection Questionnaire (SQ), which includes the requirement for supplier disclosure of any offence under the Mandatory Exclusion Grounds and also requires confirmation of compliance with reporting requirements under Section 54 of the Act 2015.

In addition we operate a number of internal policies to ensure that we are conducting business in an ethical and transparent manner. These include:

1. Recruitment policy. We operate a robust recruitment policy, including conducting eligibility to work in the UK checks for all directly employed staff, and agencies on approved frameworks are audited to provide assurance that pre-employment clearance has been obtained for agency staff, to safeguard against human trafficking or individuals being forced to work against their will.
2. Equal Opportunities. We have a range of controls to protect staff from poor treatment and/or exploitation, which complies with all respective laws and regulations. These include provision of fair pay rates, fair terms and conditions of employment, and access to training and development opportunities.
3. Safeguarding policies. We adhere to the principles inherent within both our safeguarding children and adults policies. These provide clear guidance so that our employees are clear on how to raise safeguarding concerns.
4. Whistle blowing policy. We operate a whistle blowing policy so that all employees know that they can raise concerns about how colleagues or people receiving our services are being treated, without fear of reprisals.
5. Standards of business conduct. This code explains the manner in which we behave as an organisation and how we expect our employees and suppliers to act.

Advice and training about modern slavery and human trafficking is available to staff through our mandatory safeguarding children and adults training programmes, our safeguarding policies and procedures, and our safeguarding leads. All staff have been made aware via the

## PART 2: Accountability Report *(continued)*

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staff update bulletin of the NHS England YouTube video available at: <https://www.youtube.com/watch?v=cRskjgpgSNs>

Members of the Procurement senior team are Chartered Institute of Purchasing and Supply (CIPS) qualified and abide by the CIPs code of professional conduct and have undertaken specific training related to modern slavery and human trafficking. The Shared Procurement Service aims to develop its own ethical procurement and supply policy and supplier charter within the next 12 months.

We are looking at ways to continuously increase awareness within our organisation, and to ensure a high level of understanding of the risks involved with modern slavery and human trafficking in our supply chains and in our business.

We will know the effectiveness of the steps that we are taking to ensure that slavery and/or human trafficking is not taking place within our business or supply chain if: no reports are received from our staff, the public, or law enforcement agencies to indicate that modern slavery practices have been identified.

The Board of Directors has considered and approved this statement and will continue to support the requirements of the legislation.

### Enhanced quality governance reporting

Our approach to quality governance is summarised in detail in both the performance analysis from page 12 and in the Annual Governance Statement from page 80. Our approach to quality governance is based upon the core principles of NHS Improvement Single Oversight Framework against which we have undergone independent reviews of governance within the last three years. No material inconsistencies have been identified between the Annual Governance Statement, quarterly and annual regulatory submissions from the Board of Directors, or report arising from CQC visits.

### Patient care activities

A detailed overview of the patient care activities we have provided is outlined in the performance analysis section from page 12 and also in the Quality Account in Appendix A.

### Directors' declaration on audit information

So far as the Directors are aware, there is no relevant audit information of which the Trust's auditors are unaware and the Directors have taken all steps that they ought to as Directors in order to make themselves aware of any relevant information and to ensure the auditors were aware of that information.

## PART 2: Accountability Report (*continued*)

### The Council of Governors

#### Composition

The Council of Governors has 37 positions elected by members of the public constituency (including one position representing the rest of England), 23 positions elected by the staff constituency and 11 members appointed by local partner organisations.

Governors are elected to office for terms of up to three years and may seek re-election for further terms. During the year, the election to the public constituencies of Berwick upon Tweed and North Shields and the staff constituency of North Tyneside General Hospital (including Cobalt) were contested. Elections to the public constituencies of Hexham, North West Tyneside, Wallsend, Wansbeck, Whitley Bay and Rest of England and the staff constituencies of Wansbeck General Hospital, Northumberland Community and Northumbria Specialist Emergency Care Hospital were uncontested. We did not receive any nominations for the public constituency of Blyth Valley or any nominations for the staff constituencies of Morpeth (Whalton Unit and Morpeth NHS Centre) and Blyth (Community Hospital) and Hexham General Hospital.

Details of the number of vacancies for which elections were held during 2018/19 are shown in the table below and totalled 31; of these, 19 positions were filled. In year, four public governors stood down from their positions (one from Berwick upon Tweed, one from North West Tyneside and two from Wansbeck constituency) and three staff governors (Northumberland Community, North Tyneside Community and North Tyneside General Hospital).

Constituency	No. to elect	Positions filled
<b>Public governor vacancies</b>		
Berwick upon Tweed	2	2
Blyth Valley	1	0
Hexham	3	1
North Shields	2	2
North West Tyneside	3	1
Wansbeck	4	2
Wallsend	2	1
Whitley Bay	3	3
Rest of England	1	1
<b>Total public governor vacancies</b>	<b>21</b>	<b>13</b>
<b>Staff governor vacancies</b>		
Morpeth (Whalton unit and Morpeth NHS Centre) and Blyth (Community Hospital)	1	0

## PART 2: Accountability Report *(continued)*

Hexham General Hospital	1	0
Wansbeck General Hospital	4	2
Northumbria Specialist Emergency Care Hospital	1	1
North Tyneside General Hospital (including Cobalt)	1	1
Northumberland community	2	2
<b>Total staff governor vacancies</b>	<b>10</b>	<b>6</b>

Composition and attendance of the Council of Governors 1 April 2018 – 31 March 2019		
Public governors	Detail of appointment	General meetings attended (7)
<b>Berwick constituency</b>		
Mick McCarthy	Elected 1/8/18 – 31/7/21	4 (out of 4)
Linda Pepper	Elected 1/8/17 – 31/7/20	6 (out of 7)
Andrew Gray	Elected 1/8/17 – 31/7/20	6 (out of 7)
Barry Allison	Elected 1/8/18 – 31/7/21	5 (out of 7)
Norman Dunn	Elected 1/8/17 – 31/7/18 (casual vacancy)	0 (out of 3)
Peter Dawson	Elected 1/8/17 – 10/12/18*	0 (out of 5)
Pauline Wilson	Elected 1/8/17 – 31/7/20	6 (out of 7)
<b>Blyth Valley constituency</b>		
Ken Patterson	Elected 1/8/17 – 31/7/20	6 (out of 7)
Bill Dowse	Elected 1/8/16 – 31/7/19	6 (out of 7)
Sean Fahey	Elected 1/8/17 – 31/7/20	7 (out of 7)
Mavis Wilkinson-Hamilton	Elected 1/8/17 – 31/7/20	2 (out of 7)
John Ostle	Elected 1/8/16 – 31/7/19	5 (out of 7)
<b>Wansbeck constituency</b>		
David Wilkinson	Elected 1/8/18 – 31/7/21	7 (out of 7)
Brian Kipling	Elected 1/8/18 – 31/7/21	6 (out of 7)
Julia Mann	Elected 1/8/17 – 27/10/18*	4 (out of 5)
John Young	Elected 1/12/16 – 6/8/18*	0 (out of 3)
<b>Hexham constituency</b>		
Stephen Prandle	Elected 1/8/18 – 31/7/21	5 (out of 7)
Tony Newton	Elected 1/8/15 – 31/7/18	2 (out of 3)
Ian Fell	Elected 1/8/15 – 31/7/18	1 (out of 3)
Isobel Johnson	Elected 1/8/17 – 31/7/20	3 (out of 7)
Chris Tolan-Smith	Elected 1/8/17 – 31/7/20	5 (out of 7)
Janet Shucksmith	Elected 1/8/17 – 31/7/20	5 (out of 7)
<b>North Shields constituency</b>		
John Forsyth	Elected 1/8/18 – 31/7/21	4 (out of 4)
Peter Blair	Elected 1/8/18 – 31/7/21	7 (out of 7)
Gill Close	Elected 1/8/17 – 31/7/20	4 (out of 7)
<b>North West Tyneside constituency</b>		

## PART 2: Accountability Report *(continued)*

Composition and attendance of the Council of Governors 1 April 2018 – 31 March 2019		
Public governors	Detail of appointment	General meetings attended (7)
Peter Latham	Elected 1/8/15 – 13/6/18*	0 (out of 2)
Mary Laver	Elected 1/8/15 – 31/7/18	1 (out of 7)
<b>Wallsend constituency</b>		
Ian McKee	Elected 1/8/17 – 31/7/20	7 (out of 7)
Tony Turnbull	Elected 1/8/18 – 31/7/21	1 (out of 7)
<b>Whitley Bay constituency</b>		
Heather Carr	Elected 1/8/15 – 31/7/18	7 (out of 7)
Eunice Weatherhead	Elected 1/8/15 – 31/7/18	1 (out of 3)
Geoff Mann	Elected 1/8/15 – 31/7/18	3 (out of 3)
Adam Chedburn	Elected 1/8/18 – 31/7/21	4 (out of 4)
Pamela Hood	Elected 1/8/18 – 31/7/21	3 (out of 4)
<b>Rest of England</b>		
Tom Millen	Elected 1/8/18 – 31/7/21	3 (out of 4)

Composition and attendance of the Council of Governors 1 April 2018 – 31 March 2019		
Staff governors	Detail of appointment	General meetings attended (7)
<b>Berwick Infirmary</b>		
Nicola Karolewski	Elected 1/8/16 – 31/7/19	0 (out of 7)
<b>Alnwick Infirmary</b>		
Chris Bell	Elected 1/8/17 – 31/7/20	1 (out of 7)
<b>Hexham General Hospital</b>		
Lucy Thompson	Elected 1/8/16 – 31/7/19	1 (out of 7)
<b>Northumberland community</b>		
Doreen Davidson	Elected 1/8/18 – 31/7/21	4 (out of 7)
Lisa McCluskey	Elected 1/8/17 – 31/7/20	1 (out of 7)
Narinder Kaur	Elected 1/8/18 – 17/9/18*	0 (out of 0)
<b>Northumbria Specialist Emergency Care Hospital</b>		
Peter Smith	Elected 1/8/15 – 31/7/18	2 (out of 3)
Jenny Graham	Elected 1/8/16 – 31/7/19	0 (out of 7)
Jackie Lackenby	Elected 1/8/18 – 31/7/21	3 (out of 4)
Lorraine Munro	Elected 1/8/17 – 31/7/20	2 (out of 7)
<b>North Tyneside General Hospital/Cobalt</b>		
Angela Moore	Elected 1/8/17 – 31/7/20	1 (out of 7)
Alison Bywater – <b>lead governor</b>	Elected 1/8/17 – 31/7/20	5 (out of 7)
Sarah Nicholson	Elected 1/8/18 – 31/7/21	2 (out of 4)

## PART 2: Accountability Report *(continued)*

Michael Porter	Elected 1/8/16 – 29/10/18*	0 (out of 5)
Laura Hutchinson	Elected 1/8/17 – 31/7/20	2 (out of 7)
Angela Bandeira	Elected 1/8/17 – 31/7/20	2 (out of 7)
<b>North Tyneside community</b>		
Cassandra Ackermann	Elected 1/8/16 – 2/5/18*	0 (out of 1)
Carrie Hughes	Elected 1/8/17 – 31/7/20	2 (out of 7)

\*stood down mid-term

Appointed governors	Organisation	General meetings attended (7)
Dianne Ford	Northumbria University	1
Andrew Fisher	Newcastle University	2
Joanne Parkin	North East Ambulance Service NHS Foundation Trust	4
Muriel Green	North Tyneside Council	7
Margaret Hall	North Tyneside Council	5
Richard Dodd	Northumberland County Council	1
Veronica Jones	Northumberland County Council	3

Board of directors	Job title	General meetings attended (7)
Jim Mackey	Chief Executive	7
Alan Richardson	Chair	6
Paul Dunn	Executive Director of Finance	0
Birju Bartoli	Executive Director of Performance and Improvement	6
Ann Stringer	Executive Director of Human Resources and Organisational Development	5
Daljit Lally	Executive Director of System Leadership	5
Marion Dickson	Interim Executive Director of Nursing (from 14 November 2018)	1
Ellie Monkhouse	Executive Director of Nursing (on secondment from 13 November 2018)	1
Jeremy Rushmer	Executive Medical Director	5
Claire Riley	Director of Communications and Corporate Affairs	7
Helen Ray	Chief Operating Officer	0
Martin Knowles	Non-Executive Director (senior independent director)	5
Peter Sanderson	Non-Executive Director	5
Alison Marshall	Non-Executive Director	7
Allan Hepple	Non-Executive Director	5
Moirra Davison	Non-Executive Director	6
Malcolm Page	Non-Executive Director	4
Bernie McCardle	Non-Executive Director (from June 2018)	2
Alan Craft	Non-Executive Director (from October 2018)	0

## PART 2: Accountability Report *(continued)*

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All members of the Council of Governors have to declare any potential conflicts of interest annually; a copy of this register is available from the foundation team [foundation@northumbria.nhs.uk](mailto:foundation@northumbria.nhs.uk)

### Role and duties

The Council of Governors is responsible for fulfilling its statutory duties, including:

- Appointing, removing and deciding the terms of office and remuneration of the Chair and other Non-Executive Directors
- Appointing or, if appropriate, removing our external auditors
- Approving the appointment of the Chief Executive
- Receiving our annual report and accounts (including the auditor's report)
- Contributing to our strategic plans
- Holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Represent the interests of the Trust as a whole and the interests of the public

Members of the Council of Governors who served during the year along with details of their appointments and attendance at meetings are shown in the table above.

For further information on membership or becoming a governor, contact the foundation team, Northumbria Healthcare NHS Foundation Trust, Northumbria House, Unit 7/8 Silver Fox Way, Cobalt Business Park, Newcastle upon Tyne, NE27 0QJ, tel: 0191 203 1296 or via e-mail at [foundation@northumbria.nhs.uk](mailto:foundation@northumbria.nhs.uk)

The Council of Governors carries out its formal business in a series of general meetings including the annual members' meeting. There were seven formal meetings during 2018/19, including three extraordinary general meetings. All general meetings are open to our members and the general public.

During the past year, the Council has approved the appointment of new non-executive directors and the re-appointment of the Trust auditors. Throughout the year, the Council has participated in the development of our quality account, safety and quality priorities and the annual plan. These discussions include the feedback of views from public and staff members and local communities that governors have gathered through their local engagement activities.

Examples of agenda items and information updates at governors' meetings over the past 12 months are:

- Overview of the community services business unit;



## PART 2: Accountability Report (*continued*)

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- Information management and technology strategy;
- Updates from non-executive directors and the committees they chair;
- Overview of the plans for winter; and
- Developing and agreeing the governors' cycle of business.

The Chief Executive provides governors with regular updates on finance and performance and directors are invited to attend all meetings of the Council of Governors. The agenda ensures that governors are given full opportunity to question directors and non-executive directors on the performance of the Trust and to engage on strategic matters. Governors also have allocated representatives from amongst the Council of Governors to sit on some of the board of directors' assurance-seeking committees as one of the many mechanisms in place to enable governors to discharge their statutory duties.

Governors continue to be involved in key redevelopments and any service changes. An example of this engagement is the on-going involvement of governors in the Berwick Hospital Committee, a task-and-finish group established to oversee the redevelopment of Berwick Infirmary.

Regular updates on Trust-wide developments and major changes are already provided at Council of Governors' meetings and in addition discussed at monthly constituency meetings with the chair and non-executive directors. Through these mechanisms, governors are kept up-to-date with the latest developments and ensure that they have the opportunity to influence future plans and contribute a patient/public and staff perspective.

In addition, the Chief Executive has regular meetings with staff governors whereby they determine the agenda and items for discussion. Action points from these sessions are fed into the executive team and responses and feedback are provided by the Chief Executive at subsequent sessions. This has helped to develop relationships between the board and staff governors as well as governors and staff members by enabling two-way feedback from board-to-ward.

Any conflicts that may occur between the board of directors and the Council of Governors will be resolved through the Trust's dispute resolution procedure.

## PART 2: Accountability Report *(continued)*

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### Nominations, Remuneration and Development Committee

The Nomination, Remuneration and Development ('NRD') Committee consists of public, staff and co-opted governors. The Committee is chaired by the Trust Chair, with the exception of instances in which the appointment and performance of the Chair are to be discussed. The Committee invites the Trust's Chief Executive, Executive Director of Human Resources and Organisational Development and Company Secretary to attend the Committee meetings to provide advice and support as required.

The Committee is responsible for taking forward recommendations to the Council of Governors concerning the appointment or re-appointment of the Chairman and Non-Executive Directors prior to the conclusion of their terms of office. In making a recommendation, the Committee reviews each individual's annual review documentation to consider how they have performed as a Non-Executive Director and on the knowledge, skills and experience that they contribute to the Board of Directors. As part of this process, the Committee monitors the collective performance of the Board of Directors and considers the balance between the need for continuity, and the need to progressively refresh the Trust Board as advised within the NHS Foundation Trust Code of Governance.

In compliance with the code, the Non-Executive Directors were subject to a formal rigorous review which included the following elements:

- A review of the appraisal documentation for the previous 12 months
- Confirmation from the Chair that he considers the Non-Executive Directors to be independent or the mitigating actions to ensure the effectiveness of the Board is not compromised
- Confirmation from the Chief Executive that he considers the Non-Executive Directors to be independent and confirmation of continuing constructive challenge and scrutiny
- Review of the skills mix of the Board of Directors
- Review of 360 degree information from peers and colleagues.

During the 2018/19 period the Board undertook a review of its composition and skill mix and considered succession planning for Non-Executive Directors who were nearing the end of their term. Consequently, two new Non-Executive Directors were appointed, Bernard McCardle and Professor Sir Alan Craft. The Committee recommended these appointments to the Council of Governors which were subsequently approved. In March 2019 Allan Hepple tendered his resignation; as a result the Nomination, Remuneration and Development Committee will be undertaking a further recruitment exercise in the coming year.

## PART 2: Accountability Report *(continued)*

The Committee met on 6 occasions during the period of the 1<sup>st</sup> April 2018 to the 31<sup>st</sup> March 2019 to address the performance, appointment and re-appointment of the Non-Executive Directors:

Member attendance	21/5/18	27/6/18	14/9/18	16/10/18	5/12/18	27/3/19	Total
Alan Richardson, Chair*	✓	✓	✓	✓	-	✓	5/5
Martin Knowles, SID*					✓		1/1
Alison Bywater, staff governor	✓	-	-	-	✓	-	2/6
Bill Dowse, public governor	✓	✓	✓	-	-	-	3/6
Gill Close, public governor	✓	✓	✓	-	✓	-	4/6
Heather Carr, public governor	-	✓	✓	✓	✓	✓	5/6
Isobel Johnson, public governor	-	✓	-	✓	✓	-	3/6
Julia Mann, public governor	✓	✓	✓				3/3
Ken Patterson, public governor	✓	✓	✓	✓	-	✓	5/6
Mary Laver, public governor	-	-	-	✓	✓	-	2/6
Muriel Green, co-opted governor	✓	✓	-	-	✓	✓	4/6
Michael Porter, staff governor	-	✓	-				1/3
Norman Dunn, public governor	-	-	-				0/3
Sean Fahey, public governor					✓	✓	2/2
John Ostle, public governor					✓	✓	2/2
Jackie Lackenby, staff governor					✓	✓	2/2

\*Martin Knowles, Senior Independent Director, chaired the Nominations, Remuneration and Development Committee meeting on 5<sup>th</sup> December 2018 when the Committee discussed the re-appointment of Alan Richardson as Trust Chair. Alan Richardson was not invited to attend this meeting.

## PART 2: Accountability Report *(continued)*

### Trust Membership Activity

We draw our members from two membership constituencies – the public constituency including the Rest of England constituency and the staff constituency. Membership of the public constituency is open to anyone over the age of 12 living in England.

We have eight geographically based constituencies within Northumberland and North Tyneside and a Rest of England constituency for anybody living outside these areas.

As of 31<sup>st</sup> March 2019, there were 7,353 members in the public constituency as shown in the table below.

Northumbria Healthcare NHS Foundation Trust		
Members of constituency class	Membership 2017/18	Membership 2018/19
Berwick upon Tweed	7,050	698
Blyth Valley	8,874	1,529
Hexham	7,287	1,332
Wansbeck	9,868	1,115
<b>Total</b>	<b>33,079</b>	<b>4,674</b>
North West Tyneside	1,775	474
Wallsend	3,636	556
North Shields	7,272	621
Whitley Bay	6,091	978
<b>Total</b>	<b>18,774</b>	<b>2,629</b>
Sub total	51,853	7,303
Rest of England	39	50
<b>Grand total</b>	<b>51,892</b>	<b>7,353</b>

We have been on a journey with the Trust membership over the years and used various membership recruitment strategies including 'opt in' where explicit consent has been provided or automatic membership where people would need to 'opt out' and therefore there has been no direct explicit consent. Many years ago, we stopped the outpatient 'opt out' process as it was seen not to be in line with both data protection and terms of the NHS Act 2006.

However, the General Data Protection Regulation (GDPR) was introduced from 25 May 2018 which did have a significant impact on our large membership. We needed to ensure, as part of the GDPR, we had consent from all of our members and as a result our database now only contains details of members who have explicitly consented to being a member and are therefore aware that they are a member.

## PART 2: Accountability Report (*continued*)

We have an ongoing membership recruitment campaign across all constituencies in place, which includes:

- proactive PR activity including online and social media
- recruitment roadshows at hospital sites and community venues
- governor activity
- working with our partners and their communication and engagement mechanisms to promote the benefits of being a member.
- Member leaflets and TV screens in our hospitals

Throughout the year, the membership data is also regularly cleansed to remove people who are now deceased or have moved out of the area. Members can also choose to opt out whenever they wish.

### Staff membership

Staff who are employed directly by us on permanent contracts automatically become members of the staff constituency unless they inform us that they do not wish to do so. At 31<sup>st</sup> March 2019, there were 8,785 members in the staff constituency as detailed in the table below.

Staff constituency	Membership 2018/19
North Tyneside General Hospital, Cobalt	2,829
Wansbeck General Hospital	1,476
Hexham General Hospital, Haltwhistle War Memorial Hospital	565
Northumbria Specialist Emergency Care Hospital	1,350
Whalton Unit and NHS Centre (both in Morpeth), Blyth Community Hospital	178
Alnwick Infirmary, Rothbury Community Hospital	149
Berwick Infirmary	119
Northumberland community staff	1,176
North Tyneside community staff	375
Other	568
<b>Total</b>	<b>8,785</b>

### Membership analysis

The diversity of our public membership is broadly in line with that of the general population in the constituency area with 1.5 per cent of the total population being members of the Trust. We keep the position under review via the governors' membership strategy committee to further improve alignment. The following table shows the public membership broken down into age, ethnicity and gender:

## PART 2: Accountability Report *(continued)*

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Public and patient membership 2018/19	
Age	No.
0 – 16	1
17 – 21	15
22 – 29	106
30 – 39	203
40 – 49	494
50 – 59	1027
60 – 74	2949
Over 75	2494
Unknown/unspecified	45
<b>Total</b>	<b>7,333</b>

Ethnicity	
White	6678
Mixed	5
Asian or Asian British	21
Black or Black British	8
Other	7
Not Stated	614
<b>Total</b>	<b>7,333</b>

Gender	
Male	2865
Female	4442
Unspecified	26
<b>Total</b>	<b>7,333</b>

### Membership strategy

We review our membership strategy each year to ensure that it is fit for purpose and delivers an effective membership across our operating area.

The Council of Governors has delegated responsibility for leading the development and implementation of our membership strategy which also includes the development of a communications and engagement strategy to ensure two-way communications and involvement between the Trust, governors and members. The membership strategy has three broad overarching objectives, to have:

- a membership that is representative and reflective of the communities we serve
- an informed membership by providing appropriate, accurate and timely information to our members and to assist them in making informed contributions

## PART 2: Accountability Report *(continued)*

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- an involved membership where as many members as possible are actively engaged in the development of the Trust and its activities.

We use a variety of methods to communicate and engage with both governors and members including regular meetings, regular drop in engagement sessions at our hospitals and community venues, member events, the website, dedicated governors' site, governors' bulletin, e-bulletins, a central telephone number and a dedicated email addresses. Future planned activity, subject to compliance with General Data Protection Regulations, includes:

- Regular members' e-bulletin with relevant information using data on members' interests we are collecting on an on-going basis
- Promoting the use of the dedicated email address – [governors@northumbria.nhs.uk](mailto:governors@northumbria.nhs.uk) for members to contact their local governors
- Use of internal communication mechanisms to promote the role of our staff governors
- Regular drop in sessions to enable governors to meet members and people from their local community
- Governor comments and compliments forms.

**Sir James Mackey**



**Chief Executive Officer**

**23<sup>rd</sup> May 2019**

## PART 2: Accountability Report (*continued*)

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### Remuneration Report

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#### Annual Statement on Remuneration

I am pleased to present on behalf of the Board of Directors' Remuneration Committee the Trust's Remuneration Report for the financial year ending on 31<sup>st</sup> March 2019.

The Remuneration Committee is a committee of the Board and is responsible for the recruitment, succession planning and remuneration of the Executive Directors and other senior managers.

In accordance with NHS Improvement's Annual Reporting Manual, the following remuneration report includes:

- Our Senior Managers' Remuneration Policy; and
- Our Annual Report on remuneration.

#### Senior managers' remuneration: Major decisions and substantial changes

During 2018-2019 a further review of the executive structure took place and the position of Executive Director of Delivery (shared post between Northumberland County Council and the Trust) was modified. To further develop our integration the role was altered to Executive Director for System Leadership and Social Care. There are two Chief Operating Officers who, along with the Executive Director of Performance and Improvement, take overall responsibility for the operations structure.

During the year, our Executive Director of Nursing and Midwifery was on secondment and the position was filled on an interim basis by one of the 2 Chief Operating Officers.

The Remuneration Committee approve applications to NHS Improvement and the Treasury for settlement agreements to resolve employment disputes.

Our Remuneration Committee is committed to ensuring that the remuneration applied to senior managers is appropriately set, takes into account market conditions, and is aligned to an individual's performance against their objectives which, in turn, are aligned to our strategic objectives.



**Peter Sanderson, Chair of Remuneration Committee, Northumbria Healthcare NHS Foundation Trust**

**23<sup>rd</sup> May 2019**



## PART 2: Accountability Report *(continued)*

### Senior managers' remuneration policy

We are committed to ensuring that pay should be considered in line with the Trust's performance, delivery of our Annual Plan and Five-Year Strategy, value-for-money, national context.

#### Future policy table:

Component of pay	Link to short and long-term strategic goals	How the Trust operates this in practice	Maximum limit	Performance measures
Base salary	To promote the long-term success of the Trust by attracting and retaining high calibre senior managers in a competitive marketplace.	<p>The Committee reviews the following in setting remuneration for senior managers:</p> <ul style="list-style-type: none"> <li>• Role, responsibilities and accountabilities</li> <li>• Skills, experience and performance</li> <li>• Trust performance</li> <li>• Pay awards across the Trust</li> <li>• Local and national market conditions</li> <li>• Advice from NHSI/Ministerial opinion</li> <li>• Benchmarking</li> </ul> <p>The committee reserves the right to approve specific increases in exceptional cases, such as major changes to a senior manager's role.</p>	There is no prescribed maximum limit.	Not applicable.
Taxable benefits		<p>Senior managers' benefits include:</p> <ul style="list-style-type: none"> <li>• A car allowance or lease car;</li> <li>• Pension-related benefits.</li> </ul> <p>Non-Executive Directors do not receive benefits.</p>	There is no prescribed maximum limit.	Not applicable.
Pension		<p>The Trust operates the standard NHS Pension Scheme and NEST scheme for those ineligible to join NHSP.</p> <p>Senior managers can, rather than being a member of the scheme, opt to have an amount equal to the employer contributions that would be payable if there were in a scheme to be paid to themselves so that they can invest in a pension scheme of their choice. This does not increase the overall cost to the Foundation Trust.</p>	As per standard NHS Pension Scheme.	Not applicable.
Bonus	The Trust does not currently have any bonus arrangements in place for senior managers.			

## PART 2: Accountability Report (*continued*)

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### Remuneration equivalent to the Prime Minister's ministerial and parliamentary salary

Some of our senior managers are paid more than £153,907 which is the amount equivalent to the Prime Minister's ministerial and parliamentary salary. In these instances, the 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 independent remuneration benchmarking reports to assess the market rate

### Service contract obligations

All senior managers are subject to permanent (substantive) employment contracts which are subject to regular and rigorous review. The notice periods applied to individual contracts range from three to twelve months, depending on the individual contract.

### Policy for payment on loss of office

The contracts of employment make no special provisions regarding early termination or termination payments. Executive Directors and senior managers are subject to the Trust's normal disciplinary processes and sanctions. Terminations resulting from redundancy and retirement are in accordance with the provisions of national terms and conditions and the NHS Pension Scheme. Payments for loss of office are as a result of redundancy or voluntary severance

### Annual Report on remuneration

The Remuneration Committee deals with the remuneration of the Chief Executive, the Executive Directors, and other senior managers. The definition of 'senior manager' is a person having authority or responsibility for directing or controlling the major activities of the Trust. We have identified those individuals as members of the Board including the Chief Executive, Chair, Executive Directors, Non-Executive Directors, and Directors, however the Council of Governors' Nomination, Remuneration and Development Committee oversees the remuneration and appointment of Non-Executive Directors and the Chair.

The Remuneration Committee is chaired by Peter Sanderson, Non-Executive Director.

## PART 2: Accountability Report *(continued)*

	Apr 18	May 18	June 18	July 18	Sept 18	Oct 18	Nov 18	Dec 18	Jan 18	Feb 18	Mar 18
Peter Sanderson	✓		✓	✓	✓	✓	✓	No meeting			✓
Alan Richardson	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Alison Marshall	✓	✓	✓		✓	✓	✓		✓	✓	✓
Allan Hepple	✓	✓		✓	✓		✓			✓	
Moira Davison	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Martin Knowles	✓				✓	✓			✓		
Bernard McCardle				✓	✓	✓	✓		✓	✓	✓
Alan Craft										✓	✓

Ann Stringer, Executive Director of Human Resources and Organisational Development, and the Chief Executive provides advice to the Committee in their consideration of the terms and conditions of senior managers. The Remuneration Committee met its responsibilities and duties during the year, as set out in its terms of reference, by;

- Determining appropriate remuneration and terms of service for senior managers, including the Chief Executive and Executive Directors;
- Ensuring that senior executives/managers are fairly rewarded for their individual contribution to the Trust having proper regard to the Trust's circumstances and performance;
- Ensuring a robust system is in place to monitor and evaluate the performance of senior managers
- Acting as a sounding board for changes to organisational structures proposed by the Chief Executive Officer as required.

Expenses of the Governors and the Directors were mainly related to reimbursement for travel costs reflecting the large geographical spread of the organisation. In 2018/19 expenses were paid to Governors of £9,124 (£7,629 in 2017/18) and Directors of £11,665 (£21,235 in 2017/18). The total number of Governors is 35 and the number who received reimbursements for expenses paid was 24.

During the year the following payments were made to senior managers for loss of office:

- Ann Farrar – £160,000. Ann Farrar was an Executive Director of the Trust until 31/3/2013. Since that date she has been on secondment to various other NHS organisations.
- Mark Thomas – £44,860. Payment was made under a local Mutually Agreed Resignation Scheme (MARS). Mark Thomas was Director of Informatics for the Trust until 30/9/2018.

## PART 2: Accountability Report (*continued*)

Executive Directors		2018-19				2017-18			
Name	Title	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
James Mackey <sup>1</sup>	Chief Executive	245-250	11,100	30-32.5	290-295	90-95	15,200	10-12.5	120-125
Birju Bartoli	Executive Director of Performance and Improvement	175-180	-	40-42.5	220-225	160-165	9,600	45-47.5	215-220
Paul Dunn	Executive Director of Finance	175-180	5,000	20-22.5	200-205	165-170	3,400	137.5-140	305-310
Ann Stringer	Executive Director of HR & OD	160-165	4,300	5-7.5	170-175	150-155	6,500	12.5-15	170-175
Jeremy Rushmer <sup>2</sup>	Executive Medical Director	225-230	4,500	30-32.5	260-265	225-230	8,300	2.5-5	235-240
Ellie Monkhouse <sup>3</sup>	Executive Director of Nursing (to 13/11/18)	85-90	-	70-72.5	155-160	50-55	-	132.5-135	185-190
Marion Dickson <sup>4</sup>	Interim Executive Director of Nursing and Midwifery (from 14/11/18)	50-55	-	235-237.5	285-290	-	-	-	-
Daljit Lally	Executive Director of System Leadership and Community	75-80	17,900	10-12.5	105-110	90-95	11,600	7.5-10	110-115

Note:

<sup>1</sup> From 1/4/17 to 31/10/17 Jim Mackey was Chief Executive at NHS Improvement on a secondment agreed between Northumbria Healthcare and NHS Improvement. In the above table 2017/18 figures only includes remuneration for the period 1/11/17 to 31/3/17 when the secondment to NHS Improvement ended and he returned to Northumbria Healthcare as Chief Executive.

<sup>2</sup> £190,000 - £195,000 relates to payment for clinical duties (2017/18 £190,000 - £195,000)

<sup>3</sup> From 15/11/18 Ellie Monkhouse was Director of Nursing on a secondment agreement between Northumbria Healthcare and North Lincolnshire and Goole NHS FT. The above table only includes remuneration in the period 1/04/18 to 14/11/2018 when the secondment to North Lincolnshire and Goole NHS FT started.

<sup>4</sup> The figure of £235-£237.5 is a calculation of increased pension value on the year and is not income received in that year.

The real increase / decrease in pension and pension lump sum in the year reflect the change in the total pension benefits that will be received by an individual over an average retirement period of 20 years. Any increase or decrease in pension entitlement in the year due to a change in pensionable pay is therefore multiplied by a factor of 20.

Other Directors		2018-19				2017-18			
Name	Title	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Steven Bannister	Director of Facilities (to 20/8/18)	60-65	700	215-217.5	275-280	130-135	10,600	15-17.5	155-160
Les Morgan	Interim Director of Estates and Facilities (from 3/9/18)	30-35	-	-	35-40	-	-	-	-
Claire Riley	Director of Communications	130-135	10,500	40-42.5	185-190	125-130	11,300	42.5-45	180-185
Annie Laverty	Chief Experience Officer	125-130	5,300	40-42.5	175-180	110-115	4,400	25-27.5	140-145

## PART 2: Accountability Report *(continued)*

Helen Ray	Chief Operating Officer (from 15/7/18)	95-100	4,900	47.5-50	150-155	-	-	-	-
Mark Thomas	Director of Health Informatics (to 30/9/2018)	55-60	100	20-22.5	75-80	110-115	3,700	120-122.5	230-235
David Elliot	Director of IT (from 1/3/19)	10-15	-	0-2.5	10-15	-	-	-	-

Non-Executive Directors		2018-19				2017-18			
Name	Title	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)	Salary and Fees (bands of £5,000)	Benefits in Kind to nearest £100	All Pension Related Benefits (bands of £2,500)	Total (bands of £5,000)
Alan Richardson	Chairman	50-55	200	-	50-55	50-55	100	-	50-55
Peter Sanderson	Non-Executive Director	15-20	-	-	15-20	15-20	-	-	15-20
Martin Knowles	Non-Executive Director	15-20	-	-	15-20	15-20	-	-	15-20
Alan Hepple	Non-Executive Director (to 1/3/19)	10-15	-	-	10-15	15-20	-	-	15-20
Alison Marshall	Non-Executive Director	15-20	-	-	15-20	15-20	-	-	15-20
Malcolm Page	Non-Executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Moira Davison	Non-Executive Director	15-20	-	-	15-20	10-15	-	-	10-15
Bernard McCardle	Non-Executive Director (from 16/06/18)	10-15	-	-	10-15	-	-	-	-
Alan Craft	Non-Executive Director (from 16/10/18)	5-10	-	-	5-10	-	-	-	-

Name	Real increase / (decrease) in pension at age 60 since 1 April 2018 (bands of £2,500)	Real increase / (decrease) in pension related lump sum at age 60 since 1 April 2018 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 31 March 2019 £000	Real Increase/ (decrease) in cash equivalent transfer value £000	Cash equivalent transfer value at 1 April 2018 £000
Ann Stringer	0-2.5	0-2.5	45-50	145-150	-	-	1,151
Birju Bartoli	0-2.5	0-2.5	35-40	80-85	609	90	509
Steven Bannister	2.5-5	10-12.5	60-65	185-190	1451	122	1,116
Claire Riley	2.5-5	0-2.5	20-25	35-40	340	55	266
Annie Laverty	2.5-5	-	10-15	-	161	35	110
Mark Thomas	0-2.5	-	70-75	-	1159	64	1,016
David Elliot	0-2.5	-	0-5	-	2	-	-

## PART 2: Accountability Report (*continued*)

Name	Real increase / (decrease) in pension at age 60 since 1 April 2018 (bands of £2,500)	Real increase / (decrease) in pension related lump sum at age 60 since 1 April 2018 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 at 31 March 2019 (bands of £5,000)	Cash equivalent transfer value at 31 March 2019 £000	Real Increase/ (decrease) in cash equivalent transfer value £000	Cash equivalent transfer value at 1 April 2018 £000
Jeremy Rushmer	0-2.5	5-7.5	60-65	190-195	1442	159	1,259
Ellie Monkhouse	2.5-5	7.5-10	30-35	80-85	562	88	401
Marion Dickson	2.5-5	10-12.5	50-55	155-160	-	-	-
Helen Ray	0-2.5	0-2.5	55-60	140-145	1148	96	993

The real increase in Cash Equivalent Transfer Value (CETV) is the increase in CETV within the year less any contributions made by the scheme member. The CETV at 1<sup>st</sup> April 2018 and at 31<sup>st</sup> March 2019 both include contributions made by the members.

There is no CETV for members of the scheme who have attained the age of 60 years.

As Non-Executive Directors do not receive pensionable remuneration, there are no entries in respect of pensions for non-executive directors.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The CETV figures include the values of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS Pension Scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines prescribed by the Institute and Faculty Actuaries.

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

## PART 2: Accountability Report (*continued*)

Reporting bodies are required to disclose the relationship between the remuneration of the highest paid director in their organisation and the median remuneration of the organisation's workforce. The banded remuneration of the highest paid director in Northumbria Healthcare NHS Foundation Trust in the financial year 2018/19 was £245,000-250,000 (2017/18 was £225,000-230,000). This was 9.35 times (2017/18, 10.34) the median remuneration of the workforce, which was £26,470 (2017/18, £23,597).

In compliance with the NHS Improvement ARM, the Trust can confirm that during 2018/19 there were no senior off-payroll engagements for more than £220 per day.

Off-payroll engagements as of 31 March 2019, for more than £220 per day that last longer than six months	
No. of existing engagements as of 31 March 2019	0
Of which...	
No. that have existed for less than one year at time of reporting.	N/A
No. that have existed for between one and two years at time of reporting.	N/A
No. that have existed for between two and three years at time of reporting.	N/A
No. that have existed for between three and four years at time of reporting.	N/A
No. that have existed for four or more years at time of reporting.	N/A

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019, for more than £220 per day and that last longer than six months	
No. of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	0
No. of the above which include contractual clauses giving the Trust the right to request assurance in relation to income tax and National Insurance obligations	N/A
No. for whom assurance has been requested	N/A
Of which...	N/A
No. for whom assurance has been received	N/A
No. for whom assurance has not been received	N/A
No. that have been terminated as a result of assurance not being received.	N/A

Off-payroll engagements of board members, and/or senior officials with significant financial responsibility between 1 April 2018 and 31 March 2019	
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

**Sir James Mackey**  
Chief Executive Officer



**23<sup>rd</sup> May 2019**

## PART 2: Accountability Report *(continued)*

### Staff report

#### Staff composition

Analysis of staff numbers

319 Staffing numbers (whole time equivalents)	Year Ended 31 March 2019			Year Ended 31 March 2018 Total
	Total	Permanent	Other	
Add Prof Scientific and Technic	428	417	11	434
Additional Clinical Services	1319	1255	64	1274
Administrative and Clerical	2001	1891	110	1896
Allied Health Professionals	541	527	15	533
Estates and Ancillary	752	731	21	734
Healthcare Scientists	96	96		96
Medical and Dental	472	329	143	476
Nursing and Midwifery Registered	2196	2145	51	2219
Students	3	3		20
<b>Total whole time equivalents</b>	<b>7809</b>	<b>7394</b>	<b>415</b>	<b>7681</b>

NHCT Staffing numbers (whole time equivalents)	Year Ended 31 March 2019			Year Ended 31 March 2018 Total
	Total	Permanent	Other	
Add Prof Scientific and Technic	418	407	11	424
Additional Clinical Services	1302	1238	64	1263
Administrative and Clerical	1896	1790	106	1792
Allied Health Professionals	541	527	15	533
Estates and Ancillary	110	109	1	168
Healthcare Scientists	96	96		96
Medical and Dental	450	307	143	452

NHFML Staffing numbers (whole time equivalents)	Year Ended 31 March 2019			Year Ended 31 March 2018 Total
	Total	Permanent	Other	
Add Prof Scientific and Technic	9	9		9
Additional Clinical Services	1	1		1
Administrative and Clerical	40	39	1	36
Estates and Ancillary	642	622	20	566
<b>Total whole time equivalents</b>	<b>691</b>	<b>670</b>	<b>21</b>	<b>611</b>
Nursing and Midwifery Registered	2173	2127	46	2194
Students	3	3		20
<b>Total whole time equivalents</b>	<b>6988</b>	<b>6603</b>	<b>385</b>	<b>6940</b>

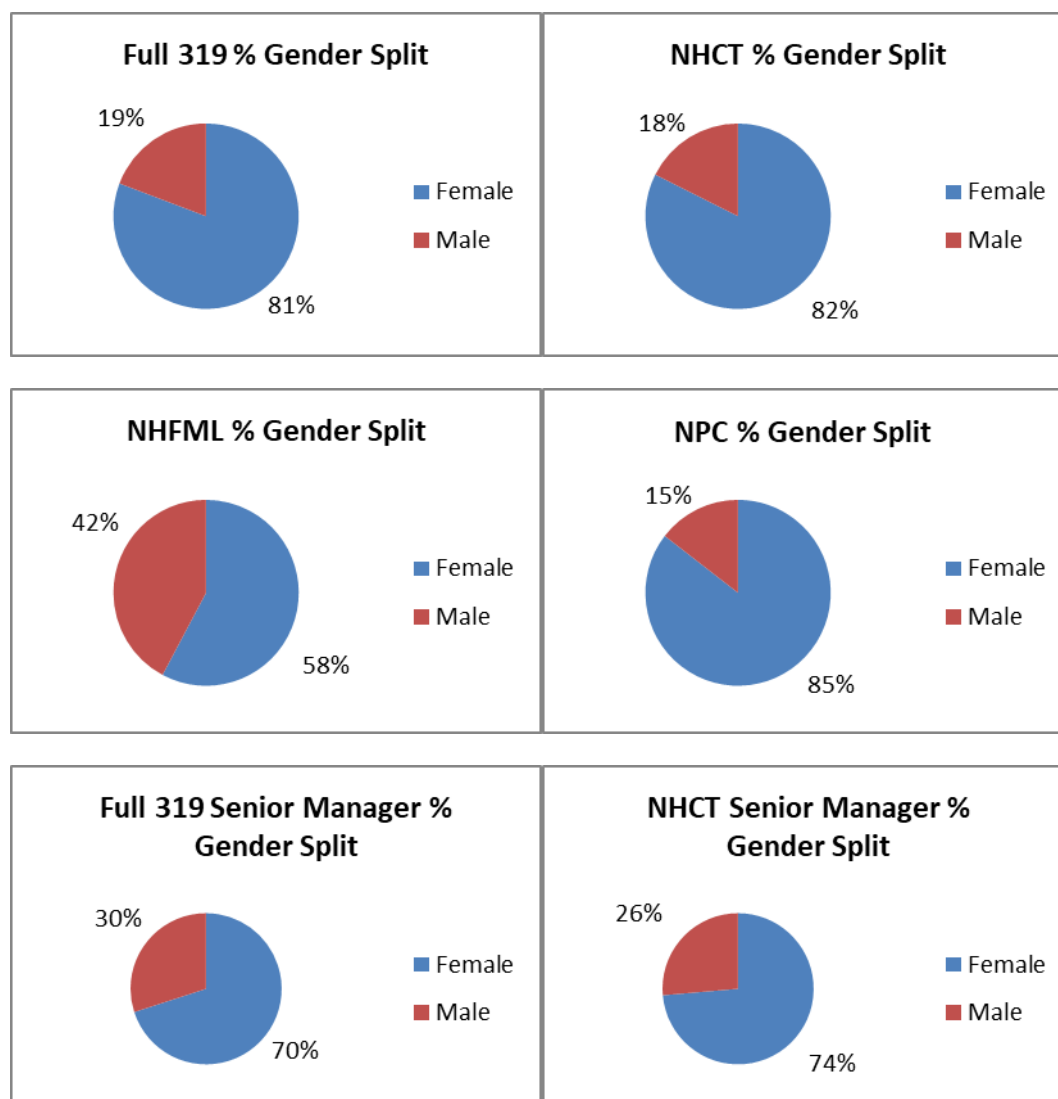


## PART 2: Accountability Report *(continued)*

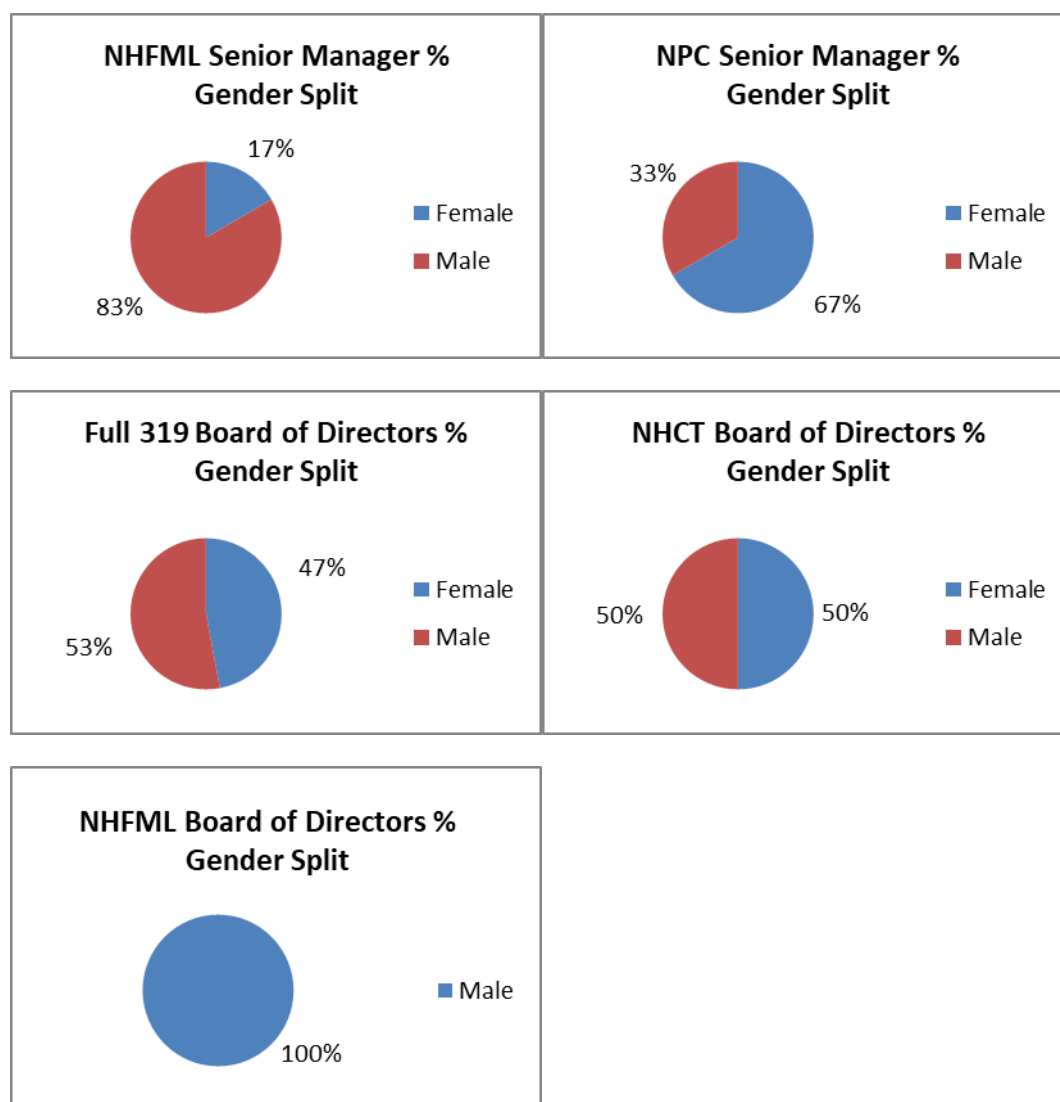
NPC Staffing numbers (whole time equivalents)	Year Ended 31 March 2019			Year Ended 31 March 2018 Total
	Total	Permanent	Other	
Add Prof Scientific and Technic	1	1		1
Additional Clinical Services	17	16	0	11
Administrative and Clerical	65	63	3	68
Estates and Ancillary	1	1		1
Medical and Dental	23	23		24
Nursing and Midwifery Registered	23	18	5	25
<b>Total whole time equivalents</b>	<b>129</b>	<b>121</b>	<b>8</b>	<b>129</b>

### Gender breakdown

A breakdown of staff by gender is shown below:

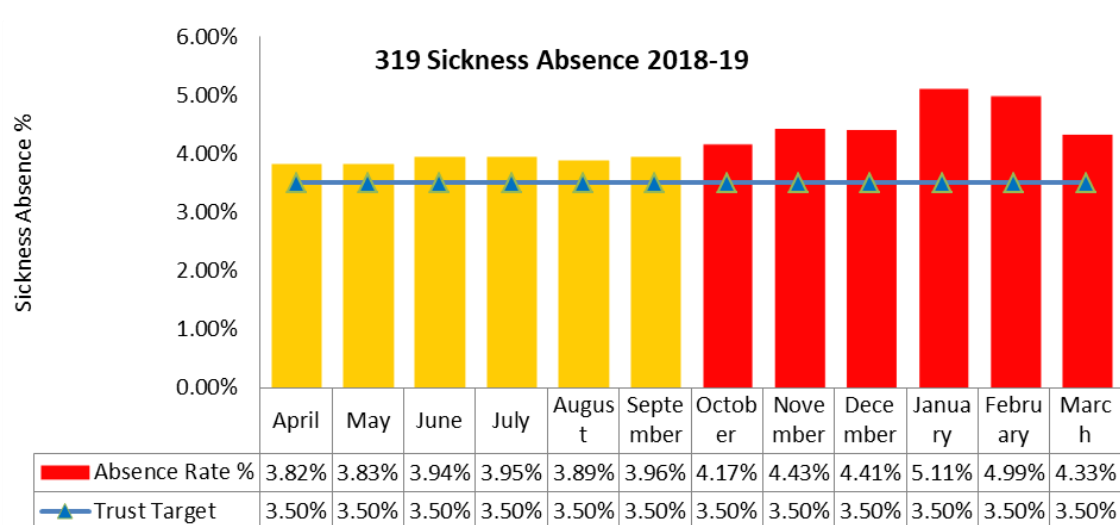


## PART 2: Accountability Report (*continued*)

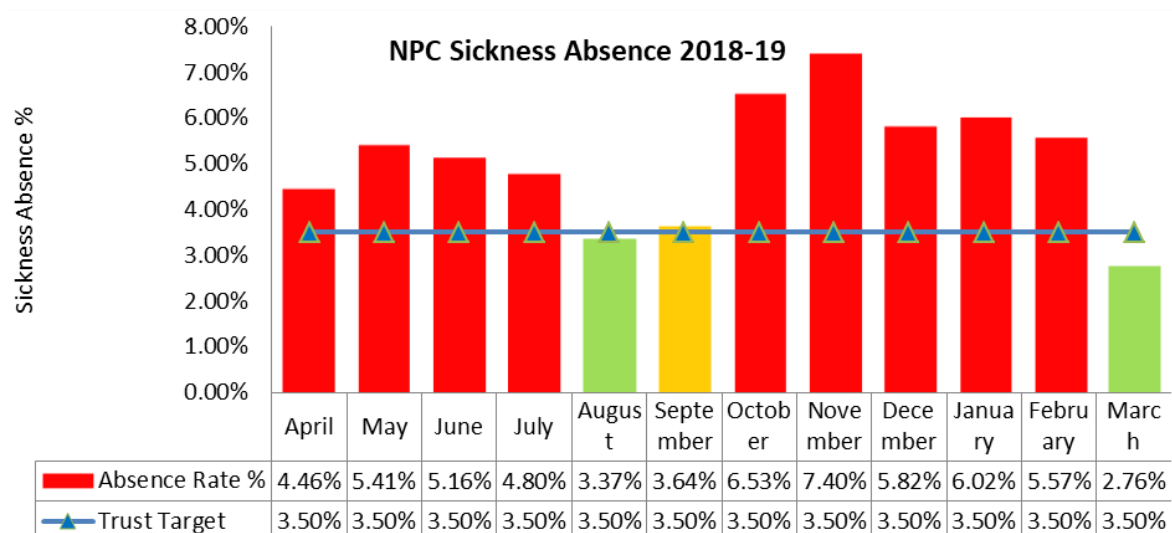
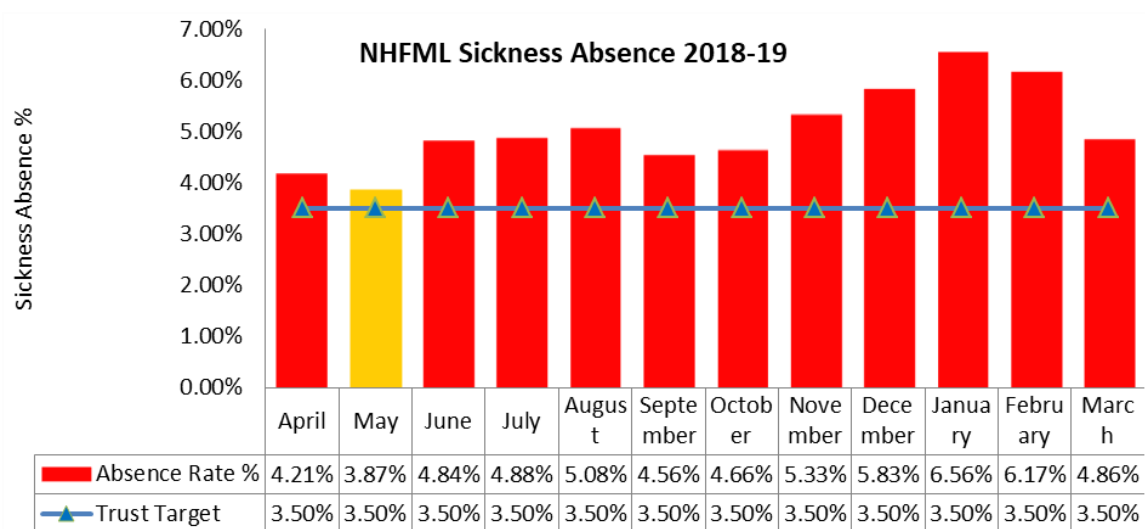
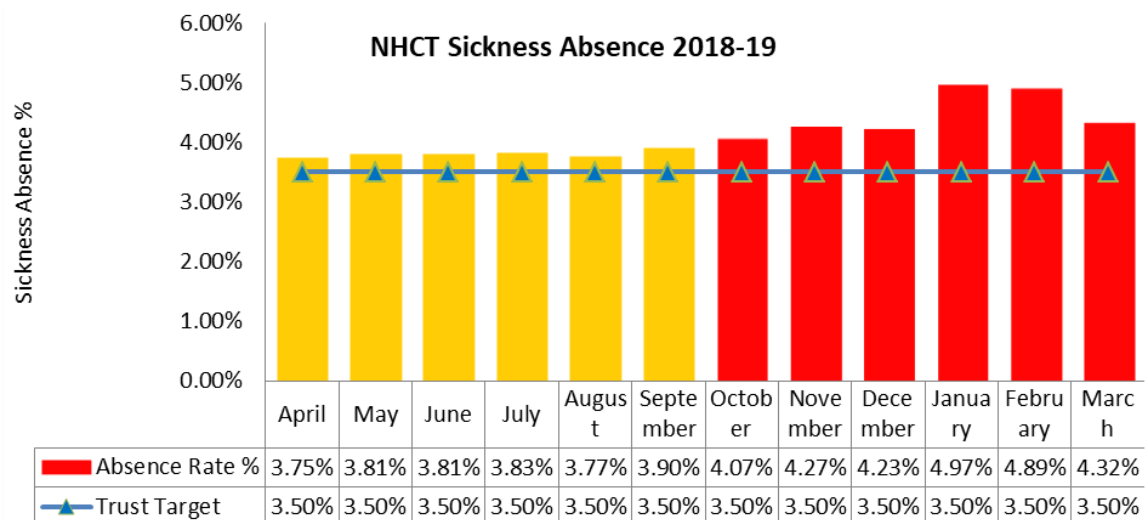


### Sickness absence rate

The Trust's sickness absence data for the year ending 31<sup>st</sup> March 2019 is shown below:



## PART 2: Accountability Report *(continued)*



## PART 2: Accountability Report *(continued)*

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The Trust has shown an improvement in sickness absence rates from 2017-18, although still not at the NHS Operating Standard target of 3.5%. It is of note that 39.10% of staff had no sickness absence in the last 12 months.

The Trust had the best sickness absence results for the North East Region in quarter 3 2018

### Staff Consultation

We make significant efforts to listen to and meaningfully consult with staff from all areas.

This involves senior managers meeting with staff representatives from a broad range of Trade Unions on a bi-monthly basis at a Partnership Meeting.

Issues regularly discussed in the last 12 months include:

- The potential changes involved in moving the delivery of healthcare services closer to home
- Our financial position in a local and national context
- Sickness absence
- Recruitment and retention
- Staff survey results and our staff experience pilot programme
- The Revision of policies and procedures
- Freedom to speak up
- Pension arrangements for subsidiary companies

The topic of engaging and effectively communicating with our staff is at the top of the agenda for partnership meetings and is also a regular area of reflection for the Board of Directors.

### The NHS National Staff Survey

The Trust uses the NHS Staff Survey as one form of measurement in relation to staff engagement. We also seek to correlate and analyse these results alongside all other measurement tools including Staff Friends and Family Test, Leavers Survey, GMC survey and our local Staff Experience Programme. The Trust places great importance on the completion of the national staff survey, which provides valuable insight into what we need to improve. Our results from the 2018 staff survey were very encouraging and are as shown below

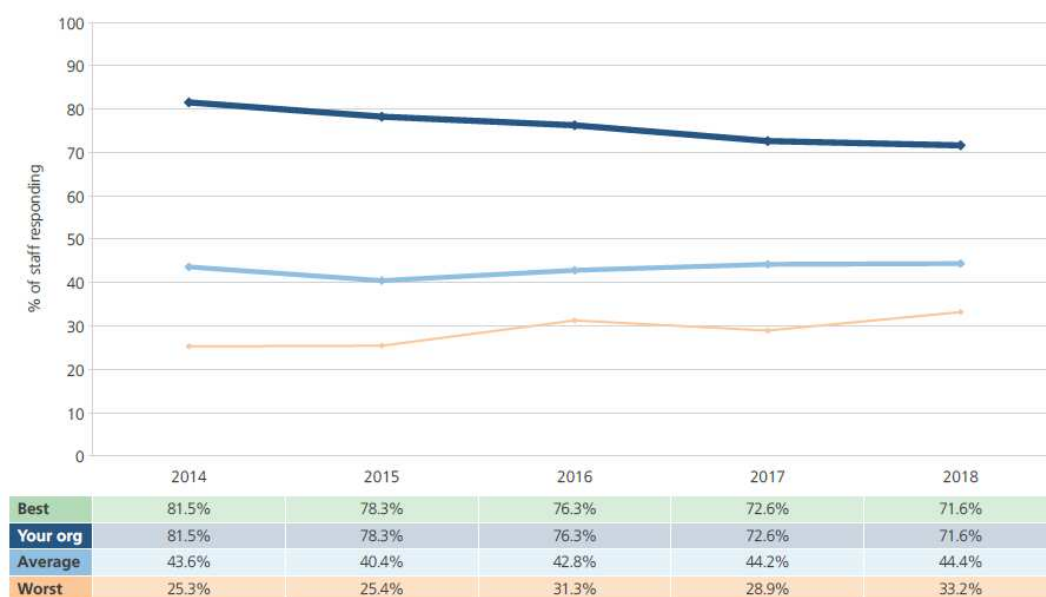
The NHS staff survey is conducted annually. From 2018 onwards, the results from questions are grouped to give scores in ten indicators. The indicator scores are based on a score out of 10 for certain questions with the indicator score being the average of those.

## PART 2: Accountability Report *(continued)*

The response rate to the 2018 survey among Trust staff was 72% (2017: 73%). Scores for each indicator together with that of the survey benchmarking group (Acute Trusts) are presented below.

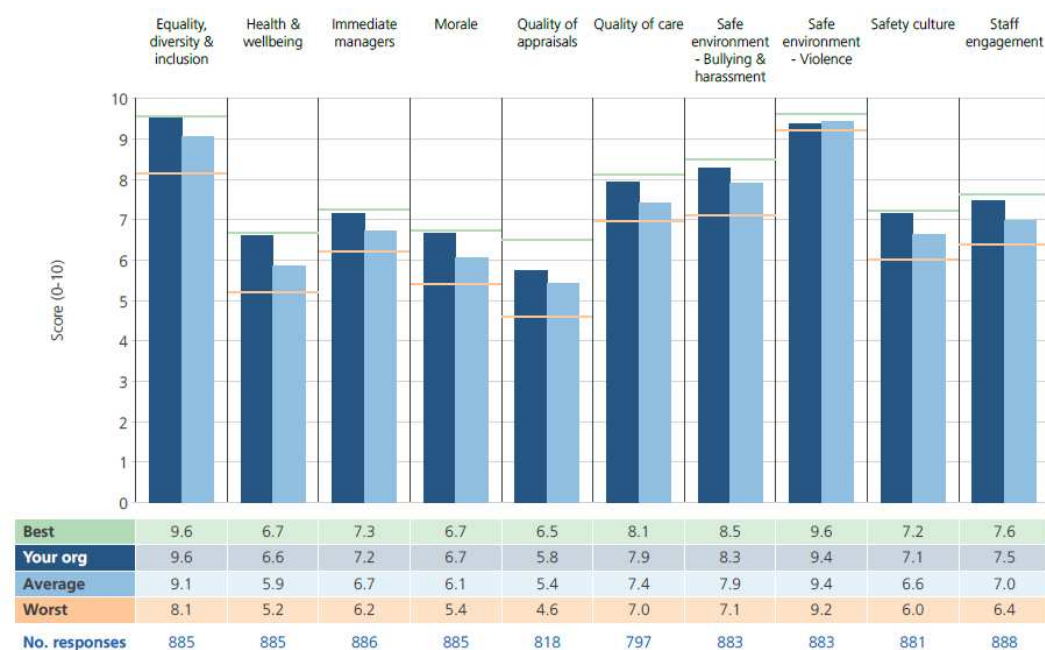
- Response rate

The sample size was consistent with last year, 1250 staff were invited to respond. We maintained the highest response rate for any acute Trust.



- Performance against 10 themes

The Trusts performance against the 10 key themes from the 2018 staff survey is shown in the graph and table below.



## PART 2: Accountability Report *(continued)*

	2018/19			2017/18			2016/17		
	Trust	Benchmarking group		Trust	Benchmarking group		Trust	Benchmarking group	
		Av	Best		Av	Best		Av	Best
<b>Equality, diversity and inclusion</b>	9.6	9.1	9.6	9.4	9.1	9.4	9.6	9.2	9.6
<b>Health and wellbeing</b>	6.6	5.9	6.7	6.6	6.0	6.6	6.7	6.1	6.8
<b>Immediate managers</b>	7.2	6.7	7.3	7.1	6.7	7.2	7.1	6.7	7.2
<b>Morale</b>	6.7	6.1	6.7	N/A	N/A	N/A	N/A	N/A	N/A
<b>Quality of appraisals</b>	5.8	5.4	6.5	5.5	5.3	6.4	5.7	5.3	6.3
<b>Quality of care</b>	7.9	7.4	8.1	7.9	7.5	8.1	7.9	7.6	8.3
<b>Safe environment – bullying and harassment</b>	8.3	7.9	8.5	8.4	8.0	8.4	8.6	8.0	8.6
<b>Safe environment – violence</b>	9.4	9.4	9.6	9.3	9.4	9.6	9.4	9.4	9.7
<b>Safety culture</b>	7.1	6.6	7.2	7.0	6.6	7.0	7.1	6.6	7.1
<b>Staff engagement</b>	7.5	7.0	7.6	7.3	7.0	7.4	7.4	7.0	7.4

- Overall rankings compared with other Trusts:
  - ✓ Ranked 2<sup>nd</sup> among non-specialist acute Trusts (out of 86)
  - ✓ Ranked 6<sup>th</sup> compared to all other Trusts (out of 163)
- Top scores

In 2 of the 10 themes the Trust received the highest ranking of any acute Trust; Equality, diversity & inclusion & Morale. In a further 4 themes the Trust was only 0.1 lower than the highest score of any acute Trust; Health & wellbeing, Immediate Managers, Safety culture and Staff engagement.

- Bottom scores

The Trust is equal to the average in 1 theme Safe Environment – Violence and 0.2 from the best acute score in this theme.

The Trust is above average in Quality of Appraisal but 0.7 from the best acute score in this theme.

### Future priorities and targets

The Trust has a staff engagement strategy that clearly defines streams of work underway to address staff experience in the organisation and specific actions in response to the staff survey results have been included. Progress is being monitored by the Board of Director's Workforce Committee. Examples of actions to be taken as key priorities include a public communications campaign on the Trust's zero tolerance of physical violence and abuse

## PART 2: Accountability Report (*continued*)

towards staff, the continued roll out of management & leadership skills training programmes to enhance the quality of appraisal discussions and a review of the best performing Trusts on quality of appraisal to see what can be learned. In addition, the Staff Experience Programme 12 month pilot will continue to enhance our ability to measure staff experience in real time and further explore the links between staff and patient experience.

### Trade Union (Facility Time Publication Requirements) Regulations 2017/18

In accordance with the ARM, the Trade Union (Facility Time Publication Requirements) Regulations 2017/18 and the cabinet Office, the below disclosures detail the Trust's Trade Union representatives.

- Number of employees who were relevant union officials during the relevant period

<i>Number of employees who were relevant union officials during the relevant period</i>	<i>Full-time equivalent employee number</i>
32	7796.87

- Percentage of employees time spent on facility time

<i>Percentage of time</i>	<i>Number of employees</i>
0%	18
1-50%	10
51%-99%	0
100%	4

- Percentage of pay bill spent on facility time

	<i>Figures</i>
Provide the total cost of facility time	£97,655.88
Provide the total pay bill	£340,198,537.40
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	2.87%

- percentage of total paid facility time hours spent by employees who were relevant union officials during the relevant period on paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	100%
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## PART 2: Accountability Report (*continued*)

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### Expenditure on Professional and Consultancy Fees

During 2018/19, the Trust spent £1.77 million on professional and consultancy fees.

### Apprenticeship programmes and Nurse training

We continue to be recognised as an early adopter of the apprenticeship levy and associated new apprenticeship standards. This was acknowledged by the Right Honorable Anne Milton MP, Minister of State for Apprenticeships and Skills, who wrote to us thanking us for our commitment to and enthusiasm for apprenticeships and applauding us as a top performing apprenticeship employer.

We are proactively using the new apprenticeship standards to create apprenticeship opportunities for school leavers and others within the North East communities but also to invest in the development our own staff in support of their career development and progression.

We are proud of our current apprenticeship performance and are exceeding our Public Sector Duty requirements (to have 2.3% of our staff on an apprenticeship programme) and this, coupled with the number of apprentices securing roles within Northumbria reassures us that we are delivering high quality programmes with the support of our partners.

Our focus remains in delivering apprenticeships across both clinical and non-clinical areas and in contributing to the development of new apprenticeship standards to support our future workforce needs.

In response to the nursing and medical recruitment challenges facing the healthcare system, we have continued to be active in looking for opportunities to develop new workforce roles.

The second cohort of nurses who have trained in 18 months (through our own Northumbria nurse degree programme in partnership with Northumbria University) qualified in September 2018.

In April 2019 our first 15 Nursing Associates complete their programme and register with the NMC. Our second cohort began in April 2018 and our third cohort will begin their training in March 2019. The Nursing associate is a new NMC registered support role that will bridge the gap between existing health care assistants and fully-qualified registered nurses to deliver hands-on care for patients. We are looking forward to welcoming the first ones into our nursing family.



## PART 2: Accountability Report *(continued)*

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The development of Health Education England's Multi Professional Advanced Clinical Practice Framework has offered clarity to this senior clinical role. This year 9 trainee Advanced Clinical Practitioners commenced a brand new 3 year Masters programme in Advanced Clinical Practice developing new skills and expertise in five of our clinical areas.

We continue to innovate in nursing and midwifery education and have recently completed a very successful pilot project, in partnership with Northumbria University, exploring new models of practice learning. The pilot has succeeded in us being able to flexibly increase the number of student nurses on practice placement, implement the new NMC standards for education and develop a new framework for practice learning that is now influencing curriculum design at Northumbria University. Findings of the pilot will be shared at a National conference in the summer of 2019.

### Policies in relation to disabled employees and equal opportunities

The Trust has a strong equality and diversity (E&D) programme with a dedicated E&D lead who is supported by a newly appointed Staff Inclusion lead and a number of colleagues. During 2017/18, the Trust has continued to build on the work initiated during our involvement in the NHS Employers' Equality Partners Programme and has acted as a mentor to a number of Trusts nationally in relation to E&D work and is supporting Northumberland County Council in their delivery of E&D Initiatives. The Trust has remained a Stonewall Champion and has sponsored the inaugural PRIDE event in Northumberland. The Trust participate in the Disability Confident Employer scheme at level two with plans to progress to level three in year. The Trust has built on its active and well-represented staff network groups for BAME, Disabled, Autism Spectrum and LGBT employees and has established two additional networks based on expressed needs: a menopause/andropause network and a network for staff with caring responsibilities. The Trust has an E&D Allies programme with over 80 staff signed up to support E&D initiatives. These staff members actively work in key strategic areas of the Trust to ensure that all staff are well informed about key E&D issues and that positive interventions to support staff within the workplace take place in an accessible way. The results from the staff survey for BAME staff have shown an improvement since last year in experience at work and our interventions will continue in year to ensure gaps between BAME and white staff experience closes.

### Policies in relation to health and safety

The Trust's Health and Safety Steering Group continues to have strong representation from across the Trust led by the Trust Board and Executive team. It had an agreed set of objectives which were delivered during 2018/19

## **PART 2: Accountability Report (*continued*)**

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The objectives were set following a robust review of the Trusts approach to health and safety which focused on compliance, capability, audit and culture within the organisation

Our Trust has recognised the need to embed the principles within all parts of the organisation and continues to invest in the team to manage the topic area, further demonstrating the commitment the Trust has to ensure its staff, patients and visitors are not put in harm's way

### **Policies in relation to countering fraud and corruption**

We comply with counter fraud standards for providers as detailed by the NHS Counter Fraud Authority in accordance with section 24 of the NHS Standard Contract and we participate in the National Fraud Initiative led by the Cabinet Office under the Local Audit and Accountability Act 2014. Staff are trained in fraud awareness and we actively promote the mechanism for staff to report any concerns about potential fraud, bribery or corruption. All concerns of fraud, bribery and corruption are investigated by the Counter Fraud Specialist and the outcome of all investigations are reported to the Audit Committee.

### **Emergency Preparedness, Resilience & Response**

The Trust has undertaken a self-assessment against the NHS England Core Standards for Emergency Preparedness Resilience and Response (EPRR) during 2018/19. Following this self-assessment and line with the definitions of compliance the Trust declares itself as having substantial assurance.

### **Staff engagement**

The engagement of our staff, volunteers, trainees and students is central to the successful delivery of high quality healthcare. New digital communication channels have been created to enable greater access to information and the ability to personalise that accordingly via the Enyware tool as well as creating a staff Facebook page as a platform for staff communications.

The Engagement and Inclusion Lead role created in 2018/19 in conjunction with Northumberland County Council has enabled a sustained focus on a staff engagement strategy as well as advancing staff inclusion in revitalising existing staff network groups and creating new ones in keeping with our diversity ambitions and intentions. A prime example of staff initiated and led support systems include the establishment of a Menopause / Andropause staff network group. Our staff engagement score continues to be in the best 20% of acute Trusts in the 2018 staff survey.

## PART 2: Accountability Report *(continued)*

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Our collective, compassionate and inclusive leadership work (designed to advance our staff engagement and maintain Northumbria's reputation as a great place to work) continued into its delivery phase in 2018/19 with a comprehensive action plan to achieve this.

### NHS Foundation Trust Code of Governance disclosures

The NHS Foundation Trust Code of Governance contains guidance on good corporate governance. NHS Improvement, as the healthcare sector regulator, is keen to ensure that NHS Foundation Trusts have the autonomy and flexibility to ensure their structures and processes work well for their individual organisations, whilst making sure they meet overall requirements. For this reason, the Code is designed around a “comply or explain” basis. NHS Improvement recognises that departure from the specific provisions of the Code may be justified in particular circumstances, and reasons for non-compliance with the Code should be explained.

Northumbria Healthcare NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a ‘comply or explain’ basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012. There are other disclosures and statements (mandatory disclosures) that we are required to make, even where we are fully compliant. The mandatory disclosures have already been made within the main text of the Annual Report and page references are therefore provided below.

NHS Foundation Trusts are required to provide (within their Annual Report) a specific set of disclosures in relation to the provisions within Schedule A of the Code of Governance. We are compliant with these provisions and in compliance with the Code, a supporting explanation for each required provision is provided within the table below. The table also demonstrates how we have complied with the necessary aspects of the Foundation Trust Annual Reporting Manual (FT ARM).

For further information in relation to the way in which the Board of Directors operates, please refer to page 29.

Provision reference	Compliance
A.1.1	The section starting on page 29 outlines the role and responsibilities of the Council of Governors and the Board of Directors.
A.1.2	The Board of Directors’ role and responsibilities (page 29), identifies the Chairperson, the Deputy Chairperson, the Chief Executive and Senior Independent Director. The table further details the meetings attended by the Board of Directors and their attendance.  Nomination, Remuneration and Development Committee (page 48), details the members and attendance of these meetings.  Audit Committee (page 37) details the members and attendance of the Audit Committee
A.5.3	Council of Governors and composition (page 42), details the members of the Council of Governors, including the constituency they represent, election/appointment information, the duration of their appointments and the nominated lead Governor.

## PART 2: Accountability Report *(continued)*

Provision reference	Compliance
FT ARM	<p>The FT ARM requires an additional statement about the number of meetings of the Council of Governors and individual attendance by Governors and Directors.</p> <p>Attendance of Governors is detailed within the Council of Governors and composition (from page 42). Attendance of Directors is detailed within Directors' report (from page 29).</p>
B.1.1	The Board of Directors considers all Non-Executive Directors of the Trust to be independent. Further detail is provided within the Directors' report (from page 29).
B.1.4	The skills, expertise and experience of each Director of the Board is detailed within the Directors Report from page 29. A clear statement about the balance, completeness and appropriateness of the Board is available within Board composition.
FT ARM	The FT ARM requires the inclusion of the length of appointments of Non-Executive Directors. This is detailed in Directors' report (page 29).
B.2.10	Nomination, Remuneration and Development Committee (page 48), describes the work of the Nominations Committee, including the process it has used in relation to Board appointments.
FT ARM	The FT ARM requires the Trust to disclose the work of the Nominations Committee in relation to the appointment of the Chair. Nomination, Remuneration and Development Committee (page 48), details the appointment process for Non-Executive Directors during the 2018/19 period.
B.3.1	The Chairman of the Trust had no significant commitments to declare during 2018/19 as detailed in Board composition and balance (from page 29). Any change to commitments would be reported to the Council of Governors as they arise and would be subject to review within the Nomination, Remuneration and Development committee as appropriate.
B.5.6	The Membership strategy (page 52) details the approach of the Trust, as defined by the Council of Governors, to gathering the opinion of the Trust's members, and the public.
FT ARM	The FT ARM requires the Trust to declare where Governors have exercised their power under paragraph 10C of schedule 7 the NHS Act 2006. During the period of 2018/19, Governors have not exercised this power.
B.6.1	The Annual Governance Statement, (page 80), details how the performance of the Board and its committees has been conducted.
B.6.2	KPMG are the external auditors of the Trust and are independent. In order to ensure that the independence and objectivity of the external auditor is not compromised by providing the Trust with additional non-audit services, a policy has been agreed that requires the Audit Committee to approve the arrangements for all proposals to engage the external auditors on non-audit work. The auditors themselves also comply with the ethical standards of the Auditing Practices Board in this matter.
C.1.1	<p>The Director's explanation of responsibility in relation to the preparation of the Annual Report and Accounts is detailed in the statement of the Chief Executive's responsibilities as the Accounting Officer of Northumbria Healthcare NHS Foundation Trust (page 78)</p> <p>The Directors approach to quality governance is detailed in the Annual Governance Statement (page 80)</p>
C.2.1	Annual Governance Statement (page 80) details the review of effectiveness of the Trust's internal controls.
C.2.2	The Annual Governance Statement (page 80) details how the Trust's internal audit function is structured and the role that it performs.

## PART 2: Accountability Report *(continued)*

Provision reference	Compliance
C.3.5	Following a tendering exercise, The Council of Governors approved the reappointment of the Trust's external Auditor, KPMG LLP for a period of three years, effective from 1 <sup>st</sup> April 2017 with an option of an extension for a further two years.
C.3.9	Audit Committee, describes the work of the Audit Committee in discharging its responsibilities (page 37).
D.1.3	Remuneration disclosures within the Annual Report comply with the code relating to the release of an Executive Director to serve elsewhere by including a statement relating to their retention of earnings. Further detail is provided within remuneration report (page 54).
E.1.4	Contact procedures for members who wish to communicate with Governors are available to members on the Trust's website. A dedicated email address is provided to support our members and the public to contact Trust Governors. <a href="mailto:Governors@northumbria.nhs.uk">Governors@northumbria.nhs.uk</a>
FT ARM	The FT ARM requires the Annual Report to provide further detail relating to membership including eligibility requirements, number of members and summary of the membership strategy. The information is detailed as required in membership activity and membership strategy (page 52).
FT ARM	The FT ARM (based on the FReM requirement) requires the Trust to disclose details relating to the Governors and Directors declarations of interest. The Trust Constitution and Health and Social Care Act 2012 provide an explanation on how members of the public can gain access to the registers of interest.
E.1.5	Non-Executive Directors, Executive Directors, and Directors of the Board develop an understanding of the views of Governors and members about the NHS Foundation Trust through attendance at Governors' General meetings, Development Meetings and Committees.  Board of directors and responsibilities (page 29), provides further detail relating to the relationship between Governors and Board members. Attendance of Board members at Governors General Meetings is provided on page 45. Attendance at Council of Governors General meetings is provided on page 45.
E.1.6	The Board of Directors monitor the representation of the Trust's membership in compliance with the code. This is detailed from page 50.

The Trust is compliant with all provisions.

### Trust Constitution and Health and Social Care Act 2012

Our Constitution was amended in April 2013 to incorporate changes required as a result of the Health and Social Care Act 2012 (the Act). The Act, introduced fundamental changes to the way NHS Foundation Trusts are governed and managed. This included Directors having a statutory responsibility to promote the success of the Trust and maximise benefits for members as a whole, and the public. There were also express duties included that requires each Director to avoid conflicts of interest. The annual Declarations of Interest for both the Board of Directors and Council of Governors alongside the Trust's Constitution are available on our website at [www.northumbria.nhs.uk](http://www.northumbria.nhs.uk).

## PART 2: Accountability Report (*continued*)

### NHS Improvement's Single Oversight Framework

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

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

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

#### Segmentation

The Trust continues to be classified by NHS Improvement as being in segment 1. This is the best rating given by the regulators. Current segmentation information for NHS Trusts and foundation Trusts is published on the NHS Improvement website.

#### Finance and use of resources

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

Area	Metric	2018/19 Score			
		Q1	Q2	Q3	Q4
Financial sustainability	Capital service cover	1	2	2	2
	Liquidity	1	1	1	1
Financial efficiency	I&E margin	1	1	1	1
Financial controls	Distance from financial plan	2	1	1	1
	Agency spend	2	1	1	1
Overall scoring		1	1	1	1

### Statement of Accounting Officer's Responsibilities

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Northumbria Healthcare 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 Northumbria Healthcare NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

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

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation Trust and to enable him/her to ensure that the accounts comply with requirements outlined in the



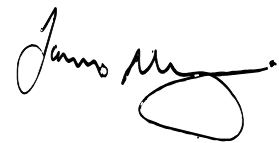
## PART 2: Accountability Report *(continued)*

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above mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

**Sir James Mackey**

A handwritten signature in black ink, appearing to read 'James Mackey', with a large, stylized loop at the end.

**Chief Executive Officer**

**23<sup>rd</sup> May 2019**

## PART 2: Accountability Report (*continued*)

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### Annual Governance Statement

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#### Scope of responsibility

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

#### The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives of Northumbria Healthcare NHS Foundation Trust, 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 Trust throughout the year ended 31<sup>st</sup> March 2019 and up to the date of approval of the Annual Report and Accounts.

#### Capacity to handle risk

##### Risk leadership

The Board of Directors has the overall responsibility for risk management within the Trust. Terms of Reference for the Board's assurance-seeking committees also set out the responsibility of key meetings in the oversight of risk management. In addition to the Audit Committee the Trust has an Assurance Committee which reviews Business Unit Risk Registers and associated actions in detail.

The specific responsibilities of each Board member, Business Unit Director, General Manager, Department Head, and Operational Service Manager, are set out in the Trust's Risk Management Strategy and Policy.

We have also appointed a Senior Independent Director, in line with the NHS Foundation Trust Code of Governance.

## PART 2: Accountability Report (*continued*)

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The role of the Senior Independent Director is to be available to Governors and members (including staff) should they have any concerns that they feel unable to raise via normal channels of communication with the Chair, Chief Executive, or any other Board members, or where such communication remains unresolved or would be inappropriate.

### Risk training

We employ appropriately-qualified staff who specialise in risk management. Risk management awareness and health and safety training is delivered to all new members of staff on the first day of employment and to existing staff through mandatory training programmes. There is also the facility for all staff to undertake further training in health and safety using e-learning. The Trust's suite of policies enables staff to understand their specific responsibilities in relation to risk management, depending upon where they work and the nature of their role. All job descriptions include specific reference to requirements regarding risk management, infection control and health and safety.

### The risk and control framework

We have a Risk Management Strategy and Policy which was reviewed by the Board during 2018/19. Risks are identified proactively through; risk assessment processes, our quality management system which includes harm review and mortality reviews, reactively through the monitoring of key business objectives and through incidents, complaints and claims. These risks are evaluated through the use of a risk assessment matrix and controlled through a risk register system.

### Quality governance arrangements

The Board has a dedicated Safety and Quality Committee which is responsible for the oversight of quality governance, including risks to clinical quality, throughout the Trust. The Safety and Quality Committee is chaired by a Non-Executive Director and includes within its membership the Chief Executive, Executive Medical Director, Executive Director of Nursing, Executive Director of Performance and Improvement, Head of Quality and Assurance, Chief Matrons, and Business Unit Directors and Deputy Directors. The Committee routinely receives assurance in relation to the Trust's compliance with CQC registration requirements.

In order to operate as a provider of NHS services under licence with the CQC, we must comply with the requirements of NHS Improvement's (NHSI's) Quality Governance Framework. NHSI (previously referred to as Monitor), and the CQC have aligned their definition of a 'well-led' organisation which is reflected in CQC's assessment approach, as well as NHSI's approach to regulatory oversight.

## PART 2: Accountability Report (*continued*)

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In 2016, the Trust commissioned an independent review of governance arrangements using Monitor's well-led framework, a process which is required at least every three years. There are four domains of the well-led framework which are: strategy and planning; capability and culture; process and structures and measurement. The report identified a number of strengths and good practice within the Trust, although there were areas identified for further development and improvement. An independent follow-up review began in April 2018, the results of which were considered by the Board and a well-led action plan was created and implemented.

The Safety and Quality Committee in conjunction with the Board of Directors, has responsibility for producing the strategic safety and quality vision, strategic goals and an implementation plan by horizon scanning and learning from the best evidence available. The Committee reports to the Board of Directors via a regular report on progress with the strategic objectives and produces the draft annual Quality Account for consideration by the Board.

We have arrangements to monitor compliance with the CQC registration requirements through completion of provider compliance assessments for each of the 16 essential safety and quality standards. Each safety and quality standard has an Executive Director lead and evidence of compliance is provided to the Assurance Committee at quarterly intervals. We are fully compliant with the registration requirements of the CQC and achieved an overall rating of 'Outstanding' following the CQC inspection in November 2015.

Incident reporting is openly encouraged and handled across the Trust. We have fully endorsed this principle. All serious untoward incidents and significant learning events are investigated by a senior clinician and manager and reported to the appropriate Business Unit Board to agree on the action plan and monitor implementation.

In addition, the most serious incidents are reviewed by the Trust's safety panel process, which provides independent scrutiny of incident investigations and monitoring of the completion of action plans arising from such investigations. All serious incidents are reported to the Board on a monthly basis.

Trust-wide learning is encouraged at all levels of the organisation. The Clinical Policy Group, a monthly meeting attended by a wide range of clinicians, is a key forum for sharing learning and good practice. Sharing the lessons learnt is by cascade via the Clinical Policy Group via the management teams to the ward management team.

We have worked closely with partner organisations to explore, understand, quantify and minimise potential risks which may impact upon other organisations and public stakeholders. Issues identified through the Trust's risk management process that impact on

## PART 2: Accountability Report *(continued)*

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partner organisations and public stakeholders will be discussed in the appropriate forum so that action can be agreed.

We have undertaken risk assessments and have a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust have developed a detailed workforce strategy which identifies the need to develop new roles and ways of working to meet the needs of the Trust clinical strategy and to alleviate workforce supply shortages in some professions.

We know we have an ageing workforce in critical roles (such as nursing) and struggle to recruit into other specialist roles (e.g. radiographers and radiologists in clinical support) and so will work to develop an alternative workforce where possible to meet our needs.

The Trust is committed to ensuring safe staffing levels and has mitigations in place to ensure robust monitoring through daily staffing overview across seven days so allocation of staff is based on clinical judgement with patient dependency.

The Trust will include the NHSI safeguards to our reporting and monitoring processes both operationally from ward level to Board. The Trust has a process in line with NQB 2016 guidance which applies triangulation of metrics using an evaluation based tool, professional judgement and outcomes. The NHSI developing Safeguards will further mitigate safe staffing through applying the Quality Impact Assessments.

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

The Trust has published an up-to-date register of interests for decision making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

## PART 2: Accountability Report *(continued)*

### Assurance Framework

The Board's Assurance Framework provides the Trust with a system to identify and monitor risks to meeting its key strategic objectives. Each risk is mapped to corresponding controls and assurances, both internal and external.

The Board of Directors has a well-established process for ensuring that the content of the Assurance Framework is fit-for-purpose. In addition to quarterly formal reviews of the Assurance Framework at formal meetings, the Board has established an Assurance Committee, Chaired by a Non-Executive Director, which is responsible for assuring the Board that the risk culture of the Trust is effective. One of the core functions of the Committee is to consider all high risks as identified by Business Units, to assess for their strategic impact, and add to the Board's Assurance Framework, if appropriate.

The risks included on the Board Assurance Framework are separated and individually managed and monitored by the appropriate Board Committee on a monthly or bi-monthly basis in order to ensure the risks are given due consideration at the relevant forum.

The highest scoring risks identified via the Assurance Framework during 2018/19, and associated actions, are summarised below:

Major Risks	In-year or future risk?	Clinical Risk	Mitigating Actions
<b>NHS Improvement Single Oversight Framework</b> Significant risks has been highlighted during the year in respect of the following measures which form part of the single oversight framework: <ul style="list-style-type: none"><li><u>Failure to achieve A&amp;E four-hour target of 98% (internal) or 95% (national)</u> - The Trust has experienced unprecedented levels of demand in its A&amp;E department.</li><li><u>Zero tolerance of hospital acquired Clostridium difficile</u> - Failure to achieve a maximum of 29 hospital acquired clostridium difficile infections.</li><li><u>Cancer targets</u> – GP referral to treatment and bowel cancer screening</li></ul>	In year	Yes	Performance against the four-hour A&E target is closely monitored by the Board and Executive Management Team. An action plan has been developed and continues to be closely monitored by the Trust.  The Board receives monthly performance data regarding the number of cases of C-Difficile via its Finance, Investment and Performance Committee and Safety and Quality Committee.  Weekly tracking meetings are undertaken to try and ensure that all patients are seen within timeframe.
<b>Staffing</b> Ensuring that enough suitably qualified staff are deployed to meet the needs of people using the service	In year and future risk	Yes	The Board receives regular reports regarding staffing levels, vacancy levels and turnover rates within the Trust however recruitment of certain staff groups continues to be problematic, with national shortages of some disciplines. Targeted recruitment campaigns together with overseas recruitment continues to be undertaken. A monthly ward nursing and midwifery assurance report which includes review of a monthly quality

## PART 2: Accountability Report (*continued*)

Major Risks	In-year or future risk?	Clinical Risk	Mitigating Actions
			dashboard metrics for triangulation of actual staffing levels, patient dependency and outcomes is presented to the Safety & Quality Committee and the Trust Board.
<b>Healthcare Funding</b> Overall healthcare funding remains a very high risk for the Trust, with increased demand for services and demographic changes.	In year and future risk	No	Financial performance is closely monitored by the Board, Executive Management Team and the Finance and Performance Committee.
<b>Premises and equipment</b> The Trust has received expert advice on rectification works that are required in some parts of its estate.  CSSD function and capacity, with rising demand and aging equipment a risk for continued service provision has been identified.	In year and future risk	No  Yes	Improvement works to address issues raised by external experts has continued during the year and is being monitored closely by the Executive Management Team and the Board of Directors.  The CSSD risk is currently being mitigated through a combination of maintenance contracts and in-house maintenance, however significant investment has been allocated to the 2019 capital plan to address the risk.
<b>IM&amp;T</b> Cybercrime and the continuing emergence of new types of 'attacks' remains a high risk. In addition, there is also a more general IM&T risk related to the Trust's IT legacy infrastructure which is very old and requires a staged refresh	In year and future risk	Yes	A significant amount of progress has been made to mitigate the risk associated with cyber security.  The first steps of the IT refresh has started with consolidation of the data centres and servers, but more work is required to ensure that this is both robust for business as usual and also fit for the future development of IT solutions across the Trust.  Updates on progress are monitored closely by Executive Management Team, Audit Committee, Information Management & Technology Committee, and the Board of Directors.
<b>EU Exit</b> Uncertainty over the implications of a no deal EU exit	In year and future risk	Yes	The Department of Health and Social Care (DHSC) is leading national NHS preparations for a 'no deal' EU exit. Local preparations are also being undertaken, with the DHSC providing operational guidance to Trusts. The implications of the EU exit are regularly monitored by the Finance and Performance Committee.

During the year, the Board has been updated in public session on the national expectations on Trusts related to the United Kingdom leaving the European Union. The Trust has complied with all relevant national requirements. The Board has reviewed the potential risks, and has concluded that this is not a significant strategic risk for the organisation given the matters being dealt with directly by NHS central bodies and HM Government.

### Data security

There are robust arrangements in place to provide assurance on the quality of performance information. This is known as our data quality standards and these are reported quarterly to the Trust's Information Management and Technology Group. The Trust is compliant with Level 2 or above against all of the information governance standards and will complete a satisfactory submission of the Data Security and Protection Toolkit at the end of March 2019. There is an annual independent review by our Internal Auditors which reviews

## PART 2: Accountability Report (*continued*)

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performance information included as part of the quarterly governance declarations made to the Regulator.

As an NHS Organisation we have a Caldicott Guardian, a dedicated Board member who is responsible for protecting the confidentiality of people's health and care information and making sure it is used properly.

We also have a Senior Information Risk Owner ('SIRO'), a dedicated Board member with responsibility for assuring the Board regarding progress against the Trust's information governance work programme.

The key role of the SIRO & Caldicott Guardian, in conjunction with the Information Governance Group, is primarily to ensure:

- Compliance with the information governance toolkit/ Data Security & Protection Toolkit and improvements in relation to managing risks to information;
- Organisational compliance with legislative and regulatory requirements relating to handling of information, including compliance with the Data Protection Act (2018) and Freedom of Information Act (2000);
- Any Serious Untoward Incidents within the preceding twelve months, relating to any losses of personal data or breaches of confidentiality;
- Implementation of the General Data Protection Regulations (GDPR);
- The direction of information governance work during 2018-19 following the release of the new Data Security and Protection toolkit and how it aligns with the strategic business goals of the Trust and outlines the work plan for the coming year.

As part of the Trust's responsibilities under the Data Protection Act / GDPR, we also have a dedicated Data Protection Officer. Their tasks are:

- To inform and advise on the GDPR and other data protection laws;
- Monitor compliance with the GDPR and other data protection laws, data protection policies, including managing internal data protection activities; raising awareness of data protection issues, training staff and conducting internal audits;
- Cooperate with the supervisory authority
- Be the first point of contact for supervisory authorities and for individuals whose data is processed (employees, customers etc).



## PART 2: Accountability Report (*continued*)

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

We have robust arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include ensuring the financial strategy is affordable, scrutiny of cost savings plans to ensure achievement, compliance with terms of authorisation and coordination of individual objectives with corporate objectives as identified in the Annual Plan.

Performance against objectives is monitored and actions identified through a number of channels:

- Approval of annual Operational Plan by the Board of Directors
- Monthly reporting to the Board's Finance, Investment and Performance Committee (FIP) and Board of Directors on key performance indicators covering finance, activity, patient safety and quality, human resources targets and information, management and technology bi-monthly.
- Regular presentations from Business Units to the FIP Committee and Board on each Business Unit's performance against its cost improvement plan and Annual Plan in general.
- Monthly review of financial and performance targets by the FIP committee
- Weekly reporting to Executive Management Team meeting on key factors effecting the Trust's financial position and performance
- Periodic performance management of business units by the Executive Management Team covering performance against key objectives.
- Assurance Committee
- Reporting to NHSI.

We also participate in initiatives to ensure value for money for example:

- Subscribes to the NHS Providers benchmarking organisation that provides comparative information analysis on productivity and clinical indicators for high risk specialties
- Participates in top performing national initiatives with the Institute of Innovation and Learning to learn best practice in international sites
- CQC information that identifies key performance indicators and measures these over time to focus attention on areas for improvement.
- Value for money is an important component of the internal and external audit plans that provides assurance to the Trust of processes that are in place to ensure effective use of resources.

## PART 2: Accountability Report (*continued*)

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We have a standard assessment process for future business plans to ensure value for money and full appraisal processes are employed when considering the effect on the organisation. Procedures are in place to ensure all strategic decisions are considered at Executive and Board level.

The emphasis in internal audit work is providing assurances on internal controls, risk management and governance systems to the Audit Committee and to the Board. Where scope for improvement in terms of value for money was identified during an internal audit review, appropriate recommendations were made and actions were agreed with management for implementation. All internal audit reviews of material financial systems during 2018/19 resulted in substantial or good assurance.

We follow best practice as recommended by the NHS Counter Fraud and Security Management Service and participate in the National Fraud Initiative led by the Audit Commission. Staff are trained in fraud awareness and we actively promote the mechanism for staff to report any concerns about potential fraud or corruption. All concerns are investigated by the local counter fraud and security management specialist and the outcome of all investigations are reported to the Audit Committee.

### Information Governance

There have been six information governance incidents during the financial year 2018/19:

- In July 2018, there was an incident relating to the alleged inappropriate access to personal data by a staff member when not in direct care of the patient. A full investigation and all appropriate action were taken by the Trust. Following the external reporting of the incident to the ICO, they considered the action we have taken and considered this proportionate and are satisfied that all appropriate measures were taken.
- In August 2018, there was an incident relating to the inappropriate access to personal data by a staff member when not in direct care of the patient. Following a full investigation by the Trust all appropriate action was taken against the individual. The ICO has considered the action we have taken against the employee and considered this as proportionate and are satisfied that appropriate measures were taken.
- In August 2018, there was an incident relating to the inappropriate access to personal data by a staff member when not in direct care of the patient. Following a full investigation by the Trust all appropriate action was taken against the individual. The ICO is still considering this incident and their outcome is still pending.

## PART 2: Accountability Report (*continued*)

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- In January 2019, there was an incident relating to the inappropriate obtaining of personal information by a staff member. A full HR investigation is underway and the incident was reported to the ICO. Investigations currently remain ongoing.
- In January 2019, there was an incident relating to clinical documentation being disclosed in error to an incorrect patient. Upon becoming aware of this the Trust has initiated a full investigation and carried out all initial appropriate actions to ensure patient safety for all parties concerned. The incident has been reported to the ICO & Department of Health & Social Care with the outcome results pending.
- In March 2019, the Trust became aware that a number of electronic folders had been set up within the Trust with the incorrect permissions on who may have access to these. A full investigation was undertaken and the incident was been reported to the ICO who confirmed that no further action was required and that appropriate mitigation and risk management was put in place.

### Annual Quality Account

The Board of Directors is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare a Quality Account for each financial year. NHS Improvement (in exercise of their powers conferred on Monitor) has issued guidance to NHS Foundation Boards of Directors on the form and content of annual Quality Accounts which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Quality Account represents a balanced view and there are appropriate controls in place to ensure the accuracy of the data. The following provides evidence of the steps in place to provide this assurance:

#### Governance and leadership

This is the tenth year of developing Quality Accounts for the Trust. We have a quality management system in place based on the Institute of Medicine definition of quality. This quality management system ensures that a balanced scorecard of quality standards and indicators is considered by the Board of Directors. Furthermore, national guidance from the Department of Health Medical Director that Boards of Directors should review all their services over a reasonable period has placed a commitment on Board of Directors to review all services over a three-year period based on five quality domains that are safety, effectiveness, caring, responsive and well led.

## PART 2: Accountability Report *(continued)*

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### Policies

We have put controls in place to ensure the quality of care provided and accuracy of the data used in the Quality Account. This is not an exhaustive list but key policies include:

RMP 03	Reporting and management of incidents
RMP 14	Complaints policy and procedure
IG104	Records policy
DQP01	Data quality policy

We have an extensive range of clinical governance policies and these are reviewed at appropriate intervals but no later than three years to ensure our operating policies reflect the best practice.

### Systems and processes

There is a system and process to report the quality indicators for services from Board of Directors to every level in the Trust. Each service has a range of national quality indicators and these are extracted from the information centre data source and reported by service line to the Board of Directors at monthly intervals. Any high risk issues (red rated) are considered by the Finance, Investment and Performance Committee and an appropriate action plan agreed.

Furthermore, the clinical audit plan reports on the performance of the national and local clinical audits at quarterly intervals to the Board of Directors' Safety and Quality Committee and includes any key risk areas and associated action plans. The internal and clinical audit plans are also aligned to the Board's Assurance Framework.

Patient experience results have been developed at service line and services now have at least five years of information on the views of outpatients and inpatients, where appropriate. This year, we have continued to develop our quality panels which provide the Board of Directors with a detailed assessment of the quality, safety and leadership effectiveness for each of the services we offer.

This service line information sits alongside established patient experience data to allow for a comprehensive assessment of quality. These panels rely on a face-to-face assessment as well as analysis of a wide range of information gathered in advance including ward observation.

## PART 2: Accountability Report (*continued*)

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### People and skills

The Quality Account describes the focus on people and skills in the Trust. There are three key elements described. Firstly, the outcomes of services to patients are delivered by highly-qualified and skilled individuals. We have robust policies for the recruitment and the development of staff. Secondly, mandatory and statutory training of staff is a key performance indicator and this is also reported to the Board of Directors at regular intervals. Thirdly, results of the 2018 NHS staff survey, against which we achieved a response rate of 72%, show that the majority of our staff would recommend the Trust as a place to work or receive treatment and ranking, putting Northumbria Healthcare 2<sup>nd</sup> among non-specialist acute Trusts (out of 86) and 6th compared to all other Trusts (out of 163). Overall, the survey provides some excellent results however we will continue to focus on areas for improvement.

### Data use and reporting

Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made. Improving data quality, which includes the quality of ethnicity and other equality data, will thus improve patient care and improve value for money.

We have robust procedures to ensure that the quality and accuracy of elective waiting time data reported is as high. There is detailed guidance followed by the analysts each month in producing the elective waiting time data reports for NHS England and the Board.

### Corporate Governance Statement

The Board of Directors, as required under NHS Foundation Trust condition 4(8)(b) assures itself of the validity of its Corporate Governance Statement. The Board of Directors review the Corporate Governance Statement every year to ensure that declarations being made can be supported with evidence. It considers the risks and mitigating actions that management provided to support the Statements and determine, both from its own work throughout the year - particularly the testing of the controls set out in the Assurance Framework - and assurances provided from the work of the Trust's internal, external auditors and other external audits or reviews, whether the Statements are valid.

### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and

## PART 2: Accountability Report (*continued*)

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clinical leads within the Trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee and Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors, supported by the Audit Committee and Assurance Committee, has routinely reviewed the Trust's system of internal control and governance framework, together with the Trust's integrated approach to achieving compliance with the CQC fundamental standards. The Assurance Framework provides the Board of Directors with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Audit Committee has provided the Board of Directors with an independent and objective review of internal financial control within the Trust by reflecting on the Trust financial report to the Board of Directors. There have been no significant controls gaps identified during 2018/19.

The Finance Investment and Performance Committee and Safety and Quality Committee provides the Board of Directors with an integrated clinical governance report at regular intervals and the former committee of the Board of Directors ensures compliance on governance issues are delivered and immediate action is taken should performance not be in line with the target set by the Board of Directors.

Clinical audit is given a high importance in the Trust. The annual Clinical Audit Plan is agreed by the Safety and Quality Committee and the Annual Plan reflects the priorities of the Board of Directors and the national best practice, for example, NICE clinical guidelines, national confidential enquiries, high level enquiries and other nationally agreed guidance is taken into account in the context of clinical services provided by the organisation. A quarterly review of progress against the plan is reported to the Safety and Quality Committee and to the Board of Directors via an integrated governance report. Any significant issues that emerge are reported to the Board of Directors and a service improvement plan or Trust-wide quality improvement is approved.

Internal audit has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee. The work included

## PART 2: Accountability Report *(continued)*

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identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal audit standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management. The Head of Internal Audit Opinion Statement has been received on the effectiveness of the system of internal control giving substantial assurance.

### Conclusion

The overall opinion is that no significant internal control issues have been identified during 2018/19 and therefore significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

**Sir James Mackey**



**Chief Executive Officer**

**23<sup>rd</sup> May 2019**







**Northumbria Healthcare**  
NHS Foundation Trust

**2018 / 19**

# QUALITY ACCOUNT



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## PART 1 – Statement on quality from the Chief Executive

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It is my pleasure to introduce our Quality Account for 2018/19. This is our opportunity to reflect on our achievements in what has been a landmark year for the NHS as a whole, and for our Trust in particular.

Without a doubt, it's been another very busy year with periods of intense pressures on our services. However, I am pleased to say that we used the lessons we learnt from the harsh winter of 2017/18 to good effect. The changes we made – often on the back of direct feedback from frontline staff – have made a direct and tangible difference to our patients.

This is exactly what our Trust is about – taking fantastic performance not as a ceiling but as a new benchmark; learning new lessons and innovating to overcome problems. We have more to do – the process never stops – but I could not be more proud of our record to date.

In our quality account last year we outlined our proposed quality improvements for 2018/19. We decided to focus on a smaller number of programmes due to there being a desire to develop and embed a culture of quality improvement (QI) across our Trust. Our aim was not only to develop the different pathways themselves but also on developing a QI culture; encouraging new thinking at every level.

I'm pleased to say we have made great strides and now have a proven formula to help structure these changes. A lot of work



is happening in every business unit to raise awareness among our staff, to encourage them to undertake training and, above all, suggest a change that could have a positive impact.

After all good ideas come from everywhere and anywhere.

Our progress to date on our five priorities for 2018/19 – namely falls, staff experience, surviving sepsis, flow and frailty – is set out in detail within. However, I want to highlight one of them here – which just happens to be the most noticeable! – the new ambulatory care unit at The Northumbria hospital.

The new-build is moving forward and the department is on course to be operational this summer. This project is a key part of our work to improve the flow of patients through our system to help decongest our emergency department and reduce delays.

This ground-breaking unit – which will accommodate medical, surgical, gynaecology and orthopaedic services – will result in a much-improved journey and experience for our patients, and also be more efficient, helping staff adapt to changing demands.

As we prepare for the new department, we have also achieved our target of 120 attendances in ambulatory care per day, increasing from around 70 per day previously.

Whilst the physical developments in ambulatory care are plain to see, it doesn't detract from the excellent work taking place to make improvements in other areas. For example, a significant reduction in the number of falls thanks, in part, to the introduction of innovative new observation tools.

This progress would not have been possible without the hard work and unfaltering dedication of our staff who continually focus their efforts on making the care we provide for our patients the very best it can possibly be.

I'd like to thank each and every one of them for their service and enthusiasm over the last year.

As this quality account outlines, we have a clear set of priorities for 2019/20. Priorities which aim to build on what we have achieved so far - for example, on flow and frailty and a renewed focus on sustained improvement in our cancer targets.

However, we are also determined to branch out into entirely new areas.

Among the most prominent is how we approach bereavement. As part of 'realistic medicine' we're committed to changing the shape of the conversations we have with patients. This is particularly pertinent to our frail and older patients. Moving forward a greater emphasis will be placed on tailoring care to the things/priorities people tell us they have; rather than on what we might think they are. This is hugely important piece of work which has the potential to make a very tangible difference to the quality of life enjoyed by our patients and their families.

Another important initiative is 'every contact counts' which is all about making the most of each interaction with patients. Moreover, to making sure that the care we deliver is linked to wider issues around public health. We, as a trust, have a responsibility in this area and must take every opportunity to improve the health and wellbeing of the populations of Northumberland and North Tyneside we serve.

As we look to the year ahead we've much to be positive about and I look forward – can't wait! - to seeing many more improvements over the next year.

**Sir James Mackey**



**Chief Executive Officer  
Northumbria Healthcare NHS Foundation  
Trust**

## About the Trust

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The Trust is one of the country's top performing and is recognised nationally for delivering the highest quality of care to patients in hospitals, in the community and in people's own homes.

Geographically one of the largest in the country, it provides a range of health and care services to a population of more than half a million people living in Northumberland and North Tyneside.

Services are delivered in a range of hospital and community settings, such as GP practices and health centres, and in people's own homes and include:

- A specialist emergency care hospital – The Northumbria
- General hospitals at Hexham, North Tyneside and Wansbeck
- Community hospitals at Alnwick, Berwick, Rothbury and Blyth
- An integrated health and social care facility at Haltwhistle
- An elderly care unit in Morpeth (temporarily relocated to Wansbeck General Hospital)
- An outpatient and diagnostic centre at Morpeth
- Sexual health centres in North Tyneside and Northumberland

In Northumberland, the Trust manages adult social care services on behalf of Northumberland County Council and, for many years, the two organisations have worked together to successfully integrate health and social care in one of the most rural parts of England. This unique partnership helps to ensure that patients experience a smooth transition between hospital and home and that support is in place for patients to manage independently at home and avoid future hospital admission where possible.

Looking after the health and wellbeing of its communities, the Trust encourages residents, where possible, to take positive steps to improve their health and prevent illness.

The Trust is one of the region's largest employers with more than 10,000 staff and is proud that it had one of the strongest performances in the NHS staff survey. Northumbria ranked second among acute trusts (out of 86) and sixth overall (out of 163).

It champions equality and diversity and works hard to promote equal opportunities for all and improve the health and wellbeing of its employees.

In a year, the Trust:

- cares for around 75,000 patients on its wards
- provides treatment to almost 220,000 patients in its minor injury units, urgent care centres and emergency department
- sees around 400,000 patients in outpatients
- carries out around 370,000 diagnostic tests
- sees around 50,000 people for day case procedures
- carries out around 1million appointments with patients outside of hospital
- provides advice, information, support and services to more than 20,000 people through adult social care with the care management service, on average, visiting more than 1,000 people each week

### What is a Quality Account?

Quality Accounts are annual reports to the public from providers of NHS healthcare that detail information about the quality of services they deliver. They are designed to assure patients, service users, carers, the public and commissioners (purchasers of healthcare), that healthcare providers are regularly scrutinising each and every one of the services they provide to local communities and are concentrating on those areas that require the most improvement or attention.

Quality Accounts are both retrospective and forward looking. They look back on the previous year's information regarding quality of service, explaining where an organisation is doing well and where improvement is needed. They also look forward, explaining the areas that have been identified as priorities for improvement over the coming financial year.

The account includes additional information required by the health regulator NHS Improvement for 'Quality Reports', due to the Trust being a 'Foundation Trust'.



## PART 2 - Priorities for improvement and statements of assurance from the Board

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This section of the Quality Account describes the progress made against priority areas for improvement in the quality of health services identified in the 2017/18 Quality Account and the priorities identified for 2019/20. It includes why they were chosen, how the Trust intends to make the improvements, and how it plans to measure them. It also sets out a series of statements of assurance from the Board on key quality activities, and provides details of the Trust's performance against core indicators.

### Progress against the priorities in 2018/19

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The Quality Account for 2017/18 outlined the Trust's proposed quality improvements for the year ahead (2018/19). These priorities were identified as a result of engagement with patients, the public, staff, members, governors and external stakeholders through face-to-face meetings, social media and online surveys. The results were put into groups and themes, and where possible, cross checked against quantitative data that the Trust holds within its quality and performance management system. It was agreed that some of these priorities would run for two years (see Part 3). Table 1 lists what the 5 priorities for 2018/19 were:

Table 1: Priorities for 2018/19

Priority
1. Falls
2. Staff Experience
3. Surviving Sepsis
4. Flow
5. Frailty

### Trust performance

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#### *Our Quality Improvement (QI) Approach*

This section provides details on how the Trust has performed against its 5 core priorities for 2018/19. The core principle behind the focus on a smaller number of programmes was a desire to develop and embed a culture of QI across the organisation and to concentrate on the inclusion of services and teams in the Trust priorities. Our aim was therefore not only on developing the different pathways themselves but also on developing a QI culture, and a QI approach was used to help the successful delivery of our planned objectives.

## Priority 1: Falls

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*What did we say we would do?*

Table 2: Falls objectives

Falls: Key objectives 2018/19		Progress
• Reduce the overall number of falls		↑
• Reduce the number of falls resulting in moderate and above harm events		↑
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected	

*Progress Update:*

During 2018/19 significant improvements have been made in the number of falls that take place in hospital. Our median number of falls/1000 bed days has fallen from 8.5 in 2017/18 to 6.5 over the course of 2018/19. This is now in line with the national average and represents a continuously improving picture. As a result, our previous high risk rating on the Board Assurance Framework (BAF) was modified to a moderate risk in December 2018.

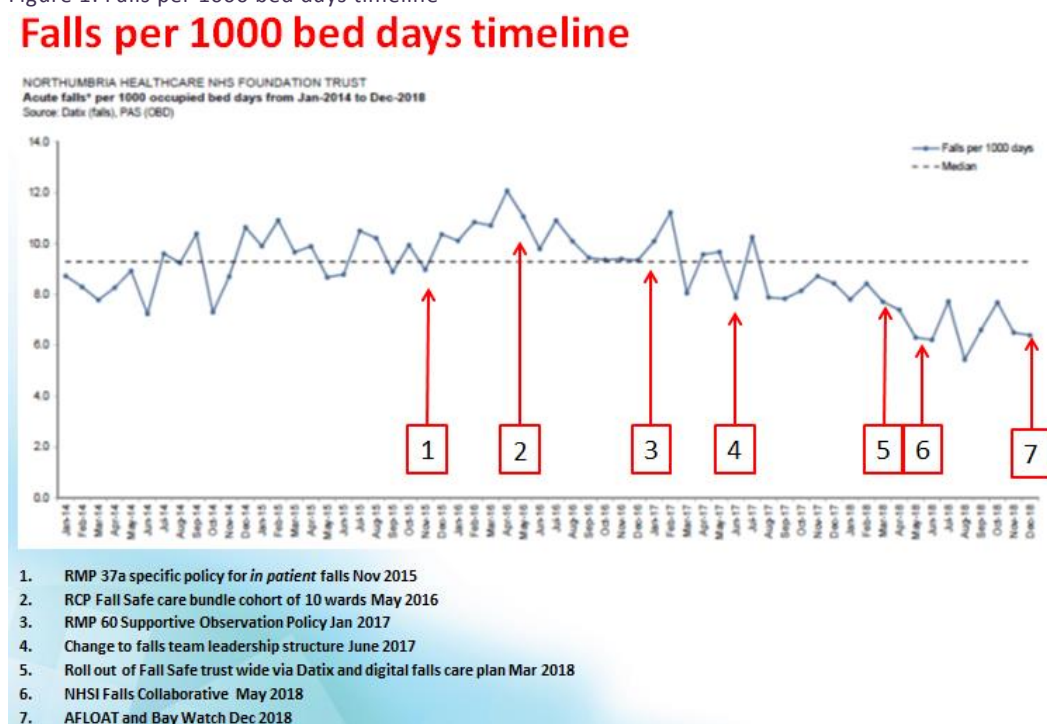
Three key initiatives have taken place this year:

1. Roll out of Fall Safe Bundle Trust wide via Datix and digital falls care plan March 2018
2. Attendance at the NHSI Falls Collaborative May 2018
3. Launch of the AFLOAT (Avoiding Falls Level of Observation Tool) and Bay Watch concept in December 2018. AFLOAT is a supportive observations tool that enables staff to correctly identify and appropriately support those patients most at risk of falls.

As an outcome of our attendance at the NHSI collaborative, a Task and Finish group was instigated to develop a combined psychological and falls observational policy. It is recognised that a significant proportion of patients who fall in hospital have a diagnosis of dementia or delirium. This combined policy is in its final stages of approval and will be embedded within clinical practice throughout the course of 2019/20. Our ability to impact on psychological wellbeing as part of our falls strategy is an aim moving into 2019/20.

We have refined our data dashboard over time and this is now consistently used to measure our progress on falls prevention. The chart below demonstrates the change over time for our rate of falls/1000 bed days from the pre-existing median value. The chart is annotated with the improvement interventions introduced that have contributed to this change. The graph demonstrates that the reduction has been sustained as new interventions come on stream and the continual process of improvement introduced by the specialist team.

Figure 1: Falls per 1000 bed days timeline



Our governance process around datix reporting of incidents has been modified to include the core components of the falls safe bundle. This has resulted in an improvement in our ability to not only educate staff on the falls bundle but also to reduce significantly the time taken to investigate our most serious incidents. Table 3 demonstrates the improvements in this process.

Table 3: Serious incident investigations timescales

Date	Overdue	At risk	On target	Total	Days in process
May 2017	10	3	11	24	269
November 2018	0	0	10	10	52
March 2019	0	0	3	3	34

Alongside our improvement initiatives, we have continued to strengthen our governance structures and relationships. Falls Service improvements now report to a newly established Frailty Board and we have developed excellent communication links with Clinical Commissioning Group (CCG) colleagues at our Falls Quarterly Steering Group.

## Priority 2: Staff Experience

*What did we say we would do?*

Table 4: Staff experience objectives

Staff experience: Key objectives 2018/19		Progress
<ul style="list-style-type: none"> <li>Create a new Chief Experience Officer role within the organisation and NHS, to lead a programme of improvement that integrates staff and patient experience</li> </ul>		↔
<ul style="list-style-type: none"> <li>In the first year of implementation, agree a set of metrics that enables us to understand how our staff are feeling at work.</li> </ul>		↔
<ul style="list-style-type: none"> <li>Pilot these surveys with teams to test we have got the questions and lines of inquiry right.</li> </ul>		↔
Key: ↑ better than expected; ↔ as expected; ↓ worse than expected		

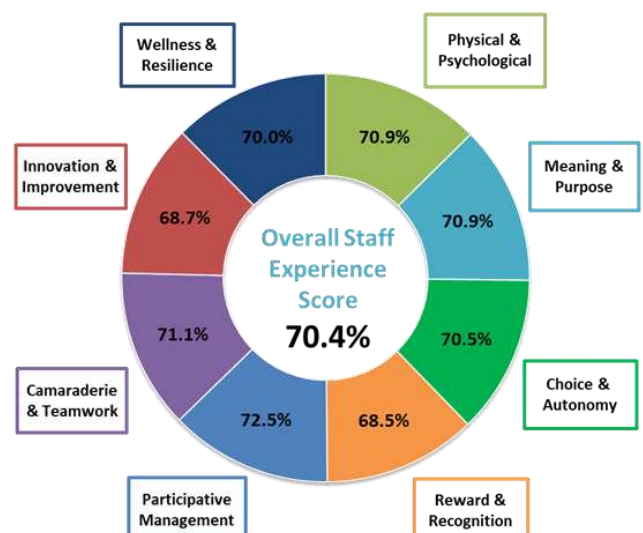
*Progress Update:*

The staff experience programme has made excellent progress throughout the year. From appointment in May 2018, our Chief Experience Officer conducted a literature review to understand more about the aspects of staff experience that mattered most and how these were linked to improving patient experience too. A steering group comprising of staff from HR, learning and development, patient experience and communications have come together to progress our aims for real time understanding of staff experience. In the autumn we agreed to pilot our proposed survey questions with 8 teams. This enabled us to improve our processes for connecting with teams and refine our questions in a way that made sense to our staff. By December we were ready to launch our programme and get a baseline understanding of how staff across the organisation were feeling. We were delighted with the response from over 2700 staff and more than 200 teams. For the first time we were able to have a far more detailed picture of staff experience and achieve this feedback in a timely way.

Figure 2: Staff experience results

This work is innovative and real time staff experience new to the NHS and so we applied for Innovating for Improvement funds of £75,000 from the Health Foundation to support our first year of implementation. We were delighted to be successful in the face of large competition – our improvement programme was launched in February 2019 and will cover delivery over 12 months.

In the meantime, our baseline results are shared in figure 2.



## Priority 3: Surviving Sepsis

*What did we say we would do?*

Table 5: Sepsis objectives

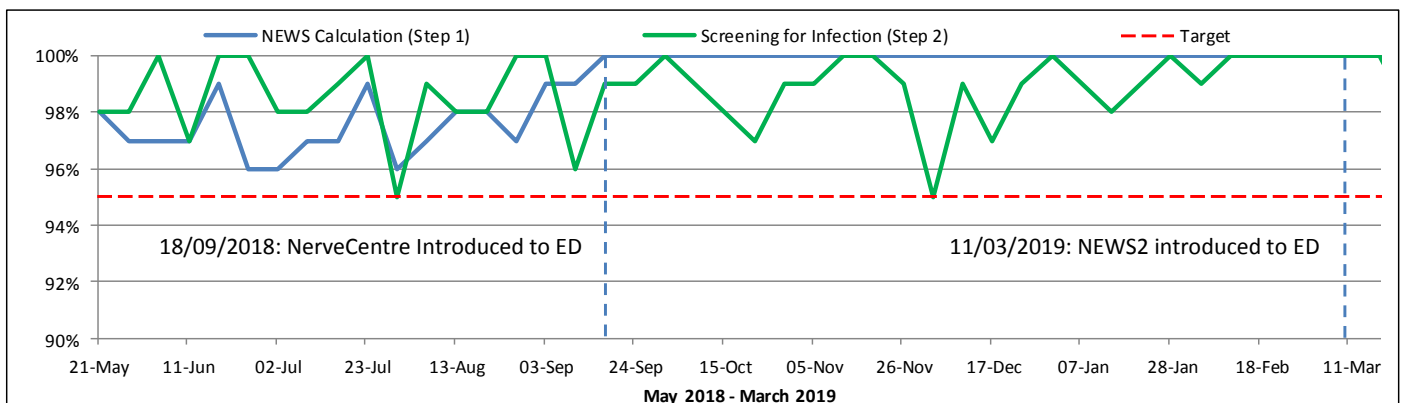
Sepsis: Key objectives 2018/19		Progress
• Improve sepsis screening rates – early identification of those at risk of sepsis		↑
• Increase the use of the infection screening tool to impact on sepsis 6 compliance		↓
Key: ↑ better than expected; ↔ as expected; ↓ worse than expected		

*Progress Update:*

In the management of sepsis, the biggest gain in relation to mortality is delivered through the screening process. Screening is important in ensuring we identify those at risk of sepsis at the earliest possible opportunity and relies on two factors – the recording of a NEWS (clinical observations) score and a question regarding the possibility of infection.

In September 2018 we introduced Nervecentre (a digital system) to the emergency department. The system incorporates electronic NEWS (Northumbria Early Warning Score) observations as a mandatory element of the triage process. A prompt in relation to sepsis is incorporated into the tool which enables us to fully meet the requirements of sepsis screening. Working closely with the emergency care team, we have now been able to ensure that sepsis screening continues to exceed our 95% threshold.

Figure 3: Sepsis Screening performance monitoring



For those who have a suspicion of sepsis, the sepsis screening tool is designed to support staff to deliver the six elements of the care bundle. We identified the use of the sepsis screening tool as a mechanism for improving bundle compliance in the emergency department. As we have moved into a more digital environment within the emergency setting, it has become apparent that the use of the form has declined over a number of months such that our target of 65% use of the screening tool has not been achieved.

We have continued to see improvements in the delivery of all individual aspects of the bundle in relation to time taken and this is reviewed monthly at our Sepsis Steering Group. Our median time for delivery for those that receive all elements of the bundle continues to sit below one hour and our focus is now on consist and sustainable delivery of the bundle to increase the overall number of people receiving the full bundle. This work will continue into 2019/20. Over the course of 2018/19 our completion of the whole bundle in the Emergency Department (ED) has risen from 10% to 45%.

Figure 4: Sepsis bundle compliance

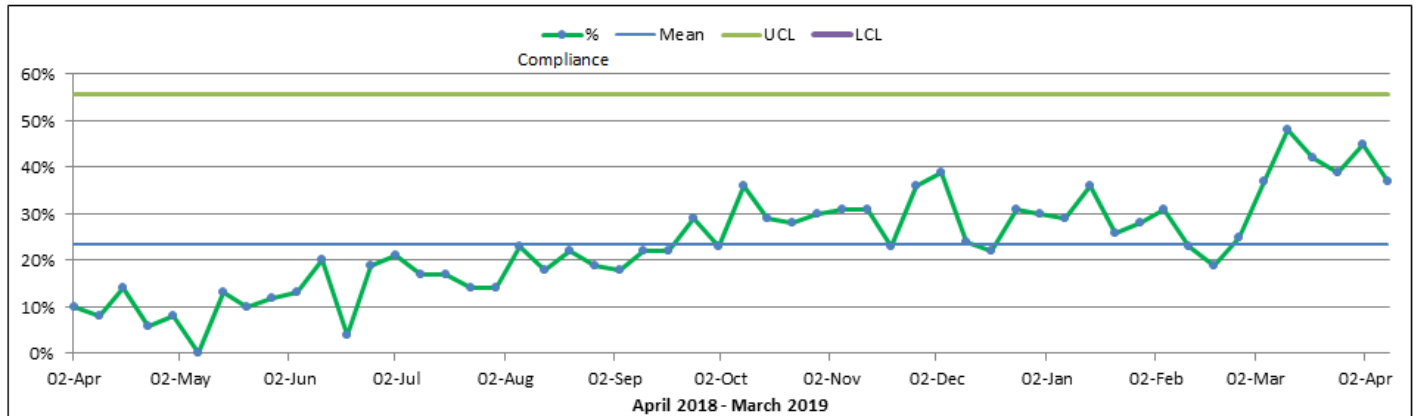
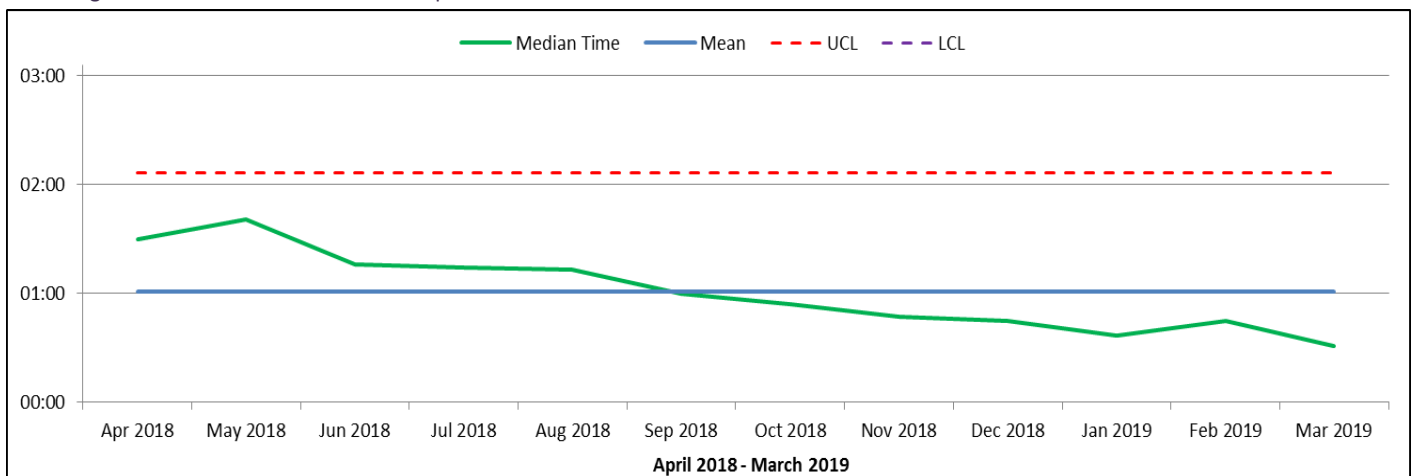


Figure 5: Median time to deliver sepsis bundle in ED



In March 2019 we introduced an updated version of the NEWS observation model, NEWS2. This allows us to screen more effectively for sepsis by excluding those with chronic respiratory disease and identifying those patients with a new or acute confusion.

Moving into 2019/20, we aim to introduce a digital version of the screening and assessment tool which will go live in Nervecentre during the course of quarter 1 (Q1) and be available to the emergency department and ward based teams.

## Priority 4: Flow

*What did we say we would do?*

Table 6: Flow objectives

Flow: Key objectives 2018/19		Progress
• Increased use of ambulatory care		↔
• Decrease in stranded (extended stay) patients		↑
Key:	better than expected; ↔ as expected; ↓ worse than expected	

### *Progress Update:*

Having good flow through our hospitals is a key safety initiative as there are high volumes of patients within our ED and with delays in discharge plans creates additional risk in the system. All of our safety and quality priorities are in one way or another related to patient flow.

In September 2018, as a safety priority ahead of the winter period, we introduced a digital system called Nervecentre into the ED. This provided the emergency care team with electronic observations (NEWS), a consistent Northumbria triage module and task management via an electronic patient dashboard. This system has allowed us to identify our sickest patients and ensure they are seen in a timely way and equally importantly to identify those patients who could be seen in our ambulatory care environments.

### **Ambulatory care**

Our target to achieve 120 attendances per day within the ambulatory care unit has been achieved, increasing from around 70 per day previously.

During the course of 2018/19 we have committed to establishing a new, purpose built department for our ambulatory care service. Through our early work in focussing on clinical pathways and increasing activity through ambulatory services, it became clear that the current facilities would not be fit for purpose in relation to a fully developed clinical system.

The dedicated unit has been designed to accommodate medical, surgical, gynaecology and orthopaedic services. The build has been designed and work commenced in the summer of 2018. It is anticipated that the unit will open in Q1 of 2019/20.

In developing the new build and focus on increasing our use of quality improvement methods, the ambulatory care service hosts a weekly improvement meeting (big room) which takes place on the existing unit. The opportunity is taken to understand the workload within the department and how to improve the service for patients.

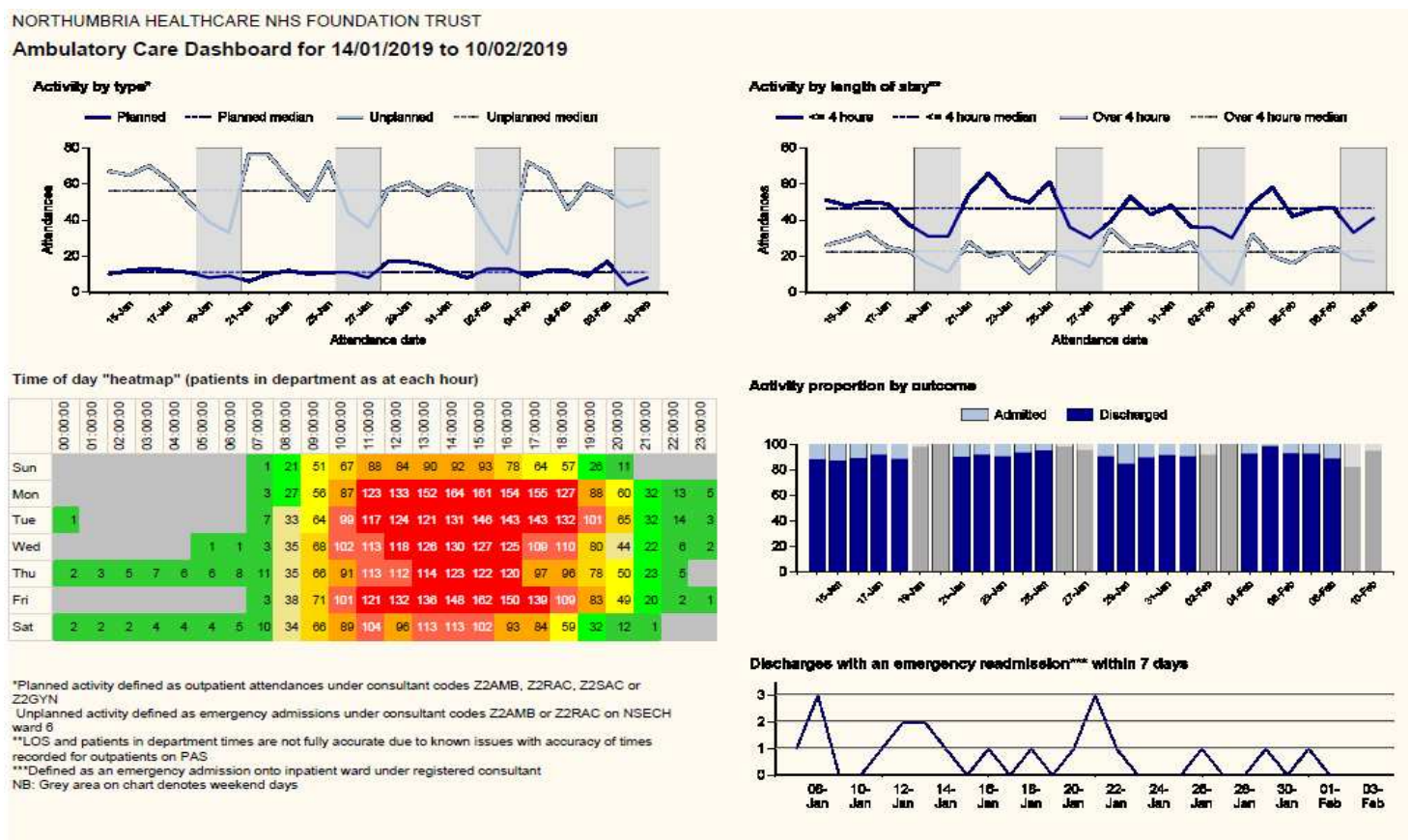
Their service improvement work is now focussed on:



- Understanding activity by specialty post-opening of the new building
- Exploring ways to reduce patient time in the department by introducing a 4 hour process
- Understanding workload and referral routes (streaming from ED vs General Practitioner (GP) direct referral)
- Managing the time to initial assessment
- Understanding admission conversion rate (right person, right place, first time)
- Pathway and clinical condition based data and mapping to improve flow
- Developing patient and staff experience measures

A data dashboard has been created for each specialty looking at key performance metrics associated with attendance and time in the department. An example is shown below. This dashboard is the first steps in the team being able to clearly see their performance and to measure progress of their improvement initiatives. The dashboard is a key aspect of discussion within the big room and is enabling the team to focus on pathways of improvement.

Figure 6: Ambulatory Care Dashboard



## Extended Stay Patient Programme

Our focus has moved towards improving bed availability as a key factor in improving flow and across 2018/19 a number of initiatives have taken place focussing on reducing the number of extended stay patients in the organisation. Extended patients are those that remain in our



hospitals >21 days and an improvement target of 130 patients was set for our organisation against a national definition.

A new HomeSafe service was created in March 2018 to integrate resources from occupational therapy, physiotherapy, discharge nurses, adult social care and the Red Cross. The service ensures that patients who need further therapy and assessment, but do not require hospital care, are wherever practicable discharged to complete their recovery in their own homes.

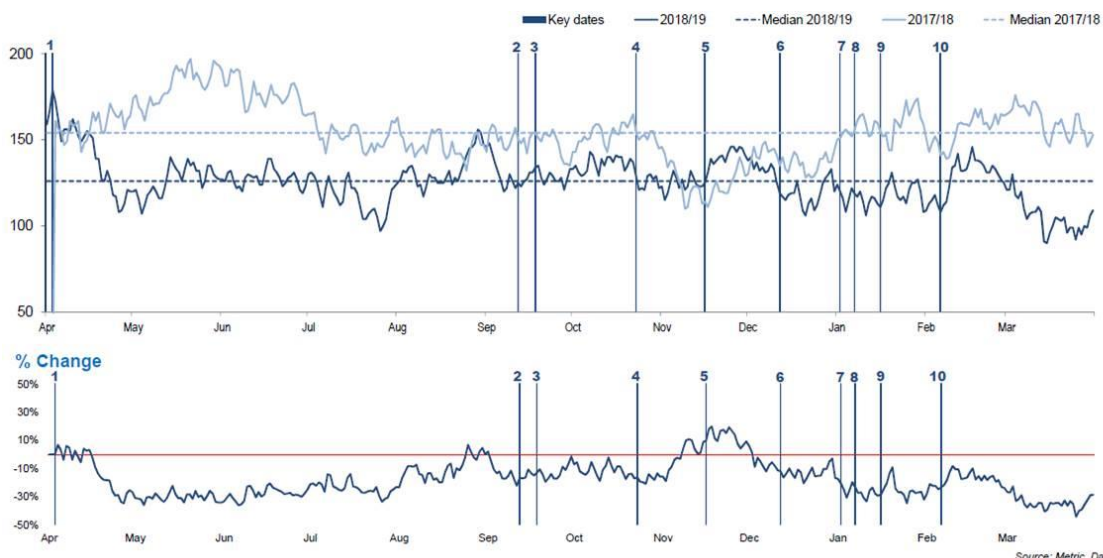
Our extended stay programme has resulted in the introduction of a coordinated approach to discharge planning with new integrated site based meetings involving community and ward based staff. The delivery of reset days throughout the winter period alongside work to explore further collaborative working between physiotherapy and occupational therapy services were also key components of this work.

Over the course of 2018/19, the HomeSafe and extended stay team have become more refined in their use of performance information and intelligence to understand the enablers required to reduce length of stay within this cohort of patients.

The chart below shows our progress over the period 2018/19 – the first chart tracks the improvement initiatives introduced and the second chart the percentage change over the course of the year. We have reduced the number of patients who stay more than 21 days in hospital by 18% and those who stay greater than 7 days by 8%. We recognise variation in the charts associated with seasonal pressures.

The key for each improvement initiative indicated on the chart is show below:

- 1) 3 April 2018 – Home Safe Launch (NSECH only) and A&E blue zone streaming
- 2) 12 September 2018 – Home Safe Big Room NSECH
- 3) 18 September 2018 – Nerve Centre A & E
- 4) 23 October 2018 - Launch of Home Safe Control Centre & new daily analysis report
- 5) 16 November 2018 - Home Safe Big Room NTGH
- 6) 12 December 2018 – Reset Days
- 7) 2 January 2019 – Reset Days
- 8) 7 Jan 2019 - Home Safe Launched County Wide Northumberland
- 9) 16 January 2019 – Launch of Adult Social Care Individual Inpatient Involvement File (personal report for each social worker).
- 10) 6 February 2019 – Launch of District Nursing individual Inpatient Involvement File (personal report for each District Nurse).



## Priority 5: Frailty

*What did we say we would do?*

Table 7: Frailty

Frailty: Key objectives 2018/19		Progress
• Further explore the opportunity to increase patients attending the Frailty Assessment Service		↓
• Capture of the frailty (Rockwood Score) in the emergency department		↑
• Focus on de-conditioning and the impact of Length of Stay (LOS) and immobility on pressure care		↑
Key:	↑ better than expected; ↔ as expected; worse than expected	

### *Progress Update:*

Frailty is a priority within the organisation as the majority of our in-hospital population are older with significant co-morbidities. In considering frailty services, the Frailty Assessment Unit was set up in early 2017. The introduction of this service has seen benefit in access to a geriatrician and Multi-disciplinary Team (MDT) together with the completion of a comprehensive geriatric assessment at the earliest possible opportunity from arrival at the hospital.

Operational difficulties within the frailty service this year have meant that we have been unable to meet our target of 30 patients per day. Our average attendance per day is 15, which was our target for Q1.

Our work to develop the comprehensive geriatric assessment has involved testing an initial, multi-disciplinary team document within the frailty service. This was well received and, although slower than anticipated, this work has now moved into scoping the transfer of care between hospital sites and the potential to introduce this in a digital format.

We have continued to strengthen our governance framework and a Frailty Board has been established to oversee the strategy for our older, complex patient groups. Our focus is on developing a coherent over-arching strategy that has an understanding of GIRFT and wider regional initiatives to inform good practice. Our falls, dementia, pressure care and nutrition strategies all feed into this group which reports to Safety and Quality Committee.

Specific areas of focus during 2018/19 (alongside the extended stay programme) were:

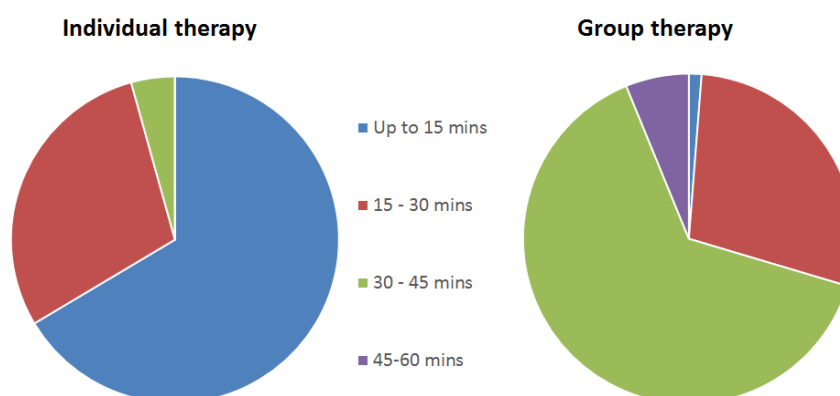
- The Rockwood Score was incorporated into Nervecentre as part of our Northumbria Triage module in the emergency department. This is a recognised, visual chart based scoring system that identifies the level of support a patient requires – e.g. fully mobile to bed dependant. Since going live with the system in September 2018, 100% of patients attending ED have a frailty score recorded. Improvements in education and support of the emergency care team continue to ensure that data quality is of a high standard. This information is now being utilised to map the patient journey through our hospital system

of those with a score >5 and to inform our training and clinical strategies moving forward.

- It is recognised that mobility in hospital is associated with the development of complications, including pressure ulcers, deep vein thrombosis (DVT), pneumonia, and urinary tract infections (UTI). Many studies have shown that complications of immobility could result in deconditioning including increased morbidity and mortality. In exploring opportunities to prevent and manage harm events such as falls and pressure care, two initiatives have been encouraged this year.

Firstly, we introduced a physiotherapy exercise programme to our elderly care environments. Initially designed to implement the Hip Sprint recommendations for therapy levels in those with Fractured Neck of Femur, it has become evident that other groups of patients have received benefit from social interaction, increased therapy time and improved patient experience. We will continue to develop this initiative into 2019/20 with purpose built facilities at North Tyneside General Hospital and a planned roll out to Wansbeck General Hospital.

Figure 7: Comparison of individual physiotherapy sessions vs Group physiotherapy sessions



Secondly, a quality improvement project to introduce digital photography to improve the process of pressure ulcer validation was instigated on Ward 1 at the Northumbria in June 2018. Information gathered at the start of the project highlighted difficulties for staff with inconsistencies apparent and lack of confidence in the classification of pressure damage.

Further supportive training has been provided to the team and there is good engagement across all clinical services involved. We are now demonstrating improvements in the time taken for tissue viability to receive, review and for advice to be available and this work continues to develop.

Approval has also been given to extend the programme to two further clinical environments to increase the number of images captured and further understand the potential clinical improvements and efficiencies that may arise.

Figure 8: Tissue Viability Review

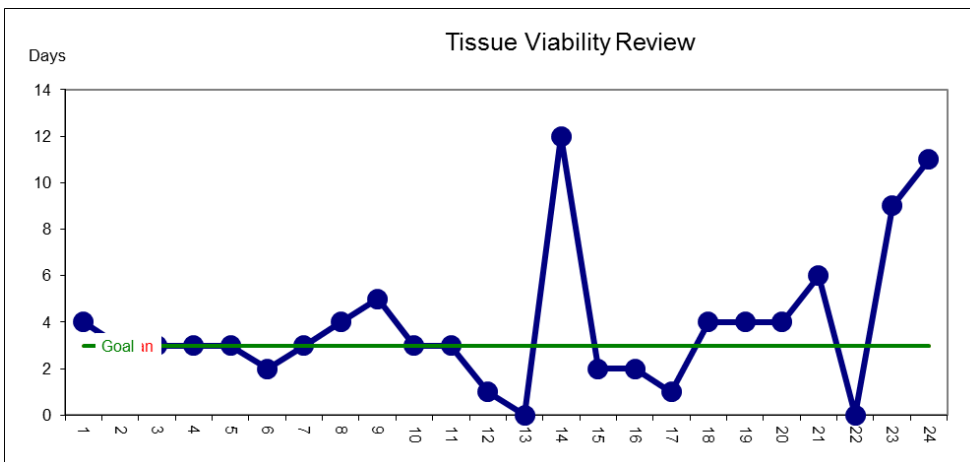
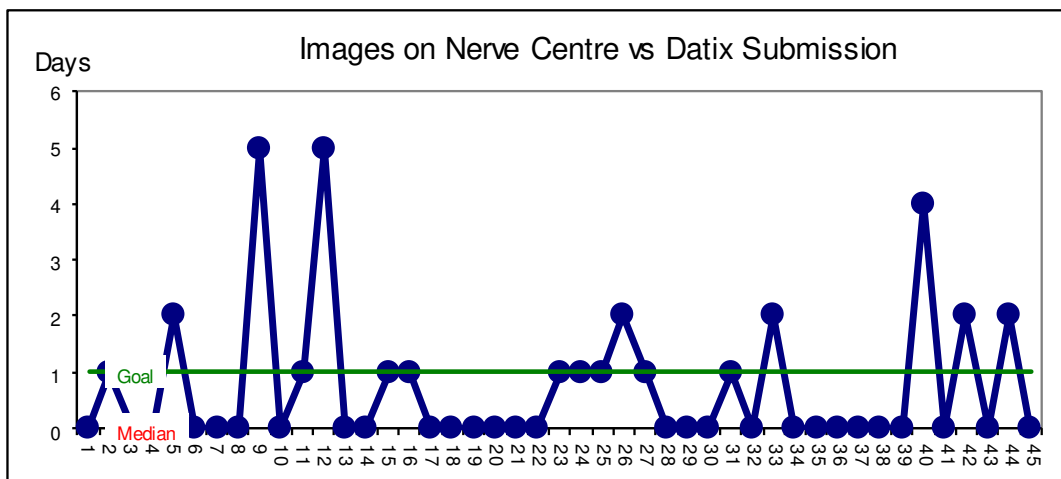


Figure 9: Images on Nervecentre vs Datix Submission



Key aspects of our qualitative and quantitative evaluation will be to understand the impact on length of stay for those patients where specialist advice is sought and received earlier, more effective use of specialist nurse time by reducing travel time and associated costs, the potential to reduce cost of dressings through the correct classification of pressure damage and ultimately better treatment outcomes.

## Statements of assurance from the Board

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### Services and reviews

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During 2018/19 Northumbria Healthcare NHS Foundation Trust provided and/or sub-contracted 40 relevant health services.

Northumbria Healthcare NHS Foundation Trust has reviewed all the data available to them on the quality of care in 14 of these relevant health services. The income generated by the relevant health services reviewed in 2018/19 represents 35% of the total income generated from the provision of relevant health services by Northumbria Healthcare NHS Foundation Trust for 2018/19.

The Trust aims to ensure that its services continue to provide the best possible care. To help with this, the Trust has continued to carry out a programme of specialty reviews using its quality panels. The main purpose of these multi-disciplinary quality panels is to explore individual services with clinical directors and management leads, both in terms of their clinical outcomes and other qualitative measures such as patient experience. They analyse the service and identify areas of good practice and those in need of improvement, and any gaps in knowledge.

They take account of data and information such as compliance with National Institute of Health and Care Excellence (NICE) guidance, involvement in local and national audits, outcomes data such as waiting times and health status and CQUIN targets, complaints and compliments, and other patient feedback. Their role is to examine if services are: safe, effective, caring, responsive, and well-led. During 2018/19, the specialties and services that were reviewed included:

- Acute Medicine
- Care Management
- Community Learning Disability team
- District Nursing
- Haematology & Blood Transfusion
- Infection Control
- Integrated health and wellbeing
- Maternity
- Palliative care
- Physiotherapy
- POAS Mental Health services for Older people
- Radiology
- Rheumatology
- Safeguarding
- Tissue Viability

- Trauma & orthopaedics

## Participation in clinical audit

### National audits

During 2018/19, 49 national clinical audits and 5 National Confidential Enquiries covered relevant health services that Northumbria Healthcare NHS Foundation Trust provides. During that period Northumbria Healthcare NHS Foundation Trust participated in 100% national clinical audits and 100% national confidential enquiries of the national clinical audits and National Confidential Enquiries which it was eligible to participate in.

The national clinical audits and national confidential enquiries that Northumbria Healthcare NHS Foundation Trust was eligible to participate in during 2018/19 are as follows (in Table 8):

Table 8: Eligible National Audits and National Confidential Enquiries 2018/19

National audit	Sponsor	Purpose of the audit
1. Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research	To examine the quality of the management of heart attacks in hospital
2. Adult Community Acquired Pneumonia	British Thoracic Society	This study collects information about the quality of care for adults admitted to hospital with Pneumonia
3. Asthma and COPD Audit Programme	Royal College of Physicians	To improve the quality of care, services and clinical outcomes for patients with asthma (adult; children and young people) and chronic obstructive pulmonary disease (COPD)
4. BAUS Urology Audits: Female stress urinary incontinence	British Association of Urological Surgeons	This audit looked at surgical treatments for both primary and recurrent stress urinary incontinence
5. Bowel Cancer	Royal College of Surgeons	The audit aims to measure the quality of care and survival rates of patients with bowel cancer in England and Wales
6. Cardiac rhythm management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)	The aim of the CRM audit is to examine the implant rates and outcomes of all patients who undergo pacemaker, implantable cardioverter defibrillators and cardiac resynchronization therapy implantation procedures in the UK
7. Cardiac Rehabilitation	University of York	To collect comprehensive audit data to support the monitoring and improvement of cardiovascular prevention and rehabilitation services in terms of access, equity in provision, quality and clinical outcomes
8. Case Mix Programme	Intensive Care National Audit and Research Centre (ICNARC)	The Case Mix Programme (CMP) is an audit of patient outcomes from adult general critical care units. It reports on 12 potential quality indicators including hospital mortality, unit acquired MRSA, out of hours discharges, delayed discharges and unplanned re-admission
9. Child Health Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	The audit examined two topics; Cancer in Children, Teens and Young Adults and Long Term Ventilation (although the national body are still in the process of sending out questionnaires for this study)

National audit	Sponsor	Purpose of the audit
10. Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	The audit aims to assess the quality of paediatric diabetes care in relation to priority clinical standards recommended by the National Institute of Health and Care Excellence (NICE)
11. Elective Surgery (National PROMs Programme)	Health & Social Care Information Centre	<p>Patient Reported Outcome Measures (PROMs) are a means of collecting information on the effectiveness of care delivered to NHS patients as perceived by the patients themselves</p> <p>The PROMs programme covers four common elective surgical procedures: groin hernia operations, hip replacements, knee replacements and varicose vein operations</p>
12. Falls and Fragility Fractures Audit programme (FFFAP)	Royal College of Physicians of London	The aim is to provide reliable, relevant and timely data suitable to facilitate local improvements in clinical practice and patient safety work in acute hospitals in order to reduce inpatient falls
13. Feverish Children (Care in Emergency Departments)	Royal College of Emergency Medicine	To improve the care and treatment of children who attend ED with a fever
14. Inflammatory Bowel Disease (IBD) Programme	Royal College of Physicians	The aim of the audit was to improve the quality and safety of care of people with IBD in the UK
15. Learning Disability Mortality Review Programme (LeDeR Programme)	University of Bristol	Aims to make improvements to the lives of people with learning disabilities by clarifying any potentially modifiable factors associated with a person's death, to ensure that these are not repeated elsewhere
16. Major Trauma Audit	The Trauma Audit and Research Network (TARN)	To improve emergency healthcare systems by collating and analysing trauma care
17. Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Public Health England	To monitor and improve the management of Bloodstream Infections and Clostridium Difficile Infection
18. Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK - National Perinatal Epidemiology Unit	This is an audit in to the deaths of babies who were born after 24 weeks of pregnancy. The aim is to better understand the reasons for death so that lives can be saved in future years
19. Medical and Surgical Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	The audits covered: Perioperative Diabetes, Pulmonary Embolism and Acute Bowel Obstruction.
20. Mental Health Clinical Outcome Review Programme	National Confidential Inquiry into Suicide and Homicide (NCISH) – University of Manchester	The Inquiry examines suicide, and homicide committed by people who had been in contact with secondary and specialist mental health services in the previous 12 months and publishes this in an annual report
21. National Audit of Anxiety and Depression	Royal College of Psychiatrists	The aim of the audit was to focus on improving care received by people during and after a period of inpatient treatment, including access and acceptability of services; waiting times and management between referral, assessment and treatment; access to services at times of crisis; employment support; training and supervision of therapists; and pharmacotherapy use.
22. National Audit of Breast Cancer in Older Patients (NABCOP)	Royal College of Surgeons of England	The audit aim was to improve the quality of hospital care for older patients with breast cancer

National audit	Sponsor	Purpose of the audit
23. National Audit of Dementia	Royal College of Psychiatrists	To measure criteria relating to care delivery which are known to impact on people with dementia admitted to hospital including: policies and governance in the hospital that recognise and support the needs of people with dementia; elements of comprehensive assessment; involvement of carers; discharge planning; and identified changes to support needs during admission
24. National Audit of Intermediate Care (NAIC)	NHS Benchmarking Network	The project allows commissioners / funders and providers to consider both the national answers to these questions but also, importantly, how their local health and social care economy is performing on these key issues
25. National Audit of Psychosis	Healthcare Quality Improvement Partnership	The audit aims to increase the quality of care that NHS mental health Trusts in England and Health Boards in Wales provide to people with psychosis.
26. National Audit of Rheumatoid and Early Inflammatory Arthritis	Northgate Public Services	To examine the assessment and early secondary care management of all forms of peripheral joint early inflammatory arthritis in all NHS secondary care settings
27. National Audit of Seizures and Epilepsies in Children and Young People	The Royal College of Paediatrics and Child Health	The audit aims continue to measure and improve care and outcomes for UK children and young people with epilepsies
28. National Bariatric Surgery Registry	British Obesity and Metabolic Surgery Society	The key objective of the registry is to accumulate sufficient data to allow the publication of a comprehensive report on outcomes following bariatric surgery. This will include reportage on weight loss, co-morbidity and improvement of quality of life.
29. National Cardiac Arrest Audit	Intensive Care National Audit and Research Centre (ICNARC)	The National Cardiac Arrest Audit (NCAA) is the national clinical audit of in-hospital cardiac arrests in the UK and Ireland. It aims to: improve patient outcomes; decrease incidence of avoidable cardiac arrests; decrease incidence of inappropriate resuscitation; and promote adoption and compliance with evidence-based practice
30. National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood	NHS Blood and Transplant	The Patient Blood Management Team (PBM) is supported by the National Blood Transfusion Committee to offer a programme of audit. The audits aim to measure compliance to and deviation from audit standards which relate to recommended uses of blood components and are compiled by experts in the field
31. National Diabetes Audit – Adults	Health and Social Care Information Centre (HSCIC)	The audit measures the effectiveness of diabetes healthcare against NICE guidance. It collects and analyses data for use by a range of stakeholders to drive changes and improvements in the quality of services and health outcomes for people with diabetes
32. National Emergency Laparotomy Audit (NELA)	The Royal College of Anaesthetists	The National Emergency Laparotomy Audit (NELA) was established to describe and compare inpatient care and outcomes of patients undergoing emergency bowel surgery in England and Wales in order to promote quality improvement
33. National End of Life Care Audit	Royal College of Physicians	The audit aims to ensure that the priorities for care of the dying person
34. National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research	Focuses on the clinical practice and patient outcomes of acute patients discharged from hospital with a primary diagnosis of heart failure



National audit	Sponsor	Purpose of the audit
35. National Joint Registry	Healthcare Quality Improvement Partnership	To collect high quality and relevant data about joint replacement surgery in order to provide an early warning of issues relating to patient safety
36. National Lung Cancer Audit (NLCA)	Royal College of Physicians	The aim of the NLCA is to drive further improvements in lung cancer care and outcomes by bringing the standard of all lung cancer MDTs up to that of the best
37. National Maternity and Perinatal Audit	Royal College of Obstetricians and Gynaecologists	Aims to evaluate a range of care processes and outcomes in order to identify good practice and areas for improvement in the care of women and babies looked after by NHS maternity services
38. National Mortality Case Record Review Programme	Royal College of Physicians	The National Mortality Case Record Review Programme (NMCRR) aims to develop and implement a standardised methodology for reviewing the case records of adults who have died in acute hospitals across England and Scotland, as well as improve understanding and learning about problems and processes in healthcare that are associated with mortality
39. National Neonatal Intensive and Special care	The Royal College of Paediatrics and Child Health	To assess whether babies admitted to neonatal intensive and special care units receive consistent care and to identify areas for improvement in units
40. Non – Invasive Ventilation	British Thoracic Society (BTS)	The BTS Non-Invasive Ventilation Audit seeks to identify where improvements could be made in this area to align practice to BTS Quality Standards and other guidance
41. Oesophago-gastric cancer	Royal College of Surgeons of England	To investigate whether the care received by patients with oesophago-gastric cancer is consistent with recommended practice
42. Prescribing Observatory for Mental Health (POMH-UK)	Royal College of Psychiatrists' Centre for Quality Improvement (CCQI)	The Prescribing Observatory for Mental Health (POMH-UK) runs audit-based Quality Improvement Programmes which focus on discrete areas of prescribing practice.
43. Prostate Cancer	Royal College of Surgeons of England	To collect information about the diagnosis, management and treatment of every patient newly diagnosed with prostate cancer, and their outcomes
44. Pulmonary Hypertension	NHS Digital	The audit measures the quality of care provided to people referred to pulmonary hypertension services in England (including patients referred from Wales) and Scotland
45. Reducing the impact of serious Infections (Antimicrobial Resistance and Sepsis)	Public Health England	To improve the identification and management of serious infections
46. Sentinel Stroke National Audit programme (SSNAP)	Royal College of Physicians	To improve services, enable those who manage and pay for services to monitor how well they are doing, and to empower patients, carers, stroke survivors and the wider public to call for improvements
47. Serious Hazards of Transfusion (SHOT) UK National Haemovigilance Scheme	Serious Hazards of Transfusion (SHOT)	The scheme was set up to collect information from adverse events resulting from the transfusion of blood and its components and has resulted in several changes in blood transfusion practices – in the blood services at donor collection, within hospital laboratories and at the patient's bedside – resulting in improved safety and a reduction in serious events and deaths
48. Seven Day Hospital Services	NHS England	To determine progress against the national standards for 7 day

National audit	Sponsor	Purpose of the audit
		hospital services
49. Surgical Site Infection Surveillance Service	Public Health England	This service allows hospitals to record incidents of infection after surgery, track patient results and review or change practice to avoid further infections
50. Vital Signs in Adults (care in emergency departments)	Royal College of Emergency Medicine	To determine to what extent national standards are being met in relation to patients presenting to ED who are then triaged to the majors area
51. VTE Risk in Lower Limb Immobilisation (care in emergency departments)	Royal College of Emergency Medicine	To improve the assessment of VTE risk in ED patients (with lower limb immobilisation

The national clinical audits and national confidential enquiries that Northumbria Healthcare NHS Foundation Trust participated in during 2018/19 are as follows (shown in Table 9):

Table 9: National Audits and National Confidential Enquiries the Trust participated in during 2018/19

National audit	Sponsor	Trust participation 2018/19
1. Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research	✓
2. Adult Community Acquired Pneumonia	British Thoracic Society	✓
3. Asthma and COPD Audit Programme		✓
4. BAUS Urology Audits: Female stress urinary incontinence	British Association of Urological Surgeons	✓
5. Bowel Cancer	Royal College of Surgeons	✓
6. Cardiac rhythm management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)	✓
7. Cardiac Rehabilitation	University of York	✓
8. Case Mix Programme	Intensive Care National Audit and Research Centre (ICNARC)	✓
9. Child Health Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓
10. Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	✓
11. Elective Surgery (National PROMs Programme)	Health & Social Care Information Centre	✓
12. Falls and Fragility Fractures Audit programme (FFFAP)	Royal College of Physicians of London	✓
13. Feverish Children (Care in Emergency Departments)	Royal College of Emergency Medicine	✓
14. Inflammatory Bowel Disease (IBD) Programme	Royal College of Physicians	✓
15. Learning Disability Mortality Review Programme (LeDeR Programme)	University of Bristol	✓
16. Major Trauma Audit	The Trauma Audit and Research Network	✓

National audit	Sponsor	Trust participation 2018/19
	(TARN)	
17. Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Public Health England	✓
18. Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK - National Perinatal Epidemiology Unit	✓
19. Medical and Surgical Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	✓
20. Mental Health Clinical Outcome Review Programme	National Confidential Inquiry into Suicide and Homicide (NCISH) – University of Manchester	✓
21. National Audit of Anxiety and Depression	Royal College of Psychiatrists	✓
22. National Audit of Breast Cancer in Older Patients (NABCOP)	Royal College of Surgeons of England	✓
23. National Audit of Dementia	Royal College of Psychiatrists	✓
24. National Audit of Intermediate Care (NAIC)	NHS Benchmarking Network	✓
25. National Audit of Psychosis	Healthcare Quality Improvement Partnership	✓
26. National Audit of Rheumatoid and Early Inflammatory Arthritis	Northgate Public Services	✓
27. National Audit of Seizures and Epilepsies in Children and Young People	The Royal College of Paediatrics and Child Health	✓
28. National Bariatric Surgery Registry	British Obesity and Metabolic Surgery Society	✓
29. National Cardiac Arrest Audit	Intensive Care National Audit and Research Centre (ICNARC)	✓
30. National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood	NHS Blood and Transplant	✓
31. National Diabetes Audit – Adults	Health and Social Care Information Centre (HSCIC)	✓
32. National Emergency Laparotomy Audit (NELA)	The Royal College of Anaesthetists	✓
33. National End of Life Care Audit	Royal College of Physicians	✓
34. National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research	✓
35. National Joint Registry	Healthcare Quality Improvement Partnership	✓
36. National Lung Cancer Audit (NLCA)	Royal College of Physicians	✓
37. National Maternity and Perinatal Audit	Royal College of Obstetricians and Gynaecologists	✓
38. National Mortality Case Record Review Programme	Royal College of Physicians	✓
39. National Neonatal Intensive and Special care	The Royal College of Paediatrics and Child	✓

National audit	Sponsor	Trust participation 2018/19
	Health	
40. Non – Invasive Ventilation	British Thoracic Society	✓
41. Oesophago-gastric cancer	Royal College of Surgeons of England	✓
42. Prescribing Observatory for Mental Health (POMH-UK)	Royal College of Psychiatrists' Centre for Quality Improvement (CCQI)	✓
43. Prostate Cancer	Royal College of Surgeons of England	✓
44. Pulmonary Hypertension	NHS Digital	✓
45. Reducing the impact of serious Infections (Antimicrobial Resistance and Sepsis)	Public Health England	✓
46. Sentinel Stroke National Audit programme (SSNAP)	Royal College of Physicians	✓
47. Serious Hazards of Transfusion (SHOT) UK National Haemovigilance Scheme	Serious Hazards of Transfusion (SHOT)	✓
48. Seven Day Hospital Services	NHS England	✓
49. Surgical Site Infection Surveillance Service	Public Health England	✓
50. Vital Signs in Adults (care in emergency departments)	Royal College of Emergency Medicine	✓
51. VTE Risk in Lower Limb Immobilisation (care in emergency departments)	Royal College of Emergency Medicine	✓

The national clinical audits and national confidential enquiries that Northumbria Healthcare NHS Foundation Trust participated in, and for which data collection was completed during 2018/19, are listed below alongside the number of cases submitted to each audit or enquiry as a percentage of the number of registered cases required by the terms of that audit or enquiry (as shown in Table 10):

Table 10: National Audits and National Confidential Enquiries that the Trust participated in and for which data collection was completed during 2018/19 - % of required cases submitted

National audit	Sponsor	% Data completion*
1. Acute Coronary Syndrome or Acute Myocardial Infarction (MINAP)	National Institute for Cardiovascular Outcomes Research	100%
2. Adult Community Acquired Pneumonia	British Thoracic Society	100%
3. Asthma and COPD Audit Programme		100%
4. BAUS Urology Audits: Female stress urinary incontinence	British Association of Urological Surgeons	100%
5. Bowel Cancer	Royal College of Surgeons	100%
6. Cardiac rhythm management (CRM)	National Institute for Cardiovascular Outcomes Research (NICOR)	100%
7. Cardiac Rehabilitation	University of York	100%
8. Case Mix Programme	Intensive Care National Audit and Research	100%

National audit	Sponsor	% Data completion*
	Centre (ICNARC)	
9. Child Health Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	100%
10. Diabetes (Paediatric) (NPDA)	Royal College of Paediatrics and Child Health	100%
11. Elective Surgery (National PROMs Programme)	Health & Social Care Information Centre	100%
12. Falls and Fragility Fractures Audit programme (FFFAP)	Royal College of Physicians of London	100%
13. Feverish Children (Care in Emergency Departments)	Royal College of Emergency Medicine	100%
14. Inflammatory Bowel Disease (IBD) Programme	Royal College of Physicians	100%
15. Learning Disability Mortality Review Programme (LeDeR Programme)	University of Bristol	100%
16. Major Trauma Audit	The Trauma Audit and Research Network (TARN)	100%
17. Mandatory Surveillance of Bloodstream Infections and Clostridium Difficile Infection	Public Health England	100%
18. Maternal, Newborn and Infant Clinical Outcome Review Programme	MBRRACE-UK - National Perinatal Epidemiology Unit	100%
19. Medical and Surgical Clinical Outcome Review Programme	National Confidential Enquiry into Patient Outcome and Death (NCEPOD)	100% (of data requested so far)
20. Mental Health Clinical Outcome Review Programme	National Confidential Inquiry into Suicide and Homicide (NCISH) – University of Manchester	100%
21. National Audit of Anxiety and Depression	Royal College of Psychiatrists	100%
22. National Audit of Breast Cancer in Older Patients (NABCOP)	Royal College of Surgeons of England	100%
23. National Audit of Dementia	Royal College of Psychiatrists	100%
24. National Audit of Intermediate Care (NAIC)	NHS Benchmarking Network	100%
25. National Audit of Psychosis	Healthcare Quality Improvement Partnership	100%
26. National Audit of Rheumatoid and Early Inflammatory Arthritis	Northgate Public Services	100%
27. National Audit of Seizures and Epilepsies in Children and Young People	The Royal College of Paediatrics and Child Health	100%
28. National Bariatric Surgery Registry	British Obesity and Metabolic Surgery Society	100%
29. National Cardiac Arrest Audit	Intensive Care National Audit and Research Centre (ICNARC)	100%
30. National Comparative Audit of Blood Transfusion programme: Audit of Patient Blood	NHS Blood and Transplant	100%
31. National Diabetes Audit – Adults	Health and Social Care Information Centre (HSCIC)	100%

National audit	Sponsor	% Data completion*
32. National Emergency Laparotomy Audit (NELA)	The Royal College of Anaesthetists	100%
33. National End of Life Care Audit	Royal College of Physicians	100%
34. National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research	100%
35. National Joint Registry	Healthcare Quality Improvement Partnership	100%
36. National Lung Cancer Audit (NLCA)	Royal College of Physicians	100%
37. National Maternity and Perinatal Audit	Royal College of Obstetricians and Gynaecologists	>90%
38. National Mortality Case Record Review Programme	Royal College of Physicians	100%
39. National Neonatal Intensive and Special care	The Royal College of Paediatrics and Child Health	100%
40. Non – Invasive Ventilation	British Thoracic Society	100%
41. Oesophago-gastric cancer	Royal College of Surgeons of England	100%
42. Prescribing Observatory for Mental Health (POMH-UK)	Royal College of Psychiatrists' Centre for Quality Improvement (CCQI)	100%
43. Prostate Cancer	Royal College of Surgeons of England	100%
44. Pulmonary Hypertension	NHS Digital	100%
45. Reducing the impact of serious Infections (Antimicrobial Resistance and Sepsis)	Public Health England	100%
46. Sentinel Stroke National Audit programme (SSNAP)	Royal College of Physicians	100%
47. Serious Hazards of Transfusion (SHOT) UK National Haemovigilance Scheme	Serious Hazards of Transfusion (SHOT)	100%
48. Seven Day Hospital Services	NHS England	100%
49. Surgical Site Infection Surveillance Service	Public Health England	100%
50. Vital Signs in Adults (care in emergency departments)	Royal College of Emergency Medicine	100%
51. VTE Risk in Lower Limb Immobilisation (care in emergency departments)	Royal College of Emergency Medicine	100%

\* to the best of our knowledge we have submitted all the cases required for the national audits

The reports of 21 national clinical audits were reviewed by the provider in 2018/19 and Northumbria Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Specialties to continue to scrutinise and share learning from all national audit reports, undertake self-assessments against any national recommendations, and produce action plans for improvement where any gaps or shortfalls are identified, which will then be followed up by the Clinical Audit Team

- Ensure national audits are clearly identified within the Business Units' annual Clinical Audit Plans which form part of the Trust's overall Clinical Audit Programme
- Support specialties to maximise their data completion rates when participating in national audits, and examine the reasons for any lower rates of attainment
- Continue to report national audits to the Safety and Quality Committee and respective Business Unit Governance Groups and monitor and review compliance with National Confidential Enquiries.

Table 11 provides further detail about the improvement actions to be taken following the review of national audit reports during 2018/19:

Table 11: Actions Resulting from National Clinical Audits Reviewed in 2018/19

National audit	Purpose of the audit	Quarter reviewed	Improvement
1. National Diabetes Footcare Audit	To establish to what extent: recommended care structures are in place; diabetic foot disease is being managed in accordance with national guidelines; and outcomes are being achieved	Q1	<ul style="list-style-type: none"> <li>• Re-issue clinical pathway</li> <li>• Amend data sheet on SystmOne</li> <li>• Improve outcome reporting</li> <li>• Ongoing local audit</li> </ul>
2. National Physiotherapy "hip sprint" audit	To improve the delivery of care for patients having falls or sustaining fractures through effective measurement against standards and feedback to providers	Q1	<ul style="list-style-type: none"> <li>• Ongoing review and monthly monitoring via HipQip</li> <li>• Trial the role of a generic rehab worker</li> <li>• Pathway for hip fracture patients to receive post discharge referral for falls prevention</li> </ul>
3. Saving Lives, Improving Mothers' Care (MBRRACE)	To share lessons learnt from deaths to inform the improvement of maternity care	Q1	<ul style="list-style-type: none"> <li>• No specific actions identified</li> </ul>
4. The National Emergency Laparotomy Audit (NELA)	The National Emergency Laparotomy Audit (NELA) was established to describe and compare inpatient care and outcomes of patients undergoing emergency bowel surgery in England and Wales in order to promote quality improvement	Q1 & Q4	<ul style="list-style-type: none"> <li>• Development of Abdominal Pain Pathway</li> <li>• Development of a "surgical review trigger" within the NerveCentre electronic tool.</li> <li>• Patients presenting with "Abdominal Pain" and a "NEW score of 3 or more" with escalate to a surgical review within 1 hour</li> <li>• Review of patients with Peritonitis against Sepsis Standards</li> <li>• 3 month report generated from NELA database showing CT and surgical finding discrepancies</li> <li>• 1 - PDSA to assess workload 2 - Training of nurses on the Frailty assessment tool on Ward 15 and SAU</li> </ul>
5. National Maternity and Perinatal Audit	Aims to evaluate a range of care processes and outcomes in order to identify good practice and areas for improvement in the care of women and babies looked after by NHS maternity services	Q1	<ul style="list-style-type: none"> <li>• No specific actions identified</li> </ul>
6. Moderate and Acute Severe Asthma	To monitor documented care against national standards	Q1	<ul style="list-style-type: none"> <li>• A safe discharge plan has been devised and a pilot is earmarked to start in April 2018 Review of current pathway with Respiratory team and education once devised</li> </ul>

National audit	Purpose of the audit	Quarter reviewed	Improvement
7. National Diabetes Inpatient Audit	The audit measures the effectiveness of diabetes healthcare against NICE guidance. It collects and analyses data for use by a range of stakeholders to drive changes and improvements in the quality of services and health outcomes for people with diabetes	Q2	<ul style="list-style-type: none"> <li>To discuss foot screening at sub unit meeting and working with surgical teams to improve diabetes care in their wards</li> </ul>
8. National Lung Cancer Audit	The aim of the NLCA is to drive further improvements in lung cancer care and outcomes by bringing the standard of all lung cancer MDTs up to that of the best	Q2	<ul style="list-style-type: none"> <li>Undertake local audit to validate low rate of pathological confirmation</li> <li>Discuss protected time for MDT leads</li> </ul>
9. Perinatal Mortality Surveillance	To share lessons learnt from deaths to inform the improvement of maternity care	Q2	<ul style="list-style-type: none"> <li>No specific actions identified</li> </ul>
10. Pain in Children	To examine the management of pain in children between the ages of 5 and 15 arriving at Emergency Departments (EDs) in moderate or severe pain with a fractured elbow, forearm, wrist, ankle, tibia, fibula or femur against the standards of the Royal College of Emergency Medicine	Q2	<ul style="list-style-type: none"> <li>Matron to work with Nervecentre team to add prompt re: pre-hospital analgesia</li> <li>Explore whether NEAS/Nerve interoperability</li> <li>All new staff to receive triage training, APNC and Matron to ensure that pain scoring is covered sufficiently in training</li> <li>Update risk assessment and take through MMC/CH clinical governance</li> </ul>
11. Assessment of Delirium in hospital for people with dementia	The National Audit of Dementia (care in general hospitals) (NAD) examines aspects of care received by people with dementia in general hospitals	Q3	<ul style="list-style-type: none"> <li>Ensure staff on wards are trained in delirium</li> <li>Roll out dementia care pathway across all COTE wards, then all inpatients</li> </ul>
12. National Audit of Inpatient Falls	The National Audit of Inpatient Falls (NAIF) is designed to capture data from acute, community and mental health hospitals relating to falls, and is based on NICE guidance and advice from NHS Improvement	Q3	<ul style="list-style-type: none"> <li>Review dementia and delirium policies to specifically recommend standardised tools for the assessment of dementia and delirium across the Trust and add into Nerve Centre Suite</li> <li>Physiotherapy team to review working practice and use of therapy resources and equipment provision at The Northumbria</li> <li>To embed into NerveCentre (electronic observation system) recording and actioning of lying and standing blood pressures</li> <li>To embed at least the first 3 questions of the RCP "Bedside check for falls prevention" tool into the electronic Nursing Care Plan</li> <li>Falls Working Group to liaise with Pharmacy to see if MedChart can facilitate and record whether a patient has fallen (or is at risk of falls) and if a falls prevention medication review has taken place</li> </ul>
13. National Neonatal Audit Programme	To assess whether babies admitted to neonatal intensive and special care units receive consistent care and to identify areas for improvement in units	Q3	<ul style="list-style-type: none"> <li>Feedback to staff and undertake random checks of data entry</li> <li>Introduce PReCePT QI plan</li> <li>Discuss at stabilisation training and ward meeting</li> <li>Determine schedule of rounds and make it available for parents</li> </ul>
14. National Oesophago –	To investigate whether the care received by patients with	Q3	<ul style="list-style-type: none"> <li>Undertake local audit to assess demographics and reasons for patients declining further treatment</li> </ul>



National audit	Purpose of the audit	Quarter reviewed	Improvement
Gastric Cancer Audit	oesophago-gastric cancer is consistent with recommended practice		
15. National Comparative Audit - Transfusion Associated Circulatory Overload Audit	The Patient Blood Management Team (PBM) is supported by the National Blood Transfusion Committee to offer a programme of audit. The audits aim to measure compliance to and deviation from audit standards which relate to recommended uses of blood components and are compiled by experts in the field	Q3	<ul style="list-style-type: none"> <li>Inclusion of TACO checklist on transfusion pathway documents – this has already been implemented and is being updated to include the recording of the patient's weight and a reminder to report transfusion reactions including TACO to the Trust transfusion team</li> <li>Inclusion of risks of TACO in all transfusion training and e-learning modules including competency assessment for all appropriate clinical staff</li> </ul>
16. Each and Every Need: A review of the quality of care provided to patients aged 0-25 years old with chronic neurodisability, using the cerebral palsies as examples of chronic neurodisabling conditions	<p>The overarching aims of this study were to:</p> <ul style="list-style-type: none"> <li>- Review the quality of care provided to children and young people with a chronic neurodisability, using the cerebral palsies as exemplar conditions</li> <li>- Examine the interface between care settings; and</li> <li>- Assess the transition of care from paediatric to adult services.</li> </ul>	Q3	<ul style="list-style-type: none"> <li>Ensure Paediatricians are copied into Physiotherapy annual review. Include routinely in Physiotherapy documentation to enable documentation</li> <li>Hoist scales not available for mainstream non-ambulant CYP Action: Identify business case for key OPD settings across Trust (Hexham, NT, WB) for hoist scales to be accessible</li> <li>Newly developed EmHCP pathway, with PAS alert, approved at governance, not yet audited. Training to support planned</li> <li>As part of transition the EmHCP will be handed to GP who will then be responsible for annual update</li> <li>Assessment, diagnosis and management pathway in process of being written between Physiotherapy and Community Paediatrics</li> <li>Work needed with Communications around our Trust website and Local Offer on LAs' websites- via SEND action plan</li> <li>Audit to include specific questions regarding accessibility - Paediatrics- complex care pathway for CYP requiring hospital intervention</li> </ul>
17. Failure to Function – A review of the care received by patients who died in hospital following admission with acute heart failure	To promote quality improvement in patient outcomes and in particular, to increase the impact that clinical audit, outcome review programmes and registries have on healthcare quality	Q4	<ul style="list-style-type: none"> <li>No specific actions identified</li> </ul>
18. Epilepsy12 – National Clinical Audit of Seizures and Epilepsies for Children and Young People	To aim towards improving care and services, specifically for children with epilepsy	Q4	<ul style="list-style-type: none"> <li>Business plan approved for a second part time Epilepsy Nurse, Job advertised, currently in process of shortlisting applicants</li> </ul>
19. Falls and Fragility Fracture Audit Programme	The aim is to provide reliable, relevant and timely data suitable to facilitate local improvements in clinical practice and patient safety work in acute hospitals in order to	Q4	<ul style="list-style-type: none"> <li>Ongoing monitoring of pressure sore data using cross match with Tissue Viability</li> <li>HipQIP Big Room work on Pressure sores</li> <li>Review of Trust guidance with confirmation of local</li> </ul>

National audit	Purpose of the audit	Quarter reviewed	Improvement
	reduce inpatient falls		infiltration vs nerve block <ul style="list-style-type: none"> <li>Incorporate indicators into Quality Account</li> </ul>
20. National Paediatric Diabetes Audit	- Monitor the incidence and prevalence of all types of diabetes amongst children and young people receiving care from a PDU in England and Wales - Establish which key care processes are being received by children and young people with diabetes - Enable benchmarking of performance against standards of care specified by the National Institute of Health and Care Excellence (NICE) guidance at PDU and national level - Determine the prevalence and incidence of diabetes-related complications amongst children and young people with diabetes	Q4	<ul style="list-style-type: none"> <li>To continue the year on year improvement in HbA1C results. Our new targets are: median HbA1C &lt;58 and 20% with HbA1C &lt;48</li> <li>To increase the proportion of adolescents completing all 7 screening assessments to &gt;50%</li> </ul>
21. The Learning Disabilities Mortality Review	Aims to make improvements to the lives of people with learning disabilities by clarifying any potentially modifiable factors associated with a person's death, to ensure that these are not repeated elsewhere	Q4	<ul style="list-style-type: none"> <li>No specific actions identified</li> </ul>

### Local audits

The reports of 309 local clinical audits were reviewed by the provider in 2018/19 and Northumbria Healthcare NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- Review and update clinical guidelines and protocols in those areas where audits identified that changes in practice were needed
- Ensure findings and actions from local audits are disseminated appropriately with all relevant stakeholders so that learning can be shared, and to promote the consistency of high quality of care across different sites
- Enhance patient information and engagement where audits have identified this is either lacking or in need of improvement
- Deliver training and education for staff in areas where new practice has been identified or where audits have highlighted that awareness and understanding of existing practices needs to be strengthened
- Undertake re-audits where appropriate to ensure that any changes have led to an improvement in practice

- Follow up the actions of audits identifying that improvements are required or where the results present a moderate or high risk to the Trust.

The audits conducted during 2018/19 have contributed towards improved patient care in a number of ways including: improving the information provided to patients and their families about their care and treatment; and delivering safer care through enhanced assessment; timeliness of treatment; more effective communication; better use of technology; and improved documentation.

## Participation in clinical research

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This section of the Quality Account describes the Trust's participation in clinical research studies. The number of patients receiving NHS services provided or subcontracted by Northumbria Healthcare NHS Foundation Trust in 2018/19 that were recruited during that period to participate in research approved by a Research Ethics Committee was 3,547 across a total of 84 studies (representing an increase in 21% total recruitment from previous 2017/18). During the course of the year, the Research & Development (R&D) Department has reshaped its structure in order to provide dedicated staffing support to the major areas of clinical research we support across the organisation. The teams participating in clinical research are as follows:

- Cardiology
- Care of the Elderly
- Community
- Dementia
- Gastroenterology
- Haematology
- Obstetrics and Gynaecology
- Oncology
- Orthopaedics
- Palliative Care
- Parkinson's Disease
- Respiratory
- Rheumatology
- Stroke

Each has a Team Lead and a number of nurses and support staff working within their dedicated area to support research across the Trust.

The vision of the R&D department is to work with all healthcare partners, realising the research potential of our healthcare services for the benefits of patients. Our aspiration is to engage in high quality research so that every patient, family member and member of staff have the opportunity to participate in safe, impactful, high quality research.

Our primary objectives are to:

- ✓ Continued financial stability and sustainability of the department.
- ✓ Actively encourage and support Northumbria sponsored chief investigation studies.
- ✓ Participate actively in the success of the 3 Trust Northern Research Alliance with Newcastle Hospitals NHS Foundation Trust and NHS Gateshead Health NHS Foundation Trust.

- ✓ Promote the growth of commercial partner research.
- ✓ Explore research opportunities with primary care.

Northumbria R&D already participates in a number of commercial studies across several specialities. The rheumatology Team is often featured by our commercial sponsors as being one of the top recruiters nationally.

In addition to commercially sponsored research the Trust sponsors many academic projects and chief investigator studies are performed. This has resulted in high quality Journal publications and Conference presentations. Last year (2018) around 75 journal publications arose from the academic work performed by Trust employees including a number of high impact publications.

## Goals agreed with commissioners (the CQUIN – Commissioning for Quality and Innovation Payment Framework)

A proportion of Northumbria Healthcare NHS Foundation Trust's income in 2018/19 was conditional on achieving quality improvement and innovation goals agreed between Northumbria Healthcare NHS Foundation Trust and any person or body they entered into a contract, agreement or arrangement with for the provision of relevant health services, through the Commissioning for Quality and Innovation (CQUIN) payment framework. Further details of the agreed goals for 2018/19 and for the following 12 month period are available electronically at <https://www.england.nhs.uk/nhs-standard-contract/cquin>

Table 12: Trust 2018/19 CQUIN targets

2018-19 CQUIN quality improvement scheme
<p><i>NHS staff health and wellbeing</i></p> <ul style="list-style-type: none"> <li>a) Improvement of health and wellbeing of NHS staff</li> <li>b) Improving access to physiotherapy services for staff</li> <li>c) Healthy food for NHS staff, visitors and patients</li> <li>d) Improving the uptake of flu vaccinations for front line clinical staff within providers</li> </ul>
<p><i>Reducing the impact of serious infections (AMR and Sepsis)</i></p> <ul style="list-style-type: none"> <li>a) Timely identification of sepsis in emergency departments and acute inpatient settings</li> <li>b) Timely treatment for sepsis in emergency departments and acute inpatient settings</li> <li>c) Antibiotic review</li> <li>d) Reduction in antibiotic consumption per 1,000 admissions</li> </ul>
<p><i>Improving services for people with mental health needs who present to A&amp;E</i></p> <ul style="list-style-type: none"> <li>a) Reduce by 20% the number of attendances to A&amp;E for those within a selected cohort of frequent attenders who would benefit from mental health and psychosocial interventions, and establish improved services to ensure this reduction is sustainable</li> </ul>
<p><i>Offering advice and guidance (A&amp;G)</i></p> <p>Set up and operate A&amp;G services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in to secondary care</p>
<p><i>Preventing ill health by risky behaviours – alcohol and tobacco</i></p> <ul style="list-style-type: none"> <li>a) Tobacco screening</li> <li>b) Tobacco brief advice</li> <li>c) Tobacco referral and medication offer</li> <li>d) Alcohol screening</li> <li>e) Alcohol brief advice or referral</li> </ul>
<p><i>Improving the assessment of wounds</i></p> <p>Increase the number of wounds which have failed to heal after 4 weeks that receive a full wound assessment</p>
<p><i>Personalised care and support planning</i></p> <p>Embedding personalised care and support planning for people with long-term conditions</p>

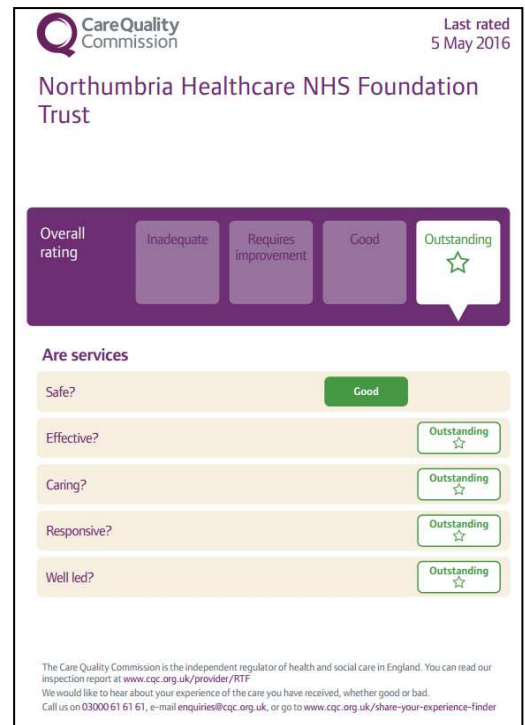
The total value for the 2018/19 scheme was £8,292,166. The total value for the 2017/18 scheme was £8,614,590. By agreement with the commissioners we retained 100% of this amount.

## Statements from the Care Quality Commission (CQC)

Northumbria Healthcare NHS Foundation Trust is required to register with the Care Quality Commission (CQC) and its current registration status is fully registered with no conditions. The CQC has not taken enforcement actions against Northumbria Healthcare NHS Foundation Trust during 2018/19.

Northumbria Healthcare NHS Foundation Trust has not participated in any special reviews or investigations by the CQC during the reporting period.

In November 2015, the CQC visited the Trust to inspect its services. The final report from this inspection was published on the 5<sup>th</sup> May 2016. The overall ratings from this inspection are shown in the picture to the right –the Trust was given an overall rating of ‘OUTSTANDING’.



Although the CQC report was extremely positive, there were a small number of areas for improvement identified. A detailed action plan was therefore developed and was completed by the due date of January 2017.

## Data quality

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Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made. Improving data quality, which includes the quality of ethnicity and other equality data, will thus improve patient care and increase value for money.

### *The patient's NHS number*

A patient's NHS number is a key identifier for patient records, and the National Patient Safety Agency has found that the largest single source of nationally reported patient safety incidents relates to the misidentification of patients. The work to ensure the completeness of this data item within the Trust means that its performance is above the national average.

Northumbria Healthcare NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses Service (SUS) for inclusion in the Hospital Episodes Statistics (HES) which are included in the latest published data.

The percentage of records in the published data which included the patient's valid NHS number was (for April 2018 to January 2019):

- 99.8% for admitted patient care (national value is 99.4%)
- 99.9% for outpatient care (national value is 99.6%)
- 98.3% for accident and emergency care (national value is 97.6%).

The percentage of records which included the patient's valid General Medical Practice Code was (for April 2018 to January 2019):

- 100.0% for admitted patient care (national value is 99.9%)
- 100.0 % for outpatient care (national value is 99.8%)
- 100.0% for accident and emergency care (national value is 99.3%).

### *Data Security and Protection Toolkit submission*

Northumbria Healthcare NHS Foundation Trust has submitted a return for the Data Security and Protection Toolkit (DSPT) V1 2018/2019 prior to the 31<sup>st</sup> March 2019 deadline and are awaiting formal publication by NHS Digital. Of the 100 mandatory evidence items the Trust have met 100 and have completed all mandatory assertions. This indicates a "standards met" status. The Trust is currently awaiting release of the DSPT V2.0 for 2019/20.



### *Clinical coding of admitted patients*

Clinical coding translates the medical terminology, as written by the clinician to describe a patient's diagnosis and treatment, into standard recognised codes. The accuracy of this coding is a key indicator of the accuracy of the patient record.

Clinical codes can be used to identify specific groups of anonymised patients (for example, those who have had a stroke, or those who have had a hip replacement operation) so that indicators of quality can be produced to help inform the improvement process.

Northumbria Healthcare NHS Foundation Trust was not subject to an external Payment by Results clinical coding audit during 2018/19. An internal audit was carried out by an independent qualified auditor. This covered 200 episodes from the following specialties: Breast Surgery (50), Colorectal Surgery (50), Upper Gastrointestinal (50) and Plastic Surgery (50). The results from this audit are shown in Table 13.

Table 13: Internal audit: error rates

Error	Breast Surgery 50 episodes % (numerator/ denominator)	Colorectal Surgery 50 episodes % (numerator/ denominator)	Upper Gastrointestinal 50 episodes % (numerator/ denominator)	Plastic Surgery 50 episodes % (numerator/ denominator)
Primary diagnosis incorrect	10% (5/50)	10% (5/50)	14% (7/50)	6% (3/50)
Secondary diagnoses incorrect	7.5% (11/146)	10% (14/141)	13.5% (21/155)	15.7% (16/102)
Primary procedure incorrect	2% (1/50)	2% (1/49)	2.1% (1/47)	6.2% (3/48)
Secondary procedures incorrect	7% (10/143)	3.2% (2/62)	4.2% (2/48)	7.1% (8/112)

The Trust's overall coding accuracy scores achieved Data Security and Protection Toolkit 'Advisory' requirement level, set by NHS Digital. The results should not be extrapolated further than the actual sample audited.

### *Actions to improve data quality*

Data must be of the highest quality so that information held about an individual patient and used in their care is accurate. In addition, the summary information used by the Trust to measure service improvement, and by the public and patients to assess quality of services, also requires that data should be of the highest quality. Northumbria Healthcare NHS Foundation Trust will be taking the following actions to further improve data quality:

- Ensure all the important data collection systems are underpinned by clear procedures and processes for recording data.

- Building on the work already started by both the clinical coding auditor and the trainer to improve the quality of the codes recorded, in particular making the best use of the additional encoder software.
- Improving the process around the definition and reporting of key safety and quality metrics, working on this through the Trust's Quality Lab.
- Continue to work closely with clinical leaders on the development and reporting of outcome measures from coded data, for reporting to the Trust's quality panels, using this as an opportunity to address any underlying data quality issues.
- Further developing and implementing the Trust's Data Standards Policy, in particular with the implementation of new electronic prescribing (ePR) systems, to ensure that all new implementations comply with the national Information Standards Notices.
- Expanding reporting from the patient level data recorded about allied health professional and community health services, developing new data standards where necessary.
- Continuing to use the Trust's data governance tables to improve the quality of data held within our systems.
- Reporting on data quality metrics (including the national Data Quality Maturity Index) to the Safety & Quality Committee.
- Development and use of local Data Quality Kitemarks, to monitor and improve on levels of confidence in the quality of data sourced from Trust systems, and used in key performance indicators.
- Expanding reporting to include metrics derived from the data recorded about patient observations and medication.

## Complaints

The Trust values the contributions patients and their carers have made to its patient surveys, complaints and compliments. Table 14 below provides a summary of the key complaints performance indicators monitored within the Trust:

Table 14: Key complaints performance indicators

Measure	Target	2018/19 Outturn	2017/18 Outturn	2016/17 Outturn	2015/16 Outturn
New complaints received	no target	334	391	440	504
Acknowledge all complaints within 3 days of receipt	100%	100%	99%	100%	100%
Complaints closed	no target	414	403	486	513
Complaints closed within timescale agreed with complainant	95%	94%	90%	81%	93%
Percentage of well – founded complaints	no target	70%	69%	68%	64%

The total number of new complaints (including withdrawn complaints) received in 2018/19 is 334 which represents a decrease of 57 (15%) from the total received in the previous year. The main themes resulting from complaints are detailed in Table 15 below:

Table 15: Main themes resulting from complaints

Themes	New Complaints Received	Percentage of Total New Complaints Received	Percentage well-founded <sup>1</sup>
Care and Treatment	212	65%	68%
Communications	61	17%	74%
Privacy and Dignity	37	10%	76%

Note: <sup>1</sup> Based upon new complaints opened and responded to 2018/19 (includes fully upheld and partially upheld complaints)

The Trust recognises that in the majority of instances it is best to resolve issues as soon as possible. The Trust uses a variety of ways to encourage concerns to be raised immediately with the person in charge of a patient's care, such as complaints patient information leaflets and complaints posters. Alternatively contact details are provided for the Patient Advice and Liaison Service (PALS), the on-call senior manager (available out of hours) and also the Complaints Team.

During 2018/19, the Parliamentary and Health Service Ombudsman (PHSO) notified the Trust of its intention to investigate nine complaints. Of these, four have been concluded with none fully upheld. In addition, one draft report has been received which partially upholds the complaint.

## Staff reporting incidents

The National Reporting and Learning Service (NRLS) recognise that organisations that report more incidents usually have better and more effective safety cultures. During 2018/19, a total of 17,381 (17,188 in 2017/18) incidents were reported by staff.

Once reported each incident is investigated and remedial action taken where necessary. To further encourage reporting, staff receive feedback on incidents reported which is provided electronically through the Trust's incident reporting system.

The Trust risk management team will continue to work with staff across the Trust to emphasise and publicise the importance of reporting incidents whenever they are witnessed. The top three types of incident reported in the Trust during 2018/19 are indicated in Table 16:

Table 16: Top 3 incident types reported by staff during 2018/19

Themes	Number reported	Comment
Pressure ulcer	3505	The most frequent issue is pressure ulcer damage present on admission to the Trust. The most serious cases of Trust acquired pressure ulcers remain subject to full root cause analysis.
Accident, fall, slip, trip or collision	2180	The most frequent issue is patient falls, minimising hospital falls continues to be a priority into 2019/20.
Skin	828	The most frequent issue is moisture lesion

## Serious incidents

Serious incidents (SIs) which occur within the Trust are reported to the Commissioners. After reporting the incident, a root cause analysis (RCA) investigation is undertaken for each incident reported. An investigation report, including an action plan, is produced following the RCA investigation. This report is reviewed by the Trust's Safety Panel, which includes a Medical Director, and a Director of Nursing. Once approved the report is submitted to the Commissioners. Actions arising from the investigation continue to be monitored until they are completed. In total, 66 SIs were reported by the Trust in 2018/19. The top three themes most frequently reported are shown in Table 17 below:

Table 17: Top three serious incidents reported during 2018/19

Themes	Number Reported	Comment
Falls	28	National guidance to report all 'falls with fracture'. Minimising hospital falls continues to be a priority into 2019/20.
Maternity	6	Includes unexpected admission to NICU and stillbirths.
Mortality/Unexpected Death	5	Includes unexpected deaths and suicides.

## Never events

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Never events are serious, largely preventable patient safety incidents that should not have occurred if the available preventative measures had been implemented. During the year 2018/19, the Trust reported five never events, the details of these cases are included in the table below:

Table 18: Never Events reported in 2018/19

Never Event	Number Reported	Comment
Wrong implant/prosthesis	1	Note that incident occurred in 2017/18 but was escalated to a never event in 2018/19. Action plan is complete.
Wrong site surgery	2	1 action plan complete, the other is on-going.
Overdose of insulin due to abbreviations or incorrect device	1	RCA on-going
Unintentional connection of a patient requiring oxygen to an airflow meter	1	RCA on-going.

Each case was investigated as a serious incident with an action plan developed to address the investigation recommendations, implementation of these actions is monitored by the Trust board until completion.

## Duty of Candour

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The statutory duty of candour became effective from November 2014 and all trusts are required to comply with the duty of candour after becoming aware of a 'notifiable safety incidents'.

A notifiable safety incident is defined as 'any unintended incident that occurred in respect of a service user during the provision of a regulated activity that, in the reasonable opinion of the healthcare professional, could result in or appears to have resulted in:

- Death
- Severe harm, moderate harm or prolonged psychological harm to the service user'.

Trusts are required to verbally notify service users of such incidents within ten working days and to follow up this verbal notification with a written notification. Trust staff have been made aware of the requirements of the duty of candour through internal communication briefings, amendments to Trust policies/procedures and also through the staff induction process.

The Trust utilises the existing incident reporting system to record and manage all notifiable safety incidents to ensure that the requirements of the duty of candour are adhered to. Monitoring of compliance is reported on a monthly basis to the Safety and Quality Committee and to the Finance, Investment and Performance Committee both of which are Trust Board committees.

## Freedom to Speak Up

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Staff within the Trust can speak up to their Freedom To Speak Up (FTSU) Guardian about any concern that they have. Staff can text, email or telephone the Guardian confidentially to seek support and advice on how to escalate or manage their concerns. Staff are encouraged to speak up to their line managers to allow managers to manage. In circumstances when this does not happen, the Guardian can escalate the theme via an appropriate route.

The FTSU process is adhered to by the Guardian which provides structure and consistency when managing each speak up case. The process requires that feedback is provided back to the individual/group who speak up, and feedback back to Guardian when a case is closed from the staff to ensure that if detriment has been suffered that the opportunity is there for the Staff to report to the Guardian.

It is the role of the Guardian to ensure that the identity of staff speaking up to them is protected, that conversation takes place to understand and manage expectations, and to gain consent to sharing identity where appropriate.

The FTSU Guardian is in the process of developing an online learning application for all staff to access, and creating a website which has a referral form that staff can complete.

## Reporting against core indicators

This section of the Quality Account provides comparisons of quality standards common to all providers.

The standards are set by the Department of Health and the information and data used is from the NHS Information Centre. All data can be found at: <https://indicators.ic.nhs.uk/webview>. The standards that are benchmarked are:

- Summary hospital-level mortality indicator (SHMI)
- Patient reported outcome measures
- Emergency readmissions within 28 days
- Responsiveness to the needs of patients
- Staff who would recommend the Trust to family or friends
- Venous thromboembolism risk assessment
- Clostridium difficile (C. difficile)
- Patient safety incidents.

### Summary Hospital-level Mortality Indicator (SHMI)

Table 19: Performance against the summary hospital-level mortality indicator (SHMI) core quality indicators

Measure	October 2016 – September 2017					October 2017 – September 2018				
	Trust Value	National Average	National Min	National Max	Status	Trust Value	National Average	National Min	National Max	Status
The value and banding of the summary hospital-level mortality indicator ('SHMI')	1.02 Band 2 (as expected)	1.00	0.73	1.25	↔	1.01 Band 2 (as expected)	1.00	0.69	1.27	↔
% of patient deaths with palliative care coded at either diagnosis or specialty level	39.3	31.5	11.5	59.8	↔	41.8	33.8	14.3	59.5	↔
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected									

Table 19 presents the Trust's performance against the SHMI. Northumbria Healthcare NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has in place the right quality standards and culture to ensure it delivers safe and good quality care as evidenced by its performance on the metrics of: responsiveness to the personal needs of patients, and staff who would recommend the Trust to family or friends.
- The percentage of deaths coded with palliative care codes is greater than the national average because the Trust provides a dedicated palliative care service on all sites. This service scores very highly on the Trust's internal patient experience measures.

Northumbria Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by following a comprehensive process for monitoring within-hospital mortality.

- This involves using several mortality measures, and then accessing the records of the patients in those groups for which a review is indicated because of the value of the measure.
- For each review the Medical Director is provided with the full and final clinical coding information. This includes details of primary diagnosis, any co-morbidities and also any procedures performed.
- The Medical Director reviews all of the information available through clinical coding for each case, and then will request any further information required to make a full assessment. This could involve a review of the case notes and a discussion with the clinical team.
- By this process, the Medical Director is able to report to the Board as to whether any of the deaths identified fall outside those that would be expected, or are not clearly accountable by the fully coded diagnoses and procedures.
- In addition, the Trust has also established a weekly clinical case note review of a proportion of deaths to analyse whether any improvements in care could have been made.
- The Trust also participates in a regional group that shares best practice with regard to monitoring hospital mortality.
- The Trust has appointed to the post of Medical Examiner to support the case mortality review process and the bereavement process. The Medical Examiner will also support the interaction between relatives, the Trust's internal governance processes, coroners, registrars and our clinicians.



## Patient reported outcome measures

Figure 10: Primary HIP Procedures (data provided by NEQOS)

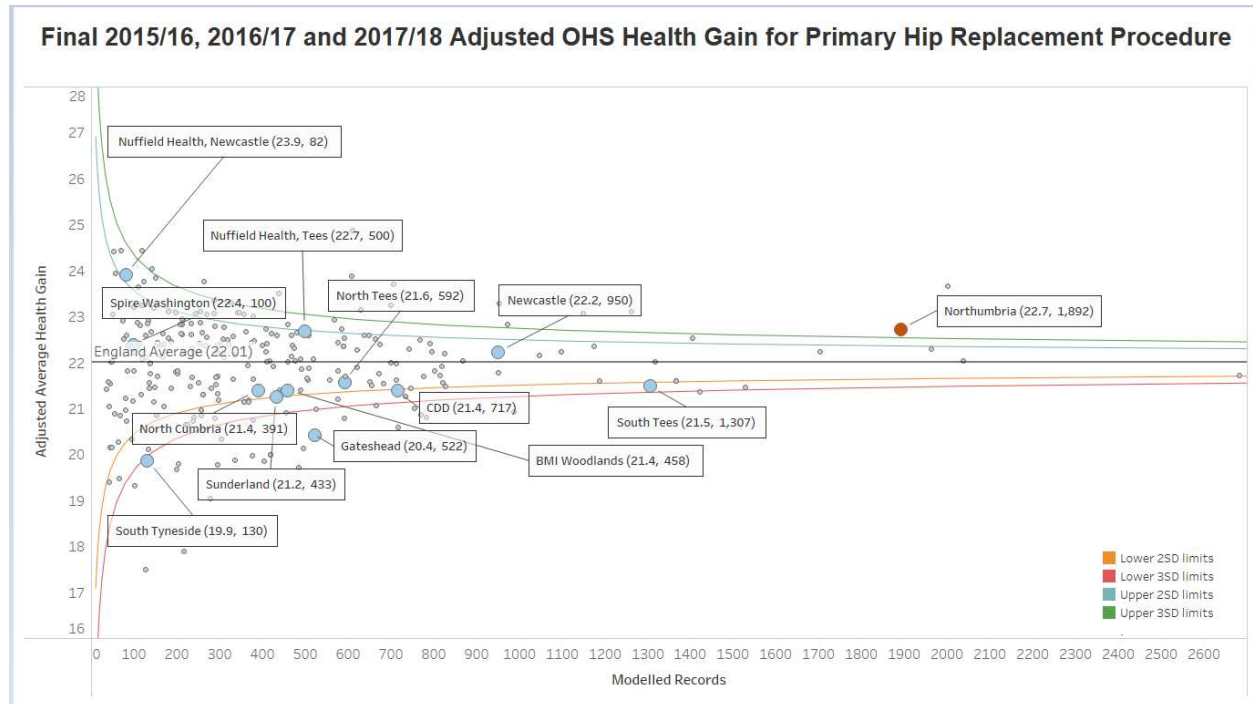
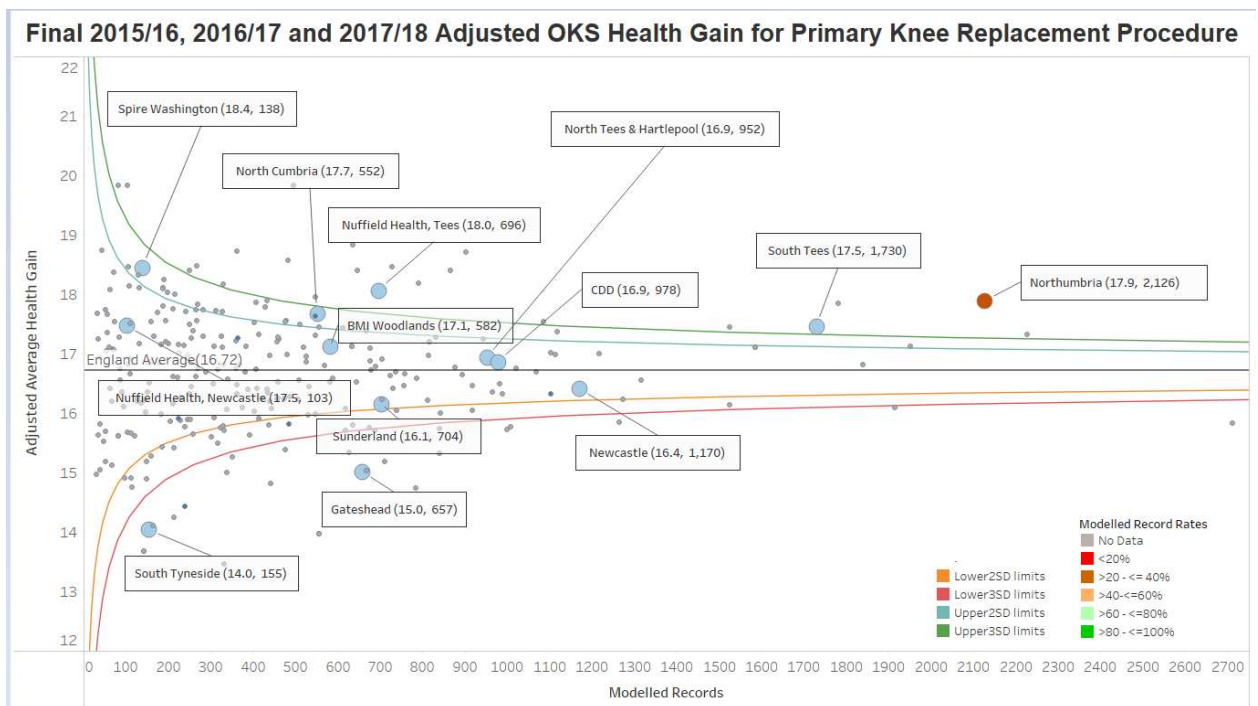


Figure 11: Primary knee Procedures (data provided by NEQOS)



Figures 10 and 11 present the Trust's performance against the PROMs – both graphs demonstrate that Northumbria Orthopaedics remain high outliers for improvement in function for hip and knee replacement. They are above 3 standard deviations from the mean for the last 3 years of data

Table 20: Performance against the Patient Reported Outcome Measures (PROMs) core quality indicators

Measure:	April 2016– March 2017					April 2017 – March 2018				
	Trust Value	National Average	National Min	National Max	Status	Trust Value	National Average	National Min	National Max	Status
EQ-5D index casemix adjusted health gain										
Groin hernia surgery*	-0.163	-0.241	-6.507	3.273	↔	0.095	0.089	0.029	0.137	↑
Varicose vein surgery*	No data for NHCT	0.081	-4.904	6.272	No data	No data for NHCT	0.096	0.035	0.134	No data
Hip replacement surgery (primary)	0.468	0.445	0.31	0.537	↑	0.484	0.468	0.376	0.566	↑
Hip replacement surgery (revision)	Low numbers	0.291	0	0.362	Insufficient data	Low numbers	0.289	0.142	0.322	Insufficient data
Knee replacement surgery (primary)	0.353	0.324	0.242	0.404	↑	0.355	0.338	0.234	0.417	↑
Knee replacement surgery (revision)	Low numbers	0.273	0	0.297	Insufficient data	Low numbers	0.292	0.196	0.328	Insufficient data
Key:	↑ corresponds to patient experience of “significant health gain” ↔ corresponds to patient experience of “no significant health gain”									

\*Data collection ceased in Oct-17, so 2017/18 figures only include April to September 2017

A large number of improvements have been made to the service over recent years. In view of these outcomes Northumbria are now leading a large scale implementation of anaemia screening across 20 NHS trusts (Quality Improvement in Surgical Teams (QIST) collaborative), further information on this is provided on page 80.

## Emergency readmissions to hospital within 28 days

Table 21: Performance on emergency readmissions to hospital within 28 days of discharge

Measure	2011/12 <sup>1</sup>				
	Trust Value	National Average	National Min	National Max	Status
Patients aged 0-15	10.21	-	0.0	14.94	↔
Patients aged 16 or over	12.60	11.45	0.0	17.15	↓
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected				
Note:	1 – No more recent data available				

Table 21 presents the Trust's performance on emergency readmissions to hospital within 28 days. The figures shown above are taken from the most recent set of national figures which were last updated in December 2013.

More contemporary figures taken from the Comparative Health Knowledge System (CHKS) iCompare tool, show the figure for the Trust (patients of all ages) for the period Jan-18 to Dec-18 is 9.6%. The equivalent value for the peer ('Acute HES') is 8.4%. It should be noted that the CHKS methodology, whilst allowing us to benchmark against other providers, is not exactly comparable to that used by NHS Digital to produce the figures in table 21, above.

The Trust continues to develop the provision of same day emergency care services, including both medical and surgical specialties. At Northumbria Healthcare NHS Foundation Trust, the majority of this activity is recorded as admitted patient spells and this has an impact on the reported emergency readmissions measures. There is currently no national guidance on how this type of activity should be recorded. This means, therefore, that the impact of the provision of a large same day emergency care service does not have a similar impact on readmissions figures for all Trusts.

Local analysis shows that the exclusion of same day emergency care activity results in a decrease of somewhere between 2% and 3% in reported readmission rates.

Northumbria Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services:

- Discharge lounges: The discharge lounges help to standardise the discharge process. Staff in the lounges follow up patients who are at high risk of readmission and arrange further support if necessary. The discharge lounges work in partnership with pharmacy to ensure that patients understand their medications, as confusion about medication can lead to unnecessary readmission.
- Follow up telephone calls for our elective care patients post discharge to ensure their recovery is on track and if they require intervention then they can come back to clinic.

## Responsiveness to the personal needs of patients

Table 22: Performance on responsiveness to the personal needs of patients

Measure	2016/17					2017/18				
	Trust Value	National Average	National Min	National Max	Status	Trust Value	National Average	National Min	National Max	Status
Responsiveness to inpatients' personal needs	74.6	68.1	60.0	85.2	↑ (within top 20%)	74.4	68.6	54.4	86.2	↑ (within top 20%)
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected									

Table 22 presents the Trust's performance on the responsiveness to the personal needs of patients. Northumbria Healthcare NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust is continually responding to patient feedback and has an extensive programme to ensure that it captures feedback at different times of the patient journey.
- Real-time patient experience data captured during inpatients stay is communicated to all members of the clinical teams in a timely manner, often within 3 hours of speaking to patients thus ensuring improvement can be made quickly. It also allows staff to appreciate how their service is viewed. This capture of feedback of real-time patient experience has helped clinical teams remain responsive to inpatients personal needs.

Northumbria Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- It continues to develop its patient experience programme for inpatient, outpatient and community services using different methods of data collection and ensuring that this is communicated to teams in a timely manner. The Trust has also continued this year to further understand its patient experience data by collecting data on both weekdays and weekends.
- We are collecting staff experience in real time, as evidence suggests that there is a direct correlation between staff experience and patient experience.

## Staff who would recommend the Trust to family or friends

Table 23: Performance on staff who would recommend the Trust to family or friends

Measure	2017					2018				
	Trust Value	National Average (acute trusts)	National Min (acute trusts)	National Max (acute trusts)	Status	Trust Value	National Average (all acute trusts)	National Min (acute & acute specialist trusts)	National Max (acute & acute specialist trusts)	Status
% of staff employed by, or under contract to the Trust who would recommend it as a provider of care to their family	77%	70%	47%	86%	↔	83%	70%	41%	86%	↑
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected									

Table 23 presents the Trust's performance on staff who would recommend the Trust to family or friends. Northumbria Healthcare NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has a highly engaged workforce that is fully committed to delivering high quality care. The response rate for the Trust for the staff survey is one of the highest in the country. Real time patient experience data is communicated to all members of the clinical teams in a timely manner ensuring improvements can be made quickly when required and demonstrating to staff how their services are viewed.

Northumbria Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- It continues to develop its patient experience programme for inpatient, outpatient and community services using different methods of data collection and ensuring that this is communicated to teams in a timely manner.
- The Trust also continues to engage with staff through focus groups following the results of the staff survey and the Trust's culture survey to identify where and how any improvements can be made.
- In December 2018 the Trust began collecting real time staff experience information to gain a better understanding of our workforce.

## Venous thromboembolism (VTE) risk assessment

Table 24: Performance on VTE risk assessment: %

	2017/18: Q4	2018/19: Q1	2018/19: Q2	2018/19: Q3
Measure:	% of admitted patients risk-assessed for VTE			
Target:	95%	95%	95%	95%
Trust Value:	96.57%	96.11%	96.62%	98.39%
National Average:	95.21%	95.63%	95.49%	95.65%
National Min:	67.04%	75.84%	68.67%	54.86%
National Max:	100%	100%	100%	100%
Status:	↔	↔	↔	↔
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected			

Table 24 presents the Trust's performance on VTE risk assessment. Northumbria Healthcare NHS Foundation Trust met the 95% target throughout the year (updated for Q4). This follows action taken by the Trust to improve performance following 2017/18. Specific action taken relates to new documentation which further simplifies the data collection process. This was introduced during 2017/18.

## C. difficile

Table 25: Performance on C. difficile

Measure	2016/17					2017/18				
	Trust Value	National Average	National Min	National Max	Status	Trust Value	National Average	National Min	National Max	Status
Trust apportioned rate of C. difficile infection for patients aged two years and over per 100,000 bed days	7.8	13.2	0.0	82.6	↑	12.1	13.7	0.0	91.0	↑
Key:	↑ better than expected; ↔ as expected; ↓ worse than expected									

Table 25 presents the Trust's performance on C. difficile. The Trust has continued to refine its infection control practices by monitoring antibiotic usage, engaging a dedicated 'deep clean' team, strict cleaning regimes and ensuring where appropriate isolation of patients is undertaken. The Trust has a dedicated team of Infection Control Nurses who work seven days a week to provide support and advice to the wards.

In addition it has developed a seven day microbiology service to ensure that C.difficile positive results are provided in a timely manner and can be acted on appropriately and consistently seven days a week. Furthermore the Trust, via The Northumbria has increased the number of single rooms available to patients thereby reducing the risk of spread of infection. Furthermore the Trust has also identified cohort ward areas to minimise the spread of infection on the base sites and has introduced triggers to restrict visiting at times of heightened infection outbreaks, for example, norovirus.

## Patient safety incidents

Table 26 presents the Trust's performance on patient safety incidents. Northumbria Healthcare NHS Foundation Trust considers that this data is as described for the following reasons:

- The Trust has an open culture and encourages all staff to highlight when and where incidents have occurred. The Trust recognises that in line with NRLS guidance, organisations can't learn and improve if they don't know what the problems are.
- The Trust continues to ensure that staff are engaged in the process and receive feedback on incidents reported at ward/department level.

Northumbria Healthcare NHS Foundation Trust has taken the following actions to improve this score, and so the quality of its services, by:

- The Trust has worked to ensure that incidents are correctly classified, (using National Patient Safety Alert definitions), as severe harm or death. Such incidents are fully investigated with any learning identified and resulting actions implemented.
- Delivered training sessions to a number of departments/meetings across the Trust and published several articles in the staff magazine/weekly communications bulletin to promote and improve incident reporting.

Table 26: Performance on patient safety incidents

Measure	April 2017 to September 2017					October 2017 – March 2018				
	Trust Value	National Average (Median) (Acute Non Specialist median)	National Min (Acute Non Specialist)	National Max (Acute Non Specialist)	Status	Trust Value	National Average (Median) (Acute Non Specialist median)	National Min (Acute Non Specialist)	National Max (Acute Non Specialist)	Status
Number of incidents	5643	4630	1133	15228	↔	6114	4638	1311	19897	↔
Rate per 1000 bed days	39.6	41.7	23.5	111.7	↔	42.7	40.8	24.2	124.0	↔
Number of incidents resulting in severe harm or death	5	15	0	121	↔	8	15	0	99	↔
% of incidents resulting in severe harm or death	0.09%	0.32%	0.00%	1.98%	↔	0.13%	0.36%	0.00%	1.55%	↔

## Learning from Deaths

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### Profile

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The Trust has had an established mortality review process as part of North East Trust collaborative since 2013. Mortality reviews are triangulated with other mortality information and contribute to our strategic quality objectives, which are set out elsewhere. Information, good practice and learning is shared at a bi-monthly meeting of partner Trusts.

### Cases reviewed

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During January 2018 – December 2018, 2,366 of Northumbria Healthcare NHS Foundation Trust patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period:

- 710 in the first quarter (Jan-Mar);
- 538 in the second quarter (Apr-Jun);
- 542 in the third quarter (Jul-Sep);
- 576 in the fourth quarter (Oct-Dec).

4, representing 0.17% of patient deaths during the reporting period are judged to be more likely than not to have been due to problems in the care provided to the patient. In relation to each quarter, this consisted of:

- 1 representing 0.14% for the first quarter;
- 2 representing 0.37% for the second quarter;
- 1 representing 0.18% for the third quarter;
- 0 representing 0% for the fourth quarter.

These numbers have been estimated using the Hogan preventability method where the review graded the death as either “Probably preventable, more than 50-50 but close call”, “Strong evidence for preventability” or “Definitely preventable”.

By 25<sup>th</sup> March 2019, 636 case record reviews and 20 investigations had been carried out in relation to 636 of the deaths included above.

In 20 cases a death was subjected to both a case record review and an investigation. The number of deaths in each quarter for which a case record review or an investigation was carried out was:

- 201 in the first quarter;
- 195 in the second quarter;
- 135 in the third quarter;



- 105 in the fourth quarter.

31 case record reviews and 1 investigation completed after 20<sup>th</sup> May 2018 which related to deaths which took place before the start of the reporting period.

0 representing 0% of the patient deaths before the reporting period, are judged to be more likely than not to have been due to problems in the care provided to the patient. This number has been estimated using the Hogan preventability method where the review graded the death as either “Probably preventable, more than 50-50 but close call”, “Strong evidence for preventability” or “Definitely preventable”.

2 representing 0.083% of the patient deaths during 1<sup>st</sup> January 2017 to 31<sup>st</sup> December 2017 are judged to be more likely than not to have been due to problems in the care provided to the patient.

## Lessons Learnt

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We have learnt the benefits of earlier conversations (1) in patients living with long term conditions and the importance of supporting the bereaved (2). We have learnt the importance of physiological NEWS scores as a flag to identify deterioration to promote early intervention or prevent unnecessary CPR. (3) We have recognised the benefit of team participation in mortality reviews (4).

## Actions Taken and Impact

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- (1) We have implemented actions to improve “Talking about Dying” (RCP 2018) via a Book Club and introduced the Trust’s first Death Cafés. We continue to monitor palliative care referral rates.
- (2) We have agreed a set of bereavement standards, and standard information offering and our supporting its implementation. We have improved care after death by purchasing special transport frames. We have approved a business case for a Medical Examiner system, and set improved care of bereaved patients as a 2019/20 Trust Quality Improvement priority.
- (3) We have a Deterioration group who are coordinating learning from cardiac arrest, NEWS audits, escalation incidents and problems with our AKI and Sepsis bundle. AKI was re-launched this year.
- (4) We have piloted a system for using the new Royal College of Physicians Structured Judgement Review (SJR) tool in specialty teams and have embedded this practice in Intensive Treatment Unit (ITU), Palliative Care and Respiratory.

## Implementing the Priority Standards for 7 Day Hospital Services

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The seven day services programme is designed to ensure patients that are admitted as an emergency, receive high quality consistent care, whatever day they enter hospital. Ten clinical standards for seven day services in hospitals were developed in 2013 through the Seven Day Services Forum, chaired by Sir Bruce Keogh and involving a range of clinicians and patients. The standards were founded on published evidence and on the position of the Academy of Medical Royal Colleges (AoMRC) on consultant-delivered acute care. These standards define what seven day services should achieve, no matter when or where patients are admitted.

With the support of the AoMRC, four of the 10 clinical standards were identified as priorities on the basis of their potential to positively affect patient outcomes. These are:

Standard 2 – Time to first consultant review

Standard 5 – Access to diagnostic tests

Standard 6 – Access to consultant-directed interventions

Standard 8 – Ongoing review by consultant twice daily if high dependency patients, daily for others

In November 2018, NHS England introduced a new board assurance process to measure the delivery of the Seven Day Hospital Services (7DS) standards. This new measurement system replaced the existing self-assessment survey and consisted of a standard measurement and reporting template, which all Trusts were required to complete with self-assessments of their delivery of the 7DS clinical standards, these self-assessments were to be formally assured by the Trust Board.

The new board assurance process required Trusts to undertake a 'trial run' from November 2018 to February 2019, using previous audit data to support the self-assessment. The Trusts self-assessment was assured by the Trust Board and confirmed continued compliance with each standard.

## Priorities for 2019/20

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Having looked back at the Trust's performance over the last year, this section of the Quality Account is forward looking and details the safety and quality priorities that the Trust has decided on for 2019/20. The rationale for including these priorities is based on a range of factors such as actual data from the previous year, or as a consequence of clinical or public request for the priority to be included. Discussions have been held with clinicians via Clinical Policy Group, as well as among Board members at Safety & Quality Committee and Board meetings regarding the refreshed priorities for 2019/20.

These priorities for improvement in the quality of care were agreed following an extensive engagement process and used the intelligence and data the Trust has from its safety and quality outcomes (including serious incidents, case note reviews, reviewing mortality and harm, complaints, clinical audit, outcomes from quality panel reviews, patient and staff experience surveys, and best practice guidance such as from NICE and national audit).

In developing our programme of safety and quality priorities we have continued to bear in mind a golden thread through all of our proposed initiatives that focus on delivery of the highest levels of patient experience and clinical outcomes

The priorities were selected to fulfil at least one of the following criteria:

- The Trust is committed to an improvement in this area
- A known improvement strategy is already in place and will remain in place overtime
- Measures are either in place or in development
- It is possible to undertake historic or benchmark comparison.

The safety and quality priorities for 2019/20 are illustrated below. Three are continued from 2018/19 - flow, frailty and staff experience. Falls will continue to be a priority into 2019/20 but under the umbrella of frailty, whilst sepsis will sit under a broader banner of the deteriorating patient. Four additional areas of focus will also be introduced in relation to cancer, maternity, bereavement and public health in the form of 'Every Contact Counts'.

## Priority 1 – 2019/20: Flow

Priority 1:	Flow	
<b>Why we chose this as a priority and what it means for patients:</b>	<p>Optimising flow thorough our hospital system is about ensuring that patients are cared for in the right place, for the right duration by the right people. This improves patient outcomes and enhances patient care.</p> <p>Blocks to flow can lead to the development of bottlenecks, particularly at the point of entry to our hospitals in ED. A gridlocked ED leads to delays in handing over patients arriving via ambulance, reduced ability to see and treat patients who have time sensitive conditions, delays to admission to hospital and receiving appropriate care in the right setting, and poor performance against the national 4 hour waiting time targets.</p> <p>This priority is about ensuring that safe and high quality care is provided throughout our system by improving and maintaining the flow of our patients.</p> <p>Whilst there are specific areas of focus associated with our flow programme, it should also be noted that there are connections within our frailty and deteriorating patient initiatives that also strive to impact on overall length of stay and patient outcomes.</p>	
<b>What we are planning to do:</b>	<p>In 2019/20 :</p> <ul style="list-style-type: none"> <li>• We will measure the benefit of our purpose built ambulatory care unit which is due to open in Q1 2019/20.</li> <li>• We will continue our focus on extended stay patient numbers across the organisation.</li> <li>• We aim to understand the high impact service users in the emergency department and ensure that they have appropriate care plans, both medical and psychological, to support their needs and reduce their reliance on emergency services.</li> <li>• Coupled with our developing clinical strategy in reshaping healthcare environments; we aim to reduce the number of patients who are frequently admitted to hospital, working in partnership with primary care, community services and social care.</li> </ul> <p>We believe these elements will further improve flow within our hospitals.</p>	
<b>Performance measures:</b>	<b>Proposed Measure</b>	<b>Target</b>
	Improvement in metrics demonstrated within the ambulatory care dashboard	Sustained improvement on 2018/19 performance
	Decrease in number of people who have an extended stay in hospital >21 days	National target = 130 (including a sustained reduction on 2018/19 baseline)

Priority 1:	Flow	
	Decrease in overall number of high impact service users in the emergency department (including number of recurrent attendances and cost).	Based on 2018/19 baseline
	Overall number of people who are frequently admitted to hospital	Based on 2018/19 baseline

## Priority 2 – 2019/20: Patient and staff experience

Priority 2:	Patient and staff experience
<b>Why we chose this as a priority and what it means for patients:</b>	<p>When the NHS was set up in 1948 by a deeply traumatised post-war society, it was with a commitment to caring for everybody in the country, regardless of wealth, status, prestige, or background. A compassionate and inclusive system. In choosing to work for the NHS, we know most staff have made an important decision to dedicate an enormous part of their lives to caring for their fellow human beings, so they too have a core work value of compassion.</p> <p>We know that patient experience and staff experience are inextricably linked. Each day we will have the privilege of meeting people at critical moments in their lives – many will be worried, frightened, sick and suffering - they will share their stories with us and allow us to work with them to help. The gifts of confidence, hope, knowledge and safety can only come from a workforce that feels confident, hopeful, competent and safe themselves. Joy and pride at work are therefore essential resources for a happy, healthy and productive healthcare teams. Our measurement programme helps us to understand in detail what this feels like for our workforce.</p>
<b>What we are planning to do:</b>	<ul style="list-style-type: none"> <li>• Develop our staff experience programme through a year of learning from implementation over a 12 month period.</li> <li>• Work with Newcastle university to pilot new technology that enables us to engage with staff in different ways</li> <li>• Learn from work with 8 pilot teams to deliver a 12 week improvement programme so that we can understand not only what to measure but how we can change and improve for the better.</li> <li>• Pilot three further pulse surveys relating to happiness at work, staff well-being and team working and productivity.</li> </ul>
<b>Performance measures:</b>	<p>As this work is evolving this year our measures will reflect this baseline position rather than allow us to compare with something that was previously recorded.</p> <p>We will track staff experience throughout the year through our pulse surveys and learn about what it takes to engage staff in the programme. We will publish quarterly results of patient and staff experience at each of our hospital sites</p> <p>We will publish a six month report in October 2019 outlining the progress of our 8 pilot improvement teams.</p> <p>We will pilot new technologies and record the challenges and opportunities this brings with agreed groups of staff e.g. Junior doctors</p> <p>In response to survey results in Dec 2018 We will launch a highly visible #It's Not Ok campaign to highlight the issue of violence and abuse of NHS staff.</p>


## Priority 3 – 2019/20: Deteriorating Patient Programme

Priority 3:	Deteriorating Patient Programme
<p><b>Why we chose this as a priority and what it means for patients:</b></p>	<p>Early recognition of patient deterioration is a key factor in improving clinical outcomes and ultimately preventing unnecessary death.</p> <p>Sepsis, or blood poisoning, is the reaction to an infection in which the body attacks its own organs and tissues. If not identified and treated quickly, it can lead rapidly to organ failure and death, and leaves thousands of survivors with life-changing disabilities.</p> <p>Whilst we already have an established Surviving Sepsis project, it is apparent it has not been fully embedded with our clinical teams.</p> <p>Compliance with the sepsis 6 bundle remains a concern. Our audit process has been reviewed including new ways of presenting data to support a programme of continuous improvement.</p> <p>Acute Kidney Injury (AKI) is a sudden reduction in kidney function and often occurs without symptoms. In England over half a million people sustain AKI every year with AKI affecting 5-15% of all hospital admissions. AKI is harmful and associated with 40,000 excess deaths per annum of which up to a third may be preventable.</p> <p>The Trust has identified AKI as an important area to focus on to ensure that patients receive the best possible care.</p>
<p><b>What we are planning to do:</b></p>	<ul style="list-style-type: none"> <li>• In 2019/20 we will concentrate improvement efforts on our understanding and escalation of NEWS scores to support the early identification of the deteriorating patient. A deteriorating patient steering group has been established.</li> <li>• A NEWS audit programme has been established and will feed into the deteriorating patient steering group. NEWS2 was introduced in March 2019.</li> <li>• We will continue to focus improvement efforts on the delivery of the sepsis 6 care bundle. Our electronic patient system (Nervecentre) will include sepsis screening and treatment bundle. We would expect improved compliance and data collection within the emergency department and for admitted patients across the organisation.</li> <li>• An integrated and rolling education and training programme will be implemented to support the early identification and treatment of AKI and sepsis under the umbrella of 'the deteriorating patient'</li> <li>• An AKI treatment bundle will be introduced and monitored.</li> <li>• We will establish deteriorating patient champions across clinical areas in the organisation.</li> <li>• We will encourage wider engagement in the identification and treatment of sepsis and AKI within the community and primary care.</li> </ul>

Performance measures:	Proposed Measure	Target
	Compliance with sepsis screening	>95% threshold maintained
	IV antibiotics prescribed and administered within 1 hour for those patients with suspicions of sepsis	>90%
	Compliance with delivery of the sepsis 6 bundle	>80% threshold by March 2020 (month on month increase by 10%)
	Improved compliance with AKI bundle	Sustained improvement on baseline measure
	Improved 30 day AKI outcome measures in respect of kidney function and mortality	Baseline and scope to be established



## Priority 4 – 2019/20: Frailty

Priority 4:	Frailty
<p><b>Why we chose this as a priority and what it means for patients:</b></p>	<p>Over the next 20 years, the number of people aged 85 and over is set to increase by two-thirds, compared with a 10% growth in the overall population. Statistics indicate that patients over 70 years old account for more than 2 million attendances per year (15% of attendances).</p> <p>Frail older people are more likely to be admitted and have a longer length of stay in acute hospitals compared to other patient groups. Early recognition of frailty and the standardisation of management of frailty related conditions such as falls and delirium is known to improve outcomes and experience for patients.</p> <p>Whilst we have well developed Care of the Elderly (COTE) services with seven day COTE consultant presence at the Northumbria hospital, there remains scope to improve care for frail patients both in terms of early recognition of frailty and providing a more timely comprehensive geriatric assessment.</p> <p>We will also look at the ways in which our approach to falls, dementia and delirium are person centred in relation to both the individual under our care and the experience of those family members and carers who provide support outside of the hospital environment on an on-going basis.</p> 
<p><b>What we are planning to do:</b></p>	<p>In 2019/20 we aim to:</p> <ul style="list-style-type: none"> <li>• Maintain and improve our initiatives to reduce the overall number of falls in hospital and those resulting in harm.</li> <li>• Introduce a pathway to support the early detection and management of delirium – impacting on those with dementia and at risk of falls.</li> <li>• Introduce comprehensive geriatric assessment tools to support the communication of care needs across the multi-disciplinary team.</li> <li>• Continue our focus on the front door of the hospital with improvements to the frailty unit at the Northumbria Specialist Emergency Care Hospital. This combined with the geriatric assessment process is fundamental to ensuring that the needs of our complex older population are known and supported throughout their hospital stay.</li> <li>• Improve our waiting times in Outpatient Department clinics to ensure there is an alternative and rapid access to specialist opinion outside the emergency department. Initial improvement project is based at North Tyneside General Hospital – learning to be shared over the course of 2019 for wider implementation where this is feasible.</li> </ul>

Performance measures:	Proposed Measure	Target
	Introduction of a delirium pathway with associated training	Pathway implemented in 2019.
	Sustained reduction in overall number of falls in hospital	< 2018/19 median of 6
	Reduction in falls resulting in moderate or above harm.	< 2018/19 median of 5
	Increase in number of patients with a comprehensive geriatric assessment (CGA)	Based on 2018/19 baseline
	Decrease in number of in-hospital moves	Based on 2018/19 baseline
	Lower the number of frail older patients who are re-admitted within 30 days	Based on 2018/19 baseline
	Decrease OPD waiting times at North Tyneside General Hospital	7 days threshold

## Priority 5 – 2019/20: Cancer

Priority 5:	Cancer
<p><b>Why we chose this as a priority and what it means for patients:</b></p>	<p>For a number of months, the Trust has been unable to meet the 62 day GP referral to treatment standard. Significant progress has been made in improving the efficiency of the patients' pathway, with March performance finishing at 82%. However there continues to be difficulties in maintaining sustained improvement, in particular with the urology and colorectal pathways.</p> <p>In order to support improvement of the Trust's Cancer Performance, a deep dive into Cancer was conducted in September 2018, with an additional deep dive due for early 2019.</p> <p>The remit and requirements of the colorectal cancer pathway sits wholly within Northumbria Trust and as such, we will focus efforts on reducing breaches in this pathway with subsequent improvements in performance against cancer waiting time targets.</p> <p>The treatment of cancer for all tumour sites is important for us and we will ensure that strategies to improve wider systems and processes developed over the next 12 months are balanced across all cancer pathways, working closely with partner organisations.</p>
<p><b>What we are planning to do:</b></p>	<ul style="list-style-type: none"> <li>• Re-develop pathway for Escalation standard operating procedure (SOP). The Escalation SOP has re-developed to ensure that communication channels and accountability for tasks are documented. Key milestones for diagnostic referrals, investigations and reports are now clearly defined, with direct contacts being highlighted on the document.</li> <li>• Mapping our patient pathways to ensure that these are fully understood and non-value added steps are explored and reduced.</li> <li>• Focus on improving the colorectal cancer pathway with a view to improving performance against cancer standards.</li> <li>• Standardise the way tracking notes are recorded. Clear guidance on how tracking comments should be documented and the abbreviations that should be used has been developed. Monitoring the impact of this standardisation will enable problems with key milestones to be spotted much more effectively.</li> <li>• Improve the MDT Co-ordinators and specialist nurses knowledge of the Somerset system – the system is pivotal to ensuring patients are tracked efficiently through their cancer pathway. Training has provided greater insight into the systems capabilities and will support the improvement work associated with tracking patients through their cancer journey.</li> <li>• Improve the productivity of the MDT co-ordinators through exploration of</li> </ul>

Priority 5:	Cancer
	<p>new ways of working and better use of digital systems</p> <ul style="list-style-type: none"> <li>• Increase staff engagement and awareness of cancer waiting time targets and root cause analysis, encouraging ideas and opportunities for improvement.</li> </ul>

Performance measures:	Proposed Measure	Target
	62 day cancer treatment target improved from 2-18/19 baseline of 78.5%	>78.5%
	Reducing the number of treatment breaches associated with the colorectal cancer pathway	Baseline 2018/19
	Colorectal cancer performance	Minimum standard 85%

## Priority 6 – 2019/20: Bereavement

Priority 6:	Bereavement
<b>Why we chose this as a priority and what it means for patients:</b>	<p>Our clinical strategy focusses on ensuring that we approach care through the lens of realistic medicine, particularly for our frail and older population with a greater understanding of what matters to people and their families.</p> <p>We aim to introduce the role of medical examiner to our organisation in 2019/20 in order to learn and improve the support we need to provide the highest quality person centred care at this difficult time.</p>
<b>What we are planning to do</b>	<p>We aim to introduce the role of medical examiner to our organisation in 2019/20 in order to learn and improve the support we need to provide the highest quality person centred care at this difficult time.</p> <p>Implement and monitor the standards set out by the Bereavement Group. This process will develop over the course of the year and be introduced and monitored using QI methodology and bereaved carer feedback.</p>

Performance measures:	Proposed Measure	Target
	Medical examiners appointed	N/A
	Medical examiner offices established at three main hospital sites – The Northumbria (NSECH), Wansbeck (WGH) and North Tyneside (NTGH)	N/A
	Medical examiner involvement in a high proportion of deaths at NSECH, WGH and NTGH	>80%

## Priority 7 – 2019/20: Maternity

Priority 7:	Maternity
<b>Why we chose this as a priority and what it means for patients:</b>	<p>Our aim is to further improve the care and experience of pregnant women, especially in light of increased birth rates.</p> <p>The implementation of the <i>Better Births</i> document into maternity services is designed to improve the services we offer to women. There is a target set in <i>Refreshing NHS plans 2018/19</i> that requires Local Maternity System (LMS) to ensure that from March 2019 20% of women at booking are placed onto Continuity of Carer pathways so women have the same midwife throughout their pregnancy, labour and post-delivery.</p> <p>The Continuity of Care Pathway will form part of our Flow Coaching Academy in 2019/20.</p>
<b>What we are planning to do</b>	The Continuity of Care Pathway will form part of our Flow Coaching Academy in 2019/20. Performance metrics and associated improvements will be developed during the course of the Academy programme.

## Priority 8 – 2019/20: Every Contact Counts

Priority 8:	Every Contact Counts
<b>Why we chose this as a priority and what it means for patients:</b>	<p>The Trust has appointed a consultant in public health whose role is to ensure that there is a clear direction and focus within the organisation associated with prevention and public health.</p> <p>We aim to improve self-care among the population via initiatives such as social prescribing, care and support planning, and connecting people to community and social networks and initiatives.</p>

Performance measures:	Proposed Measure	Target
	Recruitment of link workers in out-patients	2 posts July 2019 2 posts June 2020
	Making Every Contact Count (MECC) training plan in place	September 2019
	Number of frontline immunisation and screening team trained in MECC	80% by March 2020

The Trust has developed a robust system of performance management to ensure the delivery of the quality priorities. Each priority has a strategic goal and is measured by the clinical team and reported to the Council of Governors quarterly and monthly to the Board of Directors and Safety and Quality Committee.

There are a number of measures that the Trust will continue to monitor about the quality of services that do not appear within the safety and quality priorities list. These are measures that clinical teams have felt are important as a result of national direction, horizon scanning or from the Trust's own performance dashboard.

For example, mortality rates are tracked using a number of different statistical methods, including SHMI, C-difficile rates, and the World Health Organisation (WHO) checklist. The rates are benchmarked nationally and reported to the Board quarterly in line with updated data.

As a Trust and a provider of local health services, Northumbria Healthcare NHS Foundation Trust is committed to listening to patients and the public about the services provided and what is important to them when they use its services. During 2018/19 the Trust has actively engaged with patients, staff and stakeholders to develop the safety and quality priorities for the year ahead so that it can continue to ensure that it delivers a high quality service to its local communities.

The priorities were identified following governor and staff engagement and approved through the course of Q4 2018/19 by Clinical Policy Group, Council of Governors and Safety and Quality Committee.

The draft priorities were presented to Clinical Policy Group, the Council of Governors and Safety and Quality Committee in March 2019. The final priorities were decided by the Council of Governors, Clinical Policy Group and the Board of Directors in March 2019.

## PART 3 – Other information

This part of the Quality Account provides more detail about the Trust's performance during the last year against its priorities identified for 2018/19, and against other key indicators and targets. It also describes some of the key quality initiatives the Trust has undertaken during the year, including the work it has done on improving and monitoring patient and staff experience.

### Key measures

This section provides an overview of quality of care offered by Northumbria Healthcare NHS Foundation Trust based on performance in 2018/19 against indicators selected by the Board in consultation with stakeholders. For ease of reference the Board of Directors' priorities were reported in Part 2. Table 35 below outlines the measures that were included as quality priorities in 2014/15, 2015/16, 2016/17, 2017/18 and 2018/19. These will also be included in 2019/20 as key measures of safety. This demonstrates the improvement from previous years and the Board are committed to sustaining further improvement throughout the year. All of these measures should be cross-referenced to part 2 of the Quality Account.

Table 27: Key measures

Measure	Data Source	Comparator	Performance				
			2014/15	2015/16	2016/17	2017/18	2018/19
Patient safety							
C. diff number of cases	National requirement	n/a	30	21	24	35	16
MRSA number of cases	National requirement	n/a	3	1	4	1	1
SSI rate - all infections (hips)	Internal metric	1.6% - JHI	0.75%	1.00%	0.73%	1.19%	1.59%
SSI rate - all infections (knees)	Internal metric	4.2% - JHI	0.72%	0.48%	0.54%	0.43%	0.57%
Clinical effectiveness							
Serious harm: falls	Internal metric	n/a	65	73	78	65	28
KPI Readmission rate within 30 days	Internal metric	n/a	8.1%	7.3%	7.3%	8.2%	8.1%
Mortality – Case notes reviewed	Internal metric	n/a	-	870	974	616	636
Patient experience							
Real time survey results (domain average)	Internal metric	n/a	9.54	9.48	9.62	9.59	TBC
National inpatient (new indicator)	National requirement	n/a	84.5%	86.5%	86.9%	87.5%	TBC



## NHS Improvement Oversight Framework

NHS Improvement is an independent regulator of NHS Trusts. It requires that minimum standards are maintained and these are described in the Department of Health's Operating Framework as the most significant priorities.

During 2018/19 the principle oversight document issued by NHS Improvement was the Single Oversight Framework.

The Quality Account includes those indicators which were reported as part of NHS Improvements oversight for the whole year i.e. those indicators that appear in both the Risk Assessment Framework and the Single Oversight Framework. Table 36 below summarises the strong performance during 2018/19 against the relevant indicators and performance thresholds.

Table 28: Quarterly performance against NHS Improvement Single Oversight Framework

Indicator	Target	2018/19 Quarterly performance			
		Q1	Q2	Q3	Q4
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway	92%	93% (Jun)	93% (Sep)	92% (Dec)	92% (Mar)
A&E: maximum waiting time of four hours from arrival to admission/ transfer/ discharge <sup>1</sup>	95%	98%	96%	95%	93%
All cancers: 62-day wait for first treatment from: urgent GP referral for suspected cancer	85%	81%	72%	80%	79%
All cancers: 62-day wait for first treatment from: NHS Cancer Screening Service referral <sup>2</sup>	90%	100%	100%	83%	73%
Care programme approach (CPA) patients, comprising: receiving follow-up contact within seven days of discharge	95%	100%	100%	100%	100%
Care programme approach (CPA) patients, comprising: having formal review within 12 months	95%	100%	100%	100%	100%
Improving access to psychological therapies (IAPT) - people with common mental health conditions referred to the IAPT programme will be treated within 6 weeks of referral	75%	92%	95%	98%	96%
Improving access to psychological therapies (IAPT) - people with common mental health conditions referred to the IAPT programme will be treated within 18 weeks of referral	95%	99%	98%	100%	100%
IAPT Proportion of people completing treatment who move to recovery	50%	52%	52%	54%	56%
Clostridium (C.) difficile – meeting the C. difficile objective	No more than 29 cases in the year	1	6	12	16
(numbers are <b>cumulative</b> , quarterly)					
Venous thromboembolism (VTE) risk assessment	95%	96.1%	96.6%	98.4%	98.4%
SHMI (reported in arrears; quarter relates to period in which results published)	As expected	1.01	1.01	1.01	1.01
		As expected	As expected	As expected	As expected
Maximum 6-week wait for diagnostic procedures	99%	99% (Jun)	99% (Sep)	99% (Dec)	99% (Mar)

## Patient experience – an update on performance during 2018/19

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This section of the Quality Account explains the approach the Trust takes to continually improve the experience of its patients, service users and their families. The Trust is widely recognised as having one of the best patient experience programmes in the NHS. It uses a range of approaches to actively engage with the people who use the Trust's services.

Listening to the views of patients allows the Trust to design and deliver services that people really need.

### Friends and family test

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This national test is a measure of patients' general satisfaction with the service of the Trust. It describes the score that patients award services in terms of their likeliness to recommend care to friends and family.

The latest national friends and family test results were published in January 2019. Figure 12 demonstrates the results during 2018/2019 based on the views of 35926

Figure 12: National Friends and Family Test Results 2018/19

FFT Inpatients	Q1	Q2	Q3	Q4
Northumbria	98%	97%	97%	98%
National Average	96%	96%	96%	96%
FFT Emergency Care	Q1	Q2	Q3	Q4
Northumbria	84%	83%	83%	83%
National Average	87%	87%	87%	86%
FFT Maternity	Q1	Q2	Q3	Q4
Northumbria	97%	97%	97%	96%
National Average	96%	96%	96%	96%

In summary the results are fairly positive, exceeding the national average in inpatients and maternity results. Emergency care is now just lower than the national average. We saw this slight decline after the introduction of text messaging. Although text messaging has increased our response rate, this is a different mode of data collection which tends to attract responses rate from a younger population. We know that older people are more likely to give a positive rating of care so feel confident that the method chosen to record feedback has impacted on our scores.

Our national survey results for emergency care for example place us within the top 20% of Trusts with performance on waiting frequently in the top 10%.

Mode bias can result in variability that is not explained by the quality of care alone. For this reason there is a clear recommendation in national guidance that friends and family data should not be used to benchmark or make comparisons across Trusts.

Despite evidence of high quality care based on the friends and family results our response rates for both inpatients and Accident & Emergency remain low when compared to the national average. We have reflected on this as a Trust, and it is a frequent topic of discussion in our review of quality with our Commissioners. We believe that this has been challenging for a number of reasons.

Each year the patient experience team get feedback from around 50,000 people via interview and survey. As part of our real time programme we interview people whilst they are in hospital and feedback immediately to staff that day - this real time programme allows us to be very responsive and act on concerns whilst patients are still with us. Most NHS organisations haven't invested in real time patient experience measurement to the same extent, so not all of what we measure locally counts towards a national picture for Friends and Family.

To help us get detailed information about where we may need to improve care we have committed to following people up once they go home. We know from research that two weeks after care, with time to reflect, patients are more likely to be at their most honest and critical of the service they receive. We believe this is exactly the right time to seek 'warts and all' feedback we need. This detail, together with patients' free text comments, is invaluable for guiding improvement, but it is hard to get in very large numbers and there is an associated cost with every survey that is mailed out.

We are committed to measuring in the right way using systems that are most likely to provide us with honest feedback of where we need to get better. However, these methods are not always the best way of achieving high volume of responses, but our focus has been on the quality of information not quantity.

As a Trust, we remain focused on obtaining detailed feedback captured at all points in the patient pathway. The extent of our real time and written survey programme following thousands of people up during and after their care generates a wealth of free text data which we analyse frequently and report to Board.

To meet the national guidance, we ask inpatients to provide written feedback on the day of discharge in a sealed envelope. Again we know that written responses like this will be less likely to get large volumes of returns than a quick text method but it is more likely to give us information we can act on and we feel that is more important. Sometimes persuading people to

give meaningful feedback on the day they leave hospital can be very difficult because they, understandably just want to go home.

As mentioned earlier, in order to capture more patient feedback and return a higher response rate the Trust introduced Text messaging of the Friends and Family questions in early 2017. Each month we send 2000 ED patients this question. Using this methodology we have seen our response rate continue to improve and rise above the target set by our commissioners.

- ***Real-time programme***

Our real time programme involves an independent team carrying out face to face interviews whilst patients are still in hospital – it allows us to respond quickly to things that individuals and their families wish were better, as well as give immediate feedback to staff about things that were working well. The last year reveals a very strong overall performance by our ward teams with our data remaining consistently excellent throughout 2018. There was evidence of statistical improvements in cleanliness on the ward and communication about medicines and side effects. From a very high baseline, scores in co-ordination and consistency of care, and pain management have a meaningful decline when compared with overall performance in 2017. The decline occurred during the winter period when demands on the service were at their most challenging. The overall patient experience score of 96% remains very high and unchanged this year.

The learning over the last year would not have been possible without the willingness of patients and their families to share their experiences, and for this we are very grateful. We spoke to 6655 individuals in real time, collectively they gave the following scores for our care :

- 94% for **Consistency & Coordination**
- 99% for **Respect & dignity**
- 96% for **Involvement** in decisions about care
- 98% for the quality of relationships with our **Doctors**
- 99% for the quality of relationships with our **Nurses**
- 99% for the **Cleanliness** of our wards and bathrooms
- 98% for the way the team managed **Pain**
- 84% for **Communicating about medicines** and side effects
- 94% for Noise at Night
- 99% for Kindness & Compassion

As well as capturing people's experiences on the day of discharge, we survey thousands of patients once they leave hospital to enable us to have a very balanced view of their experience of our care. We have used this feedback to target and improve essential aspects of our care that we know matter most.

Figure 13: Real time feedback scores 2018/19 – average score per domain

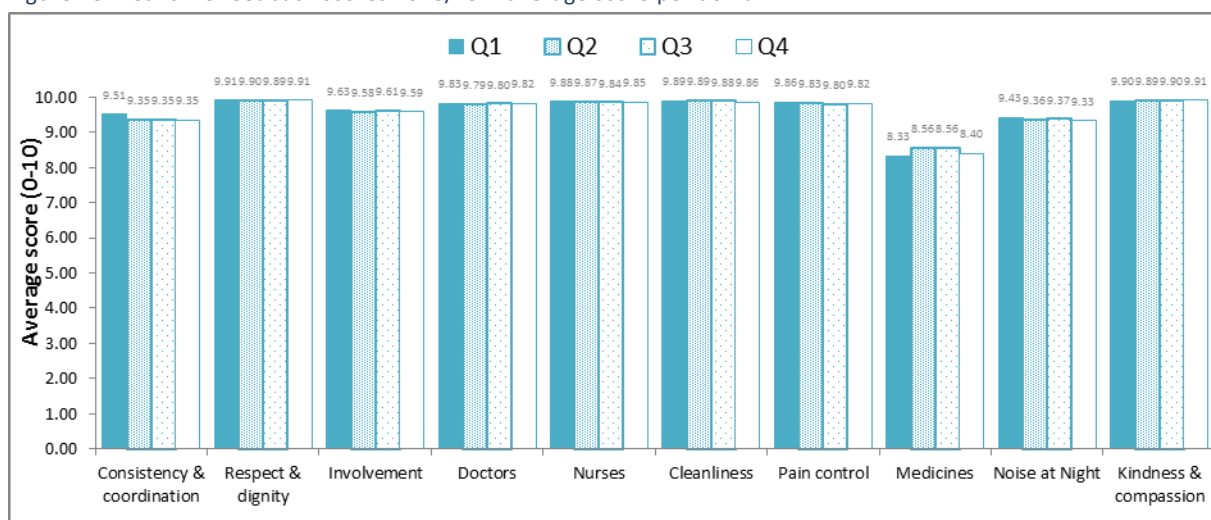
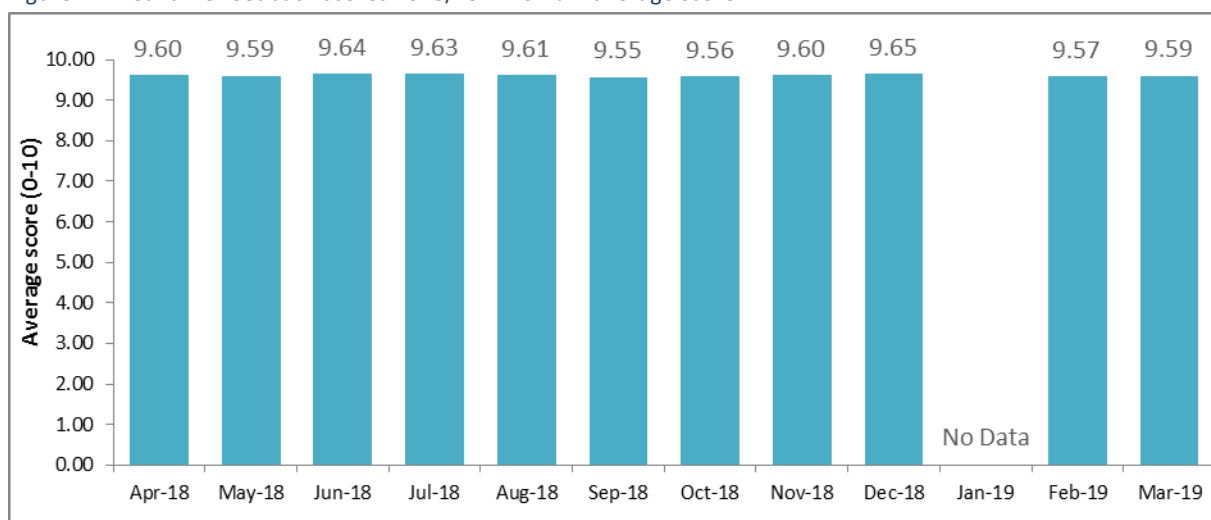


Figure 14: Real time feedback scores 2018/19 – Domain average score



Please note that no real time data was collected in January 2019 due to restrictions on access to the wards in line with infection control policy over winter.

#### • **Patient Perspective 2018**

These surveys are sent to out-patients and in-patients once they have returned home to gather their views and experiences of services. An independent company approved by the Care Quality Commission evaluates the results for the Trust. They received feedback from 9199 people - the following is their account of the patient experience in our services.

## In-patients 2018

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Overall, the inpatient results for 2018 continue to be very good.

The Trust is in the top 20% of all trusts on all 19 most important questions to patients. The overall score for the Trust is 87.6% which is in the top 20% of trusts (84% cut off point) and similar to 2017.

Overall, 98% of patients rated their care as excellent, very good or good. Results remain consistently good in these areas:

- All aspects of communication with doctors and nurses
- Overall ratings of care
- Respect and dignity
- Staff working well together
- Cleanliness and hand-washing by staff
- Pain management
- Information on medicines
- Discharge planning

Results for day-case patients are better still than for inpatients, averaging 92.3%.

## Out-patients 2018

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The outpatient results continue to be extremely good. On average the Trust is in the top 20% of all trusts in England. It is in the top 20% for all survey questions.

All sites have an overall score in the national top 20%. All specialties are in the national top 20% with the exception of Pain Management.

The overall score is 90.8%, with the score for the top 20% in England standing at 85%. This performance is similar to 2017.

99% of patients rate the Trust as excellent, very good or good.

Overall results are particularly good in these areas:

- All aspects of communication between doctors and patients
- Information about treatment and discharge
- Cleanliness
- Involvement in decisions
- Discharge planning

- Letters copied to patients
- Respect and dignity
- Overall ratings

### **Accident and Emergency 2018**

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Overall, the ED results remain very good. The Trust remains in the top 20% of all Trusts in England on 24 of the 27 questions that are comparable with national data.

The average score is 83.9%, and is comparable with the previous year's score of 83.4%. The top 20% score for England is 78% and above.

This score has been consistently high in each quarter since April 2011. Average scores across the four sites are – The Northumbria 78% (specialist emergency care hospital), Hexham 87%, North Tyneside 82%, Wansbeck 82% (urgent care centres).

Overall, results remain good in these areas:

- Privacy
- Information on waiting times
- Overall time in A&E
- Communication with doctors and nurses
- Cleanliness of the department and toilets
- Planning for leaving hospital
- Overall ratings and respect and dignity

There is room for improvement in these areas:

- Waiting times until triage and to seeing a doctor or nurse
- Pain management

## Quality improvements during 2018/19

There are many examples of quality improvement initiatives that have been successfully delivered throughout the year resulting in improved quality of care for the people who use services. Examples of some of the work the Trust has done are given in the sections below, along with some of the Trust's key achievements:

### Key achievement

#### Endoscopic full thickness resection

The Trust has recently approved and commenced endoscopic full thickness resection for early colonic cancer. This minimally invasive technique allows us to individualise patients' cancer treatment adding another dimension to the current 'one-size fits all' approach of major resectional surgery with its associated major complication rate and life altering sequelae such as stoma formation. In many cases this type of major surgery is not suitable either because of patients ability to undergo such procedures, particularly pertinent in a time when we are dealing with a growing elderly and frail population, or because cancer is detected early, for example through bowel cancer screening, and major resectional surgery may represent a poor option due to associated risk when a lesser procedure may avoid this risk and provide adequate treatment of cancer. Minimally invasive, organ preserving, low risk treatments are already well established in the Trust and nationally for rectal cancer providing the benefits described above.

Full thickness endoscopic resection for colon cancer has recently commenced in the Trust (the second Trust in the UK to offer this novel technique). Whilst the technique has been carefully introduced and is only suitable for early colonic cancers the initial procedures have been carried out successfully both in terms of cancer outcomes and patient outcomes. The treated patients so far have had overnight stays and returned to normal activity the next day compared to an average hospital stay of 5-7 days and potential complications associated with the major resections they would otherwise have undergone.

### Key achievement

#### Using AFLOAT to reduce falls

The AFLOAT was developed as our improvement work with NHS England's National Falls Collaborative in 2018.

The tool identifies 7 key characteristics that increase a patients risk of falling and assigns a score to each. The scores are added up and a safe level of observation is advised. The nurse then uses their clinical judgement to set the level of observation for the patient.

We had done engagement work with nurses as part of the Observations Task and Finish group and they had said they would feel better supported in their decision making if they had such a tool.

A literature search found no such validated tool and so we devised our own. It was tested over 6 Plan Do Study Act (PDSA) cycles last summer before arriving at the final version.



It was launched Trustwide on 3<sup>rd</sup> December 2018. Staff experience questionnaires have shown that it is easy to use. We have had very positive comments back from staff. It has enabled more robust, evidence based decisions relating to the required level of observation.

AFLOAT has been shortlisted for the HSI Patient Safety Awards 2019 in the category 'Improving Care for Older People Award'.

## Key achievement

### Trainee Nursing Associates

Over the past two years the Trust has supported the training and development of the Trainee Nursing Associates across all business units and sites within the Trust. This programme of education provided an opportunity to upskill some of our talented Nursing Assistants. We are now preparing to welcome the first every cohort of Registered Nursing Associates in the North East into the Trust in their first posts.

This two year programme of education is implemented in partnership with Teesside University with practice experiences provided across the three mandatory areas, Home, Close to Home and Hospital. These placement are mapped for each Trainee by the Practice Education team ensuring that each trainee can access the experiences required to complete the programme and prepare them for taking on the Band 4 Nursing Associate role within any speciality in the Trust.

Whilst several of the trusts in the region have supported staff to complete this training programme, we have implemented various initiatives to enhance the experience and development of this group of staff. The Trust have facilitated the employment of a dedicated clinical educator to support these learners in practice, whilst supporting the trainee they provide further guidance and support for mentors in the clinical environment. We have provided dedicated quarterly training sessions and facilitated that all Trainees completed the Acute illness management course and completion of course competencies. The practice Education team meet quarterly with trainees, manager and University representatives to provide academic and pastoral support.

The role of the Register Nursing Associate has been well received across the Trust as such the Trust has facilitated a further 2 cohorts of Trainees and the Practice Education team are in the process of negotiating placement experiences for our colleagues in the CCG to support our partners in GP practice to access placement for their staff undertaking this programme of education.

## Key achievement

### National Emergency Laparotomy Audit (NELA)

NELA is a QI project which commenced in December 2013 with the aim of reducing patient mortality in this high risk surgical population. The project provides Trusts with benchmarked reports on compliance with "evidence-based standards" and performance indicators and makes recommendations for improvements. The project includes 183 hospitals across England and Wales, crosses multi specialties including the emergency department, radiology, surgery, anaesthetics, critical care and in the future

COTE. The project also overlaps with the Abdominal Pain Flow Project and The Sepsis Project. Within the Trust, approximately 250 patients per year undergo emergency laparotomy or laparoscopic surgery, representing the 7th highest caseload nationally.

Over the past 6 years, multiple interventions and initiatives have resulted in a Trust reduction in the 30 day SMR mortality rate from 15.9% in 2014 to 8.9% in 2017, whilst national mortality has reduced from 11.4% to 9.5%. The Trust has the lowest length of stay (median LOS of 7 days versus the national median of 11 days). The model of care delivered at the Northumbria compared with national data results in early consultant review (average 13 hours versus average 24 hours respectively), consultant delivered service (99% versus 83%), access to theatres (87% patients entered theatre within the recommended time versus 83%) and admission to critical care (96% of high risk patients admitted in the post-operative period versus 88%).

Future QI projects include the implementation of the Abdominal Pain Pathway within the emergency department, Surgical Assessment Unit and Ward 15, early surgical referral based on the patients NEWS2 score and the introduction of the Complex Geriatric Assessment for patients aged over 65 years by the COTE team.

## Key achievement

### Dementia Lead Nurse in post

The new Dementia Lead Nurse started with the Trust in January. She has been visiting departments/wards and areas throughout the Trust to understand what we are currently doing well and where further work is needed to support our patients with Dementia and their carers. She has also been visiting our third and voluntary sector colleagues to look at working more collaboratively.

The Dementia Steering Group has re-established with momentum, we are working towards the ultimate goal of being a Dementia friendly Trust but also being able to say that Northumbria provide the gold standard of care to our patients with Dementia and their carers.

Current work streams include patient and carer experiences, Dementia training, our ward environments, our Delirium pathway to name a few!

We are looking forward to Dementia Action Week in May, where we hope to showcase some of the fantastic work we do. It's also an opportunity to rally together, gather enthusiasm to help achieve our goal of gold standard care.

## Key achievement

### Jubilee Day Hospital

The Jubilee Day hospital is located at North Tyneside General Hospital and provides outpatient appointments for a variety of clinics including falls, syncope, stroke, Parkinson's disease as well as general Care of the Elderly clinics. There is also access to a variety of other multi-disciplinary teams such as physiotherapy, occupational therapy and others as required. Historically referral has been

made from various sources such as general practitioners, other hospital consultants and community services into the individual clinics. There can be significant delays in onward referrals from these clinics to services such as physiotherapy. There can also be significant duplication of referrals to individual clinics.

The aim of the QI project is to create a single referral route into the JDH that is accessible, efficient and generic that will reduce internal duplication and waiting times and will improve patient experience. The patient referral will be triaged by members of the multi-disciplinary team into either the new generic clinic or a standard clinic. Those patients who are triaged into the new generic clinic will attend for a single appointment and will receive comprehensive MDT assessment. The PDSA cycles that have been performed so far show reduced cycle time for the patients within the clinic and significantly reduced waiting times to access the clinic. Patient experience data has been extremely positive during the PDSA cycles.

There is ongoing work to design assessment documentation for all staff to improve standardisation and reduce variation between clinicians which will improve safety and facilitate communication. It is anticipated that this will lead to the patient needing less outpatient appointments to achieve full assessment and treatment and will provide an enhanced patient experience with associated reduction in costs to the organisation.

Certain clinic, such as syncope, stroke and PD will remain as individual clinics. It is anticipated that the new pathway will begin in June.

## Key achievement

### QIST programme : Quality improvement in Surgical Teams

In Northumbria we implemented two novel interventions with evidence gathered from international randomised trials or best practice guidance – our aim is now to see wider spread and adoption across the NHS.

**1 ) Reducing MSSA infection:** Total joint replacement (TJR) is increasing year on year, with 170,000 being performed in the UK. Infection after surgery is a very serious issue – it is often followed by poor outcome, and patients face a heavy long-term burden. Infections have a higher mortality rate than prostate, breast and colorectal cancer at 5 years. Each infection costs up to £75K to treat, scaled up, the cost of TJR SSI is approximately £45 million pa. Our project successfully reduced surgical site infections caused by a common and aggressive bug. Screening and decolonisation is now a recommended intervention by the WHO for orthopaedic surgery, but uptake rates in the UK remain low.

**2) Proactive detection and treatment of anaemia:** Anaemia in patients undergoing elective hip and knee replacement is associated with increased post-operative morbidity and mortality as well as increased transfusion rates, hospital readmission and length of stay. Joint replacement uses around 10% of blood stocks. There is a need to increase the management of preoperative anaemia in the UK. Improvements in practice would benefit patients and reduce costs.

Although the interventions for methicillin-susceptible *Staphylococcus aureus* (MSSA) reduction and treating anaemia pre-operatively are both strongly evidenced based, many NHS Trusts perform

neither intervention. Our goal was to evidence the benefits of implementation in practice and to modify the intervention for clinical practice in the NHS.

Our ambition is to support spread and adoption at scale across more than 30 NHS sites. If the benefits seen in Northumbria are successfully replicated patients will

- have fewer serious complications post-surgery,
- a reduced length of stay in hospital
- be less likely to be readmitted to hospital
- be less likely to need critical care

The potential savings for the NHS exceed £7million. The results of the QIST programme are being formally evaluated by researchers in The York Trials Unit. We are one year in to our programme, having captured data on 20,000 people so far, we await the final outcomes with interest.

In the meantime the QIST team were delighted to see their early work acknowledged as 'highly commended' in the HSJ Innovation of the Year category.

## Key achievement

### **Our award winning Birth Reflection Programme – Health Service Journal Compassionate Care Award 2018**

For many mothers, the impact of a difficult birth is significant. It can be the source of negative beliefs which prove long-lasting, or be further fuel for a previously-held sense of vulnerability or failure.

At Northumbria, a team from obstetrics, patient experience and health psychology services came together to develop a pathway to try to reduce this negative impact. The Birth Reflection Service allows women to work back through a difficult delivery, receiving support to address any trauma and getting answers to any questions they may have.

To create the service, over 100 members of staff were trained in a psychological model of birth trauma. This was grounded in a model of compassion which was defined as sensitivity to distress along with a motivation to prevent or alleviate that distress.

Birth Reflection clinics have now been running for a year at the Trust, and patient feedback is extremely positive. "Allowed me to move forward and enjoy being a mummy," said one service user. Another: "Brilliant, put a reassuring full stop to my birth."

The hope is that the service will also lead to financial savings for the organisation, reducing the number of women who request caesarean sections because they've had a traumatic previous vaginal delivery. And when left untreated, perinatal post-traumatic stress disorder can lead to chronic mental health problems, chronic pain, and the need for gynaecological and psychosexual interventions. The early intervention offered by the Birth Reflection Service should help prevent such outcomes.

## Key achievement

### **HIP QIP collaborative – our ambition to save 100 lives**

177 hospitals admitted 65958 patients with hip fracture last year. Ensuring safe, effective and

equitable care remains a major public health issue. Overall one year mortality is high at 30%. The pathway of care is complex. Survivors often face a life with decreased function, with 15% to 20% of people needing to change residence as a result of fracturing their hip. The cost of care provision is high and set to rise sharply as our population ages.

High quality, safe care requires the coordinated effort of a multidisciplinary team who are committed to evidence based and person-centred care. Our hip fracture improvement programme (HIP QIP) had been running for 8 years and had been extremely successful (HSJ patient safety finalist 2013, and BMJ Team of the year in 2015) Our programme sought to make further improvements in Northumbria following major organisational change and radical pathway redesign on the opening of a new emergency care hospital in 2015. Our ambition was also to see if these improvements could successfully be adopted in 4 partner NHS organisations

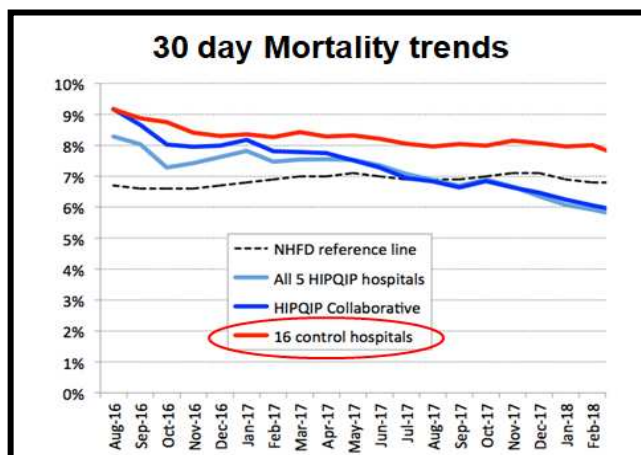
The National Hip Fracture database (NHFD) captures comprehensive outcome data for all orthopaedic units in England. Our collaborative launched in September 2016 funded by The Health Foundation. We reviewed NHFD outcomes to identify a group of hospitals who are outliers with respect to mortality of around 10 %+. We knew that the challenge of improving quality and safety was likely to be greatest in Trusts where performance was poor, but equally recognised that it was there that we had the best opportunity to have the greatest impact. Given our primary outcome focused on reducing mortality, our overarching programme goal was to save 100 additional lives by the end of a 2 year collaborative.

During the set up phase, all of the participating sites received a peer review coordinated by the British Orthopaedic Association. This provided a more detailed understanding of organisational context and challenges. We then brought teams together for 5 learning events to review the evidence supporting best care, exchange ideas and discover the potential for improvement that existed. These sessions were supported by programme leads, orthopaedic experts, improvement fellows and patient leaders.

We established Quality Accounts to outline deliberately ambitious but focused improvement standards. We knew that projects that are underpinned by a strong evidence base are more likely to succeed. Patient stories highlighted the consequences of poor or fragmented care and added further weight to the case for change. Our intention was to take time to build trust and foster a strong sense of community, a shared ownership of change and an improvement climate in which we all felt able to help each other to be better. Between learning sessions (during “action periods”), teams tested and implemented changes in their local settings and collected data to measure the impact of these changes. Participants felt encouraged to report their changes and results, sharing all experiences – including the unintended consequences of improvement.

## Results

**30 day mortality reduction comparing HIP QIP Collaborative with 16 matched controls**



At the start (September 2016) 30 day mortality for the collaborative was 10.3% compared with a NHFD average of 6.7%, making the HIPQIP collaborative outliers for mortality. By Dec 2018, mortality rates in the collaborative had reduced to 5.7% - well below the national average ( see graph ) External evaluation by the Royal College of Physicians (RCP) not only reported these benefits in terms of lives saved but also some wider gains that were evident in our results. They compared the outcome of patients who had been part of the HIP QIP collaborative to those who were cared for in 16 other NHS hospitals - results showed that compared to the control group HIP QIP patients were more likely to :

- Have access to high quality, evidenced based, best practice care (70% vs 45%)
- Receive nerve blocks for pain – (80% versus 40%).
- Have their operation within 36 hours – (80% versus 65%).
- Get out of bed early and move after surgery – (90% versus 80%).
- Return to their own home, avoiding the need for residential or nursing care home placement.

## Workforce factors

The Trust's staff are key to providing safe, effective and respectful care. The NHS staff survey provides the Trust with good information about how its staff feel about different aspects of their work and how well they are equipped to deliver high quality patient care. This year's survey was published in February 2019. The staff response rate was 72% which is one of the highest response rates in the country for acute trusts.

Overall, the survey provides some excellent results however the Trust will continue to focus on areas for improvement. There are 10 themes and an overall staff engagement indicator. Table 29 provides the results, and shows how the Trust compares with other acute trusts. The results are shown as a percentage or rated between 0 - 10:

Table 29: NHS staff survey results for 2018

Theme/Questions	2018 result	2018 National average	2018 Best Acute score	2018 performance against 2017
<b>Equality, diversity &amp; Inclusion</b>	9.6	9.1	9.6	↔
Q14 Does your organisation act fairly with regard to career progression / promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age?	94.2%	83.9%	94.3%	
Q15a In the last 12 months have you personally experienced discrimination at work from patients / service users, their relatives or other members of the public?	3%	6.1%	2.7%	
Q15b In the last 12 months have you personally experienced discrimination at work from manager / team leader or other colleagues?	3.4%	7.7%	3.4%	
Q28b Has your employer made adequate adjustment(s) to enable you to carry out your work?	76.8%	72%	84.8%	
<b>Health &amp; Wellbeing</b>	6.6	5.9	6.7	↔
Q5h The opportunities for flexible working patterns	53.8%	51.9%	60.4%	
Q11a Does your organisation take positive action on health and well-being?	46.7%	27.8%	46.7%	
Q11b In the last 12 months have you experienced musculoskeletal problems (MSK) as a result of work activities?	21.6%	28.7%	20.2%	
Q11c During the last 12 months have you felt unwell as a result of work related stress?	30.9%	38.9%	28.9%	
Q11d In the last three months have you ever come to work despite not feeling well enough to perform your duties?	49.4%	56.9%	47.6%	
<b>Immediate Managers</b>	7.5	6.7	7.3	↔
Q5b The support I get from my immediate manager	75.3%	68.6%	77.4%	
Q8c My immediate manager gives me clear feedback on my work	62.8%	60%	69.2%	
Q8d My immediate manager asks for my opinion before making decisions that affect my work	58.7%	54.1%	61.3%	

Theme/Questions	2018 result	2018 National average	2018 Best Acute score	2018 performance against 2017
Q8f My immediate manager takes a positive interest in my health and well-being	69.2%	67%	74%	
Q8g My immediate manager values my work	77.5%	71.1%	78.5%	
Q19g My manager supported me to receive this training, learning or development	61%	54.1%	66.1%	
<b>Morale</b>	6.7	6.1	6.7	N/A
Q4c I am involved in deciding on changes introduced that affect my work area / team / department	59.9%	52.6%	62.2%	
Q4j I receive the respect I deserve from my colleagues at work	78.4%	70.9%	79%	
Q6a I have unrealistic time pressures	25.6%	21.1%	28.3%	
Q6b I have a choice in deciding how to do my work	58.4%	54%	61.1%	
Q6c Relationships at work are strained	54%	42.9%	55.5%	
Q8a My immediate manager encourages me at work	72.7%	68.1%	76.7%	
Q23a I often think about leaving this organisation	22.4%	29.9%	19.1%	
Q23b I will probably look for a job at a new organisation in the next 12 months	14%	20.8%	14%	
Q23c As soon as I can find another job, I will leave this organisation	8.5%	15.1%	8.5%	
<b>Quality of Appraisal</b>	5.8	5.4	6.5	↔
Q19b It helped me to improve how I do my job	20.5%	23%	35%	
Q19c It helped me agree clear objectives for my work	37.5%	34.7%	46.3%	
Q19d It left me feeling that my work is valued by my organisation	34.8%	32.3%	42.5%	
Q19e The values of my organisation were discussed as part of the appraisal process	44.8%	35.1%	52.5%	
<b>Quality of Care</b>	7.9	7.4	8.1	↔
Q7a I am satisfied with the quality of care I give to patients / service users	89.2%	80.1%	89.4%	
Q7b I feel that my role makes a difference to patients / service users	92.6%	89.5%	92.9%	
Q7c I am able to deliver the care I aspire to	76.5%	66.9%	80.9%	
<b>Safe environment - Bullying &amp; harassment</b>	8.3	7.9	8.5	↔
Q13a In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public?	27.5%	28.4%	22.1%	



Theme/Questions	2018 result	2018 National average	2018 Best Acute score	2018 performance against 2017
Q13b In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from managers?	9.2%	13.7%	8%	
Q13c In the last 12 months how many times have you personally experienced harassment, bullying or abuse at work from other colleagues?	14.8%	20%	11.7%	
<b>Safe environment - Violence</b>	9.4	9.4	9.6	↔
Q12a In the last 12 months how many times have you personally experienced physical violence at work from patients / service users, their relatives or other members of the public?	17.2%	14.3%	10.1%	
Q12b In the last 12 months how many times have you personally experienced physical violence at work from managers?	0.3%	0.7%	0%	
Q12c In the last 12 months how many times have you personally experienced physical violence at work from other colleagues?	1%	1.6%	0.6%	
<b>Safety culture</b>	7.1	6.6	7.2	↔
Q17a My organisation treats staff who are involved in an error, near miss or incident fairly	64.1%	58.5%	69.5%	
Q17c When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again	77%	69.9%	82.3%	
Q17d We are given feedback about changes made in response to reported errors, near misses and incidents	63.3%	58.9%	72%	
Q18b I would feel secure raising concerns about unsafe clinical practice	76.1%	69.2%	76.7%	
Q18c I am confident that my organisation would address my concern	69.5%	56.8%	69.5%	
Q21b My organisation acts on concerns raised by patients / service users	83.1%	72.6%	84.6%	
<b>Staff engagement</b>	7.5	7.0%	7.6	↔
Q2a I look forward to going to work	63%	59.3%	67.6%	
Q2b I am enthusiastic about my job	78.4%	74.8%	81.7%	
Q2c Time passes quickly when I am working	79.6%	76.8%	83.4%	
Q4a There are frequent opportunities for me to show initiative in my role	80%	72.5%	80%	
Q4b I am able to make suggestions to improve the work of my team / department	83.5%	74.5%	83.5%	
Q4d I am able to make improvements happen in my area of work	62.7%	56.1%	65.9%	
Q21a Care of patients / service users is my organisation's top priority	85.1%	76.7%	88.3%	
Q21c I would recommend my organisation as a place to work	73%	62.6%	81%	

Theme/Questions	2018 result	2018 National average	2018 Best Acute score	2018 performance against 2017
Q21d If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	83.2%	71.3%	87.3%	

## Workforce Race Equality Standard (WRES)

The NHS Workforce Race Equality Standard aims to promote race equality in the NHS by requiring trusts to demonstrate progress against a range of indicators as shown in Table 35 (however it should be noted that the numbers of staff from Black and Minority Ethnic Groups (BAME) was relatively small with 41 respondents).

Table 30: NHS staff survey results for WRES

Measure	Ethnic group	2018 result	National average	2017 result
Percentage of staff experiencing harassment, bullying or abuse from patients, relatives or the public in last 12 months	White	27%	28%	26%
	BME	22%	30%	32%
Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	White	18%	26%	19%
	BME	19%	29%	33%
Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	White	95%	86%	94%
	BME	83%	72%	81%
In the 12 last months have you personally experienced discrimination at work from manager/team leader or other colleagues?	White	3%	7%	5%
	BME	10%	15%	21%

## Key achievement

### The Trust supports Northern Pride

The Trust was proud to have taken part in this year's Northern Pride event. Northern Pride took place on Newcastle Town Moor from 21<sup>st</sup> to 23<sup>rd</sup> July 2019 and a range of Trust services, including the integrated Sexual Health Service, North Tyneside Talking Therapies, and the Integrated Wellbeing Service, supported the event with stalls and information.



Ann Stringer, executive director of human resources and operational development, at Northumbria Healthcare said: *"As a Trust we are committed to promoting equality and celebrating difference and I was delighted that we were able to engage with so many people from the diverse LGBT community by participating in Pride again this year."*

In the last year, the Trust has promoted equality and diversity in a range of ways including building a community role models network for people who identify as lesbian gay bisexual and transgender (LGBT) or Black and Minority Ethnic (BAME) to help improve access to healthcare and promote positive roles, and raising awareness of the Equality and Diversity support available for staff.

## Listening to the views of stakeholders to inform the Quality Account

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There is a high expectation that the Trust listens to the views of a wide range of stakeholders and that the Board of Directors would give careful consideration to these views when determining the quality improvement priorities.

The Trust wishes to acknowledge the views of all those involved and is grateful for their time and contribution. This has included voluntary groups across Northumberland and North Tyneside, GP practice managers, feedback from patients via on-going patient surveys, and public and staff members.

## Annex 1: Statements from stakeholders

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### Statement on behalf of the Council of Governors

The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 23<sup>rd</sup> May 2019.

#### **Council of Governors' response to Northumbria Healthcare Quality Account 2018/2019**

Northumbria Healthcare NHS Foundation Trust engages with its Council of Governors to produce the Quality Account. The safety and quality indicators set during the 2018/2019 period provided clarity regarding expected standards and at its quarterly general meetings, the Council of Governors received reports on the quality and safety indicators. These reports, which detail performance against the expected standards, allow the Council of Governors to fulfil its statutory duty of holding the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors.

#### **Feedback on the content of the Quality Account**

The Council of Governors has been engaged in the production of this report and has received briefings from Trust representatives on occasions throughout the year. This has involved detailed presentations relating to the Trust's past and future priorities. Questions and comments from the Council of Governors have been considered and responded to appropriately.

Last year, the Council of Governors established a working group to look at the draft Quality Account in more detail and also to look at ways in which the governors' involvement in the development and review of the Quality Account can be enhanced in future years.

The working group process was continued this year and the group met on Friday 5<sup>th</sup> May. The governors discussed the presentation of the Quality Account and suggested that in future years the Account is drafted in a way that is more targeted towards the general public by further explaining, where possible, the clinical language used within the document. The working group also expressed the expectation that next year's Quality Account will include greater detail on the Out of Hospital and Neighbourhood care element of the Trust's strategy.

The members of the working group, on behalf of the wider Council of Governors, wished to record their thanks to all staff for the work undertaken regarding the Quality Improvement projects detailed in the Quality Account.

Overall, the governors confirm that the report provides enough detail on progress against our quality objectives from last year, it identifies the areas where the Trust still needs to improve, and is clear about what the quality objectives are for 2019/20 and how these will be measured. As a Council, we are keen to continue to focus on staff experience and the effects this has on patients experience and compassionate care.

The Council of Governors acknowledges the efforts of the staff who work so hard, especially during the increasingly frequent periods of high operational pressure, to maintain high standards and provide safe and quality care for our patients.

### **Presentation of the Quality Account**

We have no further comments to make regarding the presentation of the document; the Council of Governors therefore commends the report and provides assurance that the Council will continue to hold the Board of Directors to account via the Non- Executive Directors during the forthcoming year. Work continues to develop additional means by which the Council of Governors can hold Non-Executive Directors to account to discharge their responsibilities.

A handwritten signature in blue ink, appearing to read 'A Bywater', with a long horizontal flourish extending to the right.

**Alison Bywater, Lead Governor**  
**Lead Governor, 23<sup>rd</sup> May 2019**

# Statement on behalf of the Health and Wellbeing Overview and Scrutiny Committee, Northumberland County Council

The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 22<sup>nd</sup> May 2019.



Jeremy Rushmer  
Consultant in Intensive Care Medicine &  
Anaesthesia, Executive Medical Director

By email to - [Patient.Services@nhct.nhs.uk](mailto:Patient.Services@nhct.nhs.uk)

Your ref:  
Our ref: MDB/OSC/QA/2019/1  
Enquiries to: Mike Bird  
Email: [Mike.Bird01@northumberland.gov.uk](mailto:Mike.Bird01@northumberland.gov.uk)  
Tel direct: (01670) 622616  
Date: 7 May 2019

Dear Dr Rushmer

## **NORTHUMBRIA HEALTHCARE NHS FOUNDATION TRUST ANNUAL PLAN AND QUALITY ACCOUNT 2018/19**

### **Statement from Northumberland County Council's Health and Wellbeing Overview and Scrutiny Committee**

The Health and Wellbeing Overview and Scrutiny Committee (OSC) welcomes the opportunity to submit a commentary for inclusion in your Annual Plan and Quality Account for 2018/19 as presented to the committee in draft, and about our ongoing engagement with the Trust over the past year. We have continued to receive information from the Trust through our joint arrangements for service provision, with participation of Trust personnel at our committee's bimonthly meetings.

At our 5 March 2019 meeting we received a presentation on your draft Quality Account for 2018/19 and your priorities for 2019/20. At that meeting we also received a presentation from the Newcastle upon Tyne Hospitals NHS Foundation Trust on their own quality account. We then received presentations from the North East Ambulance Service and Northumberland, Tyne and Wear NHS Foundation Trusts about their accounts at the committee's next meeting on 26 March 2019. We believe that considering all four Trusts' quality accounts within the same month provides a good joined up picture of the many NHS services provided in Northumberland. Members responded favourably to the information you presented, with reference to the highly valued staff and clinical support provided.

Following your presentation of the draft Annual Quality Account 2018/19 and future priorities for 2019/20, a copy of the full extract from the minutes of the OSC's meeting are appended to this letter for your information to form part of our response to your presentation. From the detail presented in these minutes, I would like to highlight some key comments from the committee and additionally what further information has been requested or actions recommended:



Daljit Lally, Chief Executive  
County Hall, Morpeth, Northumberland, NE61 2EF  
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- the OSC was interested in receiving further information about the Trust's work meeting sepsis targets and cancer treatment; I am pleased that it has since been confirmed that your officers will present both of these updates to the OSC's meeting in September 2019
- we would be pleased to accept your offer for members to visit the new ambulatory care unit at Northumbria Specialist Emergency Care Hospital (NSECH), and will liaise with officers to confirm arrangements for this in due course
- members would also appreciate further information on NSECH waiting times, and appreciate that this will be organised for during 2019/20
- members noted your update on end of life care and also intend to carry out some further scrutiny of it during 2019/20
- we also appreciate that you have committed to providing an update on the Berwick Hospital development once there is sufficient detail for the OSC to consider
- members welcomed your reassurance that there is no impact on non-essential services through the need to prioritise where necessary and were pleased to note that you have a feedback process through which lessons can be learned from experiences. Members were also interested to hear about work to ensure that medical records could be shared better between hospitals including the business case being developed for an intraoperative gateway.

From the information you have provided to the committee over the past year, for which we thank your regular attendance (including at meetings of the OSC's Rothbury Hospital Referral Review Group), including the presentation about your draft 2018/19 Quality Account, we believe the information provided is a fair and accurate representation of the services provided by the Trust and reflects the priorities of the community.

Members also support your priorities for improvement planned for 2019/20, but also request that you note and consider the various points that they have raised in relation to your work going forward, and the receipt of any further supporting information where possible, as detailed in this letter.

We also would be very grateful if I could get in contact with you again soon to discuss possible any further possible agenda items for the Health and Wellbeing Overview and Scrutiny Committee to consider about the Trust's services during the next council year from 1 May 2019 onwards.

We would also appreciate if we could diarise when you will attend to give next year's equivalent Quality Account and future priorities presentation. I would be very grateful if you could confirm whether the OSC's meeting on Tuesday 3 March 2020 (beginning at 1.00pm) would be suitable please?

If I can be of any further assistance regarding the committee's response, please do not hesitate to contact me.

Yours sincerely,



Mike Bird  
Senior Democratic Services Officer  
Democratic Services

On behalf of Councillor Jeff Watson  
Chair, Northumberland County Council Health and Wellbeing Overview and Scrutiny  
Committee

**EXTRACT FROM THE MINUTES OF THE MEETING OF THE HEALTH AND WELLBEING  
OSC HELD ON 5 MARCH 2019**

**(a) Northumbria NHS Foundation Trust Annual Plan and Quality Account  
2017/18**

A presentation was provided by Jeremy Rushmer, Executive Medical Director, Northumbria Healthcare NHS Foundation Trust. (Copy of presentation enclosed with the official minutes of the meeting.)

Key headlines and details of the presentation included:

- the Trust's vision, mission, core business and non-core business
- the vision to be the leader in providing high quality, safe and caring health and care services and to lead collectively, with partners, to deliver system wide healthcare
- their annual planning process
- safety and quality objectives for 2018/19
- quality account 2018/19
- details of performance on their priorities for 2018/19 - sepsis, falls, frailty, flow and staff experience
- their quality improvement formula
- safety and quality objectives for 2019/20
- quality account - ready by mid April 2019 and circulated to stakeholders for formal opinion late April, and the final version to be submitted to NHS Improvements and Parliament by the end of May.

Detailed discussion followed of which the key details of questions from members and answers from Dr Rushmer follow.

'Stranded patients' were defined as people who could not be moved on elsewhere due to any issues with their treatment. Work continued to take place to review and address any blockages in the system to avoid this happening.

The 30% achievement of the sepsis target contrasted to the 65% target; didn't targets need to be realistic as well as challenging, so what target was thus planned for the following year? Members were advised that it had been an ambitious target; a clinical lead officer for sepsis was in post and there was a good evidence base for the six interventions. However it was very complicated to keep achieving the six tests required within the one hour target. The target would be maintained as the clinical lead wished it to remain ambitious. There would be a focus on meeting the bundle compliance requirements. It was proposed that the sepsis lead officer could attend this committee in the future to provide an overview specifically about sepsis; members welcomed this proposal. An update about progress made towards meeting the target during the next year would also be welcomed. It was further noted that the Trust were involved in regional collaborative work on sepsis.



It was confirmed that beds in the frailty ward were not used as assessment beds; if there was a surge in admissions, then the area was used as necessary, as people would not be treated in corridors. The increase in patients during winter and longer stays required by some patients were key challenges. When the beds were needed, no other services could be provided in that area.

Members welcomed an invite to visit the new frailty ward at a time to be arranged.

The numbers of cancer referrals were reported monthly and quarterly and publicly available. Details were not available to hand at this meeting but could be provided for members afterwards, perhaps as a formal committee update about overall performance on cancer. Cancer targets were extremely challenging, partly due to the lowering of the threshold at which people entered the cancer treatment system.

Members had agreed for further scrutiny to be arranged about end of life care. A report was proposed for a forthcoming meeting, at which point progress made on actions recommended from the previous scrutiny review would be considered. A decision would then be taken about whether any further themed scrutiny work was required.

Sepsis continued to be a big problem. Nationally, death rates were not increasing, but sepsis was a difficult condition to label and define. Giving the appropriate antibiotics at the right time following a diagnosis was the intervention that made the most impact.

The achievement for the four hour accident and emergency waiting time target at the Northumbria Specialist Emergency Care Hospital (NSECH) at Cramlington was below the 95% overall achievement for the Trust. Northumberland was in the top ten performing Trusts nationally for its accident and emergency rate. This was despite the challenge of operating over multiple sites, whereas other Trusts might only have one. Members asked if additional information could be provided in due course about the waiting times at NSECH.

Readmissions from frailty problems could depend on several factors. For example, as the length of stay was reduced, some readmissions could go up, but increasingly more people stayed at home. The safety net arrangements ensured that patients could be readmitted if needed. Readmission rates were also measured.

The pilot for the Medical Examiner Role applied to anybody who died within the care of the organisation; a senior independent doctor spoke to and sought feedback from relative then advised on the next steps. It was very important for the Trust to benefit from any learning or feedback received from this process.

As concerns existed about the rise in resistance to antibiotics the right diagnosis for sepsis was essential, so how was this being addressed? Members were advised that there was not a test to immediately diagnose sepsis; for example on occasions it might initially be diagnosed as pneumonia. It was important to treat symptoms early and de-escalate any cases the following day if they were subsequently confirmed as not being sepsis. It could take 24-48 hours to diagnose, and other symptoms could appear similar to those for sepsis. Sepsis was however measured differently in other countries; Australia's rate was double the UK's for this reason.

Regarding the staff survey, the Trust had created a tool to record staff experiences in real time which helped them to intervene quicker and treat people better.

In response to a query members were advised and reassured that the Trust did not consider that there was any negative impact upon non-priority services through having to focus on priority services. The detail in this presentation represented a small amount of the Trust's services.

Reference was made to a number of attendees from the Berwick Hospital Campaign Group being in attendance. Director of Communications and Corporate Affairs Claire Riley had spoken to them before the meeting and would be writing to the group's co-ordinator with a further update in due course. The Trust were currently at an early stage of the process for developing new proposals. Further discussions would take place after which information would be shared regarding how this was proposed to be taken forward. Feedback received from the campaign group and local councillors had been helpful and used in their discussions. The Chair added that this issue would be considered by this committee in due course once there was detail available to scrutinise.

A member referred to a case in which a family member whose treatment for one condition had been split between three different hospitals; the inter-hospital communication had been poor - blood tests had not been shared nor had the respective consultants communicated with each other. Members were advised that progress had since been made; all results could now be shared between hospitals and a business case was being submitted for a medical intraoperative gateway. Thanks were expressed from Northumbria Trust to Newcastle Trust as whenever they asked for information it was then received straightaway. Efforts continued to be made to keep improve joined up working.

Mr Rushmer and Ms Riley were thanked for their attendance.

**RESOLVED** that written responses be sent to Northumbria NHS Foundation Trust and Newcastle upon Tyne Hospitals NHS Foundation Trust about the committee's views on their quality accounts and future priorities.

## Statement on behalf of the Adult Social Care, Health and Wellbeing Sub-Committee, North Tyneside Council

The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 20<sup>th</sup> May 2019.

The Adult Social Care, Health and Wellbeing Sub-committee welcomes the opportunity to submit a statement for inclusion in the Trust's Annual Quality Account 2018/19

The sub-committee commends the Trust on the positive developments over the year and the achievements set out in the Quality Account, and notes the interesting developments taking place across the Trust over the coming year.

### **Progress against priorities during 2018/19:**

The Sub-committee welcomes the significant improvements that have been made to reduce the number of falls that take place in hospital and notes that levels are now in line with the national average and are continuously improving. The Sub-committee also welcomes the coordinated approach around Frailty, and notes that this will remain a priority going forward into 2019-20, incorporating a continued focus on falls prevention as part of this work.

The Sub-committee notes progress on staff experience, including the appointment of a Chief Experience Officer to lead this work. The Sub-committee is pleased with the emphasis being placed on the link between staff experience and patient experience and agree that this is important, and is the right approach to be taking.

In relation to Sepsis, the sub-committee note the focus on early identification of Sepsis through the screening process, and the progress that has been made in this area, including the introduction of the Nervecentre digital system. The sub-committee acknowledge the issues reported around missed targets in both the use of the screening tool and compliance with the sepsis 6 bundle, and are hopeful that this can be improved over the coming year. Members welcome the continued identification of Sepsis as one of the Trust priorities going forward as part of the Deteriorating Patient Programme.

In relation to the priority around flow, the Sub-committee note the development of a new purpose built department for ambulatory care services and look forward to the opening of this new unit and the benefits this will have for improving services for patients.

Members are also interested in the introduction of the new HomeSafe service and the use of performance information and intelligence to support patients to be discharged to their own homes, reducing the lengths of stay in hospital where possible.

### **Priorities for 2019/20**

The Sub-committee is satisfied is the priority areas identified for 2019/20 and the opportunity to build on recent achievements through a continued focus on flow, frailty and staff experience, and the incorporation of Sepsis within the broader priority of the deteriorating patient.

The Sub-committee also agree with the four additional priority areas of cancer, maternity, bereavement and public health (in the form of 'Every Contact Counts'). These are all important areas and the sub-committee looks forward to seeing the progress that can be made in these areas over the year.

The Sub-committee is pleased to see the emphasis on moving to more personalised services around bereavement and 'every contact counts'. The Sub-committee is particularly interested in the approach that is being adopted to improve bereavement services, such as the death café, and plans to introduce the role of medical examiner to support the provision of the highest quality person centred care around bereavement. The Sub-committee would be interested to learn more about the impact of this post once it is established and there has been time to make progress.

The Sub-committee welcome the focus on Maternity Services. In particular, Members commend the introduction of the birth reflection programme and recognise the positive impact this type of initiative can have for women's mental health and their future experiences of birth, as well as the potential financial benefits of reducing future interventions. Members would also like to highlight work around smoking cessation and pregnancy and would be interested to learn about how the Trust is approaching this. These areas feed into the wider priority of public health and the 'Every Contact Counts' initiative, which is similarly an important priority for the Council. Members would encourage the Trust to continue to work closely with the Council to improve public health outcomes across North Tyneside.

The Sub-committee also welcome the work the Trust is undertaking to improve staff and patient experience and the detailed information contained in the document in relation to staff survey results. The Sub-committee note the information on staff experiences of bullying and harassment. Although the Trust is performing better than the national average in this area, Members would like to highlight this as an important issue for consideration by the Trust and an area where they would like to see a further reduction in incidences.

## Other issues:

In relation to other aspects of the Quality Account, the Sub-committee would like to comment on the following:

- Never Events – Members welcome the inclusion of this information and note that each event is investigated and action taken. However, given the seriousness of these events, they would very much like to see this number reduced.
- Freedom to Speak Up - Members welcome the developments in this area, including the online learning application and referral form. Members would be interested to receive feedback on these initiatives once established.
- Quality Improvement in Surgical Teams - Members welcome the initiatives around quality improvement in surgical teams aimed at reducing MSSA infection and detection and treatment of anaemia.
- Real Time Feedback Data - Members were interested in the real time feedback data which is generally very good. Members noted the lower satisfaction level in relation to communication about medicines and side effects and would like to see this area given greater attention going forward.

In conclusion, The Sub-committee is of the view that the Quality Account represents a fair and accurate reflection of the health services provided by the Trust. The Sub-committee supports the priorities that have been selected for 2019/20 and looks forward to working with the Trust over the coming year.



Councillor Karen Clark  
Chair of Adult Social Care, Health and Wellbeing Sub-committee

20 May 2019



# Statement on behalf of Healthwatch North Tyneside

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The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 22<sup>nd</sup> May 2019.



The Parks Sports Centre  
Howdon Road  
North Shields  
NE29 6TL

Tel: 0191 2635321

## Healthwatch North Tyneside statement for Northumbria Healthcare NHS Foundation Trust's Quality Account 2018/19

Thank you for the opportunity to comment on the draft Northumbria Healthcare NHS Foundation Trust's latest Quality Account. We would like to congratulate the Trust on some excellent work this year. It is impressive to see your continued commitment to improving patient experience, outcomes and the quality of your services.

We would like to note the following:

### 2018/19 Priorities

- The appointment of a Chief Experience Officer and the work you have done to engage staff and service users. It is great to see this showing results and we look forward to working with your team over the coming year to improve customer experience.
- Your progress to reduce falls and your work around frailty.
- The work on the new ambulatory care unit - we are particularly interested to see more information about how this new approach will work and how it will improve the experience of users.
- HomeSafe - it will be interesting to see what lessons could be shared with the North Tyneside system.

### 2019/20 priorities

Your future priorities are well thought through and clearly presented. We are particularly pleased to see some indication about what you plan to do with these priorities.

- 'Flow' - We appreciate the work you are planning on 'flow' and the continued focus on those people staying in hospital for more than 21 days. For the Emergency Department, we look forward to seeing consideration given to the suggested actions we have made in our recent joint report, with Healthwatch Northumberland, into user experiences and referral pathways.
- The refocused priority on deteriorating patients seems sensible.
- It is good to see that falls and 'frailty' continues to be a focus.
- Cancer - we welcome the focus on cancer pathways and would like to work with you to bring the patient experiences we are researching into your pathway review work you have planned.

- Bereavement - we look forward to hearing more about the medical examiner model you are introducing. We know that families are appreciative of the realistic medicine approach.
- Maternity - We are beginning to hear more from new families and would happily share this with you in due course.
- Every contact counts - we are pleased to see the commitment to public health and look forward to hearing how this will work with the other agencies in North Tyneside. The Trust's recent success in supporting patients to stop smoking shows the opportunity to make a real difference to people's lives alongside them receiving the care they need.

We would like to thank the Trust for supporting us to investigate referral pathways and service user experiences in both the Emergency Department at the Northumbria and the Urgent Treatment Centre at North Tyneside General Hospital.

We look forward to working together over the coming year and building on our positive working relationship. We would also like to congratulate the Trust on its strong performance and commitment to the communities of North Tyneside.

## Statement on behalf of Healthwatch Northumberland

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The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 20<sup>th</sup> May 2019.

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Jeremy Rushmer  
Executive Medical Director  
Northumbria Healthcare NHS Foundation Trust  
7-8 Silver Fox Way  
Cobalt Business Park  
Newcastle upon Tyne  
NE27 0QJ

20 May 2019

Dear Dr Rushmer

**Draft Quality Account for year ending 31 March 2019**

Thank you for the draft Quality Account of Northumbria Healthcare NHS Foundation Trust. We commend the Trust on the many positive achievements that have been made and all of the work that has been done to learn lessons from outcomes, the rigour with which monitoring and auditing has taken place and the overall commitment to quality and improving patient outcomes.

The report gives a lot of detailed information which could benefit from further explanation for the general reader of terms such as 'flow', 'ambulatory care' and 'frailty' and acronyms such as GIRFT. Some tables and charts would be easier to interpret with full data labels (eg Sepsis bundle compliance).

We have identified these areas within the 2018 priorities where we believe the Trust has performed well:

- Appointment of Dementia Lead Nurse and re-establishment of the Dementia Steering Group. The Dementia Lead Nurse will visit Healthwatch Northumberland shortly and we envisage a positive relationship where we can share feedback from Northumberland residents who are living with dementia and their carers.





- Appointment of Chief Experience Officer, the reach and results of the staff survey to give a baseline for future years and the overall the results of Friends and Family tests. We welcome the varied approaches to gathering patient feedback are encouraged by the emphasis on quality as well as quantity of information.

We note the variations for the Accident and Emergency and Pain Management.

- Development of the Ambulatory Care Unit at The Northumbria to help manage patients' experience through the hospital. We would hope the work undertaken by Healthwatch Northumberland and Healthwatch North Tyneside has contributed to the understanding of referral routes and patient experience.
- Work to reduce Falls through focussed support, training and governance.
- The development of a co-ordinated multi-disciplinary approach to outpatients in the Jubilee Day Hospital. We would hope this learning is used to develop a similar approach in Northumberland sites.
- The introduction of the Frailty Assessment Service and understand that progress has been variable due to operational pressures. We hope that a sustained improvement is achieved in 2019/2020.
- The reduction in the Stranded Patient days

Other areas we note:

- Complaints are reducing overall and the process management measures improving however the trend in percentage of 'well-founded' complaints continues to rise. It would also be helpful to have a year on year analysis of the main themes.

We note that the Patient Advice and Liaison Service (PALS) is rightly mentioned as source of advice and support to service users, families and carers. We suggested the Healthwatch function (across both of the Trust's area) is also highlighted as a way of communicating experiences both good and less good.

- Sepsis screening improvements. The explanation of the less than expected performance of the Sepsis screening tool could be clearer using non-technical language.
- We note the limitations of reporting emergency re-admissions and would welcome a further report once the up to date information is available including a breakdown for Northumberland.



#### 2019/20 priorities

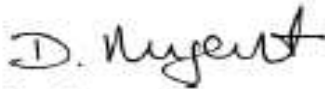
The plans and priorities to improve performance in 2019/20 appear positive and achievable and we welcome the continued focus on 'Flow' and 'Frailty'.

Access to services, particularly for rural areas remains a key priority identified in feedback to Healthwatch Northumberland and we would encourage the Trust to look at how to recognise and address this issue in delivery and reporting.

Overall we considered that the report gives a fair reflection of healthcare service provided by the Trust. We once again congratulate the Trust on its excellent performance over the year.

We look forward to working with Northumbria in the coming year and continuing to build on the positive working relationship we have established.

Yours sincerely



Derry Nugent  
Project Coordinator



# Statement on behalf of North Tyneside and Northumberland Clinical Commissioning Groups

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The Quality Account was circulated by post on the 29<sup>th</sup> April 2019 to key stakeholders. This formal response was received on the 17<sup>th</sup> May 2019.



## **Corroborative statement from North Tyneside and Northumberland Clinical Commissioning Groups for the Northumbria Healthcare NHS Foundation Trust's Quality Account 2018/19.**

The CCGs welcome the opportunity to review and comment on the Quality Accounts for Northumbria Healthcare NHS Foundation Trust for 2018/19 and would like to offer the following commentary.

North Tyneside and Northumberland Clinical Commissioning Groups (CCGs) aim to commission safe and effective services that provide a positive experience for patients and carers. Commissioners of health services have a duty to ensure that the services commissioned are of good quality. This responsibility is taken very seriously and considered to be an essential component of the commissioning function.

Throughout 2018/19 the CCGs have continued to work with the Trust through well-established mechanisms to monitor quality and improvement of services such as the Quality Review Group meetings and the Trust Clinical Policy Group, which encourages the transparent monitoring of the Cost Improvement Plan process. The CCGs feel that these meetings are a valuable forum through which both organisations can gain assurance and work collaboratively to understand the quality systems in place within the Trust.

The CCGs would like to commend the Trust on the many examples of quality improvement initiatives that are detailed in the report. Initiatives such as using AFLOAT to reduce falls, having a Dementia Lead Nurse in post, the single referral route into Jubilee Day Hospital and the quality improvement in surgical teams programmes have been successfully delivered throughout the year, improving quality of care. The CCGs also recognise the strong performance in the NHS Staff Survey, which ranked the Trust second among acute Trusts in England. Although not included in the Quality Accounts report, the CCGs would also like to congratulate the Trust on the results of the National Cancer Patient Experience Survey 2017, where respondents rated the Trust 8.9 out of 10 when asked to rate their care.

When reviewing the five quality priorities for 2018/19, the Trust has performed well in the majority of the quality priorities.

Within the Falls priority, the CCGs would like to commend the Trust for reporting better than expected against their two key objectives. Significant improvements have been made; in particular the number of falls per 1000 bed days has fallen from 8.5 in 2018/18 to 6.5 in 2018/19. This has ensured that the Trust is now in line with the national average which has been achieved with the help of key initiatives such



has the launch of the AFLOAT tool and Bay Watch concept. The CCGs are pleased to see that a combined psychological and falls observational policy is in the final stages of approval and look forward to seeing this being embedded within clinical practice during 2019/20.

Within the Staff Experience priority, it is pleasing to see that all key objectives have been met as expected. The CCGs would like to congratulate the Trust on successfully applying for innovation for Improvement funds from the Health Foundation which ensured that the innovative and real time staff experience programme could be launched.

The Trust was not able to demonstrate as much progress as planned within the Surviving Sepsis priority. Although the early identification of those at risk of sepsis screening rates improved and continues to exceed the 95% threshold, the use of the screening tool has not been achieved and has fallen below the target of 65%. The Commissioners would like to see some further explanation as to why there was a decline in the usage of the screening tool and how the Trust has assured themselves of the safety of patients at all times. It is however pleasing to note that moving into 2019/20 the Trust aims to introduce a digital version of the screening and assessment tool across the Trust, including in the emergency department.

It is clear that the Trust have identified the importance of effective patient flow as a key over-arching element of quality within the Trust and it is very pleasing to see that the introduction of the digital system Nerve centre into the Emergency Department has allowed the Trust to identify the sickest patients and ensure they are seen in a timely way and also incorporates electronic NEWS observations as a mandatory element of the triage process. The CCGs also commend the Trust for achieving 120 attendances per day within ambulatory care and look forward to viewing the new ambulatory care service department which should further improve patient flow. The Trust has also reduced the number of patients who stay more than 21 days in hospital by 18% and the new Homesafe service, which has integrated resources from occupational therapy, physiotherapy, discharge nurses, adult social care and the Red Cross to ensure that patients who need further assessment, but do not require hospital care are discharged home to complete their recovery.

Unfortunately, in the Frailty priority, the Trust was unable to meet their target of increasing patients attending the Frailty Assessment Service to their desired level. Within the report, the Trust has mentioned that operational difficulties within the frailty service have meant that the target of 30 patients per day was not met. The CCGs would like to have more information on what these operational difficulties were and whether any support can be provided by commissioners, as the priority has been reinstated for 2019/20.

The CCGs are disappointed to note that there has been an increase in the number of never events reported in 2018/19 with five reported compared to two in 2017/18. CCGs will continue to monitor incidents and gain assurance through the CCG SI Panels and Quality Review Groups

The CCGs welcome the specific priorities for 2019/20 which are highlighted within the report and consider that they are appropriate areas to target for continued improvement. It is noted that the Trust have increased the number of quality priorities for 2019/20 with a focus on the delivery of the highest levels of patient experience and clinical outcomes. The CCGs are pleased to note that Cancer has been included as a priority, given the Trust's poor performance against the standard for the 62 day GP referral to treatment waiting time throughout 2018/19 and into the current year..

It is felt overall that the report is well written and is reflective of quality activity and aspirations across the organisation for the forthcoming year. The CCGs look forward to continuing to work in partnership with the Trust to assure the quality of services commissioned in 2019/20.

**Annie Topping**  
Director of Nursing, Quality & Patient  
Safety  
NHS Northumberland CCG  
May 2019

**Lesley Young Murphy**  
Executive Director of Nursing & Chief  
Operating Officer  
NHS North Tyneside CCG  
May 2019

## Annex 2: Statement of Directors' Responsibilities for the Quality Report

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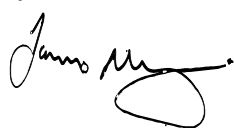
The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS Foundation Trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that NHS Foundation Trust boards should put in place to support the data quality for the preparation of the quality report. In preparing the Quality Report, directors are required to take steps to satisfy themselves that:

- the content of the Quality Report meets the requirements set out in the NHS Foundation Trust annual reporting manual 2018/19 and supporting guidance
- the content of the Quality Report is not inconsistent with internal and external sources of information including:
  - board minutes and papers for the period April 2018 to March 2019
  - papers relating to quality reported to the board over the period April 2018 to March 2019
  - feedback from commissioners dated 17/05/2019
  - feedback from governors dated 23/05/2019
  - feedback from local Healthwatch organisations dated 20/05/2019 and 22/05/2019
  - feedback from Overview and Scrutiny Committee dated 22/05/2019
  - the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 8/05/2019
  - the 2018 national patient survey
  - the 2018 national staff survey
  - the Head of Internal Audit's annual opinion of the Trust's control environment dated 20/05/2019
  - CQC inspection report dated 5/05/2017
- the Quality Report presents a balanced picture of the NHS Foundation Trust's performance over the period covered
- the performance information reported in the Quality Report is reliable and accurate
- there are proper internal controls over the collection and reporting of the measures of performance included in the Quality Report, and these controls are subject to review to confirm that they are working effectively in practice
- the data underpinning the measures of performance reported in the Quality Report is robust and reliable, conforms to specified data quality standards and prescribed definitions, is subject to appropriate scrutiny and review and
- the Quality Report has been prepared in accordance with NHS Improvement's annual reporting manual and supporting guidance (which incorporates the Quality Accounts regulations) as well as the standards to support data quality for the preparation of the Quality Report.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the Quality Report.

By the order of the Board



Sir James Mackey, Chief Executive Officer  
23<sup>rd</sup> May 2019



Alan Richardson, Chairman  
23<sup>rd</sup> May 2019

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## Annex 3: Glossary of terms

Glossary	
<b>Carbapenems</b>	Antibiotics used for the treatment of infections known or suspected to be caused by multidrug-resistant bacteria.
<b>CCG</b>	Clinical Commissioning Group. CCGs are NHS organisations set up by the Health and Social Care Act 2012 to organise the delivery of NHS services in England. They are clinically led groups that include all of the GP groups in their geographical area. The aim of this is to give GPs and other clinicians the power to influence commissioning decisions for their patients.
<b>CQC</b>	The Care Quality Commission (CQC) is the independent regulator of all health and adult social care in England. The aim being to make sure better care is provided for everyone, whether that's in hospital, in care homes, in people's own homes, or elsewhere.
<b>CQUIN – Commissioning for Quality and Innovation</b>	The CQUIN framework was introduced in April 2009 as a national framework for locally agreed quality improvement schemes. It enables commissioners to reward excellence by linking a proportion of English healthcare provider's income to the achievement of local quality improvement goals.
<b>DATIX</b>	DATIX is an electronic risk management software system which promotes the reporting of incidents by allowing anyone with access to the Trust intranet to report directly into the software on easy-to-use-web pages. The system allows incident forms to be completed electronically by all staff.
<b>Elective Operations</b>	Operations which were scheduled and planned as opposed to emergency operations.
<b>Invasive Procedure</b>	A procedure used for diagnosis or for treatment that involves: <ul style="list-style-type: none"> <li>• Making a cut or a hole to gain access to the inside of a patient's body</li> <li>• Gaining access to a body cavity (such as the digestive system, lungs, womb or bladder) without cutting into the body</li> <li>• Using electromagnetic radiation (which includes X-rays, lasers, and ultraviolet light).</li> </ul>
<b>National Reporting and Learning System (NRLS)</b>	The NRLS was established in 2003. The system enables patient safety incident reports to be submitted to a national database. This data is then analysed to identify hazards, risks and opportunities to improve the safety of patient care.
<b>Near miss</b>	An unplanned or uncontrolled event, which did not cause injury to persons or damage to property, but had the potential to do so.
<b>NHS Improvement</b>	Monitor is the independent regulator of NHS trusts.
<b>NHS Safety</b>	The NHS Safety Thermometer is a local improvement tool for



Glossary	
<b>Thermometer</b>	measuring, monitoring and analysing patient harms and “harm free” care. This tool measures four high-volume patient safety issues (pressure ulcers, falls in care, urinary infection (in patients with a catheter) and treatment for venous thromboembolism (Pulmonary embolus or deep vein thrombosis DVT).
<b>Piperacillin and tazobactam</b>	A combination medicine used to treat many different infections caused by bacteria, such as urinary tract infections, bone and joint infections, severe vaginal infections, stomach infections, skin infections, and pneumonia.
<b>Quality Account</b>	Quality Accounts are annual reports to the public from providers of NHS healthcare that detail information about the quality of services they deliver.
<b>Quality Report</b>	This is the same as the Quality Account but includes additional information required by the health care regulator NHS Improvement for foundation trusts.
<b>Root cause analysis</b>	A collective term that describes a wide range of approaches, tools, and techniques used to uncover causes of problems.
<b>Section 75 Agreement</b>	Under Section 75 of the National Health Service Act 2006 and the NHS Bodies and Local Authorities Partnership Arrangements Regulations 2000 SI 617, as amended, certain Local Authorities and NHS bodies are able to enter into partnership arrangements.
<b>Sepsis 6</b>	A set of six tasks including oxygen, cultures, antibiotics, fluids, lactate measurement and urine output monitoring to be instituted within one hour by non-specialist practitioners at the front line.
<b>Sheffield Flow Coaching Roadmap</b>	This is a quality improvement method developed by Sheffield Teaching Hospitals, Royal United Hospitals Bath and South Warwickshire NHS FT, with support from the West of England Academic Health Science Network. It provides a framework to help services improve quality and improve patient flow through our healthcare system.
<b>The Northumbria Way</b>	Northumbria Healthcare NHS Foundation Trust’s approach to quality improvement.

## Annex 4: Abbreviations

Abbreviations	
7DS	Seven Day Hospital Services
A&E	Accident and Emergency
AFLOAT	Avoiding Falls Level of Observation Tool
AoMRC	Academy of Medical Royal Colleges (AoMRC)
AKI	Acute Kidney Infection
BAF	Board Assurance Framework
BME	Black and Minority Ethnic Groups
BTS	British Thoracic Society
CAMHS	Child and Adolescent Mental Health Service
CGA	Comprehensive Geriatric Assessment
CCGs	Clinical Commissioning Group
C. difficile	Clostridium difficile
CHKS	Comparative Health Knowledge System
COPD	Chronic Obstructive Pulmonary Disease
COTE	Care of the Elderly
CPA	Care programme approach
CRM	Cardiac rhythm management
CT	Computerised tomography
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation payment framework
DS&P	Data Security and Protection
DVT	Deep Vein Thrombosis
ED	Emergency Department
ePR	Electronic prescribing
FCE	Finished consultant episodes
FFFAP	Falls and Fragility Fractures Audit Programme
FFT	Friends and family test
FT	Foundation Trust
FTSU	Freedom To Speak Up
GP	General practitioner
GMC	General Medical Council
HCAI	Healthcare associated infection
HES	Hospital Episodes Statistics
HGH	Hexham General Hospital

Abbreviations	
HRG	Healthcare Resource Group
HSCIC	Health and Social Care Information Centre
HSJ	Health Service Journal
IBD	Inflammatory bowel disease
ITU	Intensive Treatment Unit
ICNARC	Intensive Care National Audit and Research Centre
IPC	Infection prevention and control
IV	Intravenous
JDH	Jubilee Day Hospital
LMS	Local Maternity System
MDT	Multi-disciplinary team
MECC	Making Every Contact Count
MRI	Magnetic resonance imaging
MRSA	Methicillin-resistant staphylococcus aureus
MSSA	Methicillin-susceptible Staphylococcus aureus
N/A	Not applicable
NABCOP	National Audit of Breast Cancer in Older Patients
NAD	National Audit of Dementia
NAIC	National Audit of Intermediate Care
NAIF	National Audit of Inpatient Falls
NCAA	National Cardiac Arrest Audit
NCEPOD	National confidential enquiries into patient outcome and death
NCISH	National Confidential Inquiry into Suicide and Homicide
NELA	National Emergency Laparotomy Audit
NEWS	Northumbria early warning score
NHFD	National Hip Fracture database
NHS	National Health Service
NHSI	NHS Improvement
NICE	National Institute for Health and Care Excellence
NICOR	National Institute for Cardiovascular Outcomes Research
NLCA	National Lung Cancer Audit
NMCRR	National Mortality Case Record Review Programme
NRLS	National Reporting and Learning Systems
NSECH	Northumbria Specialist Emergency Care Hospital
NTGH	North Tyneside General Hospital
OPD	Out Patients Department

Abbreviations	
PALS	Patient Advice and Liaison Service
PBM	Patient Blood Management Team
PCU	Palliative care unit
PDSA	Plan, Do, Study, Act
PEWS	Paediatric Early Warning Score
PHSO	Parliamentary & Health Service Ombudsman
POAS	Psychiatry of Old Age Service
POMH-UK	Prescribing Observatory for Mental Health
PROMs	Patient reported outcome measures
QI	Quality Improvement
QIST	Quality improvement in Surgical Teams
R&D	Research and Development
RCA	Root Cause Analysis
RCP	Royal College of Physicians
SEND	Special Educational Needs and Disabilities
SHOT	Serious Hazards of Transfusion
SHMI	Summary hospital-level mortality indicator
SIs	Serious incidents
SJR	Structured Judgement Review
SOP	Standard Operating Procedure
SSKIN	SSKIN is a five step model for pressure ulcer prevention: Surface: make sure patients have the right support; Skin inspection: early inspection means early detection; Keep patients moving; Incontinence/moisture: patients need to be clean and dry; Nutrition/hydration: help patients have the right diet and plenty of fluids
SSI	Surgical site infection
SSNAP	Sentinel Stroke National Audit Programme
SUS	Secondary Uses Service
TARN	Trauma Audit and Research Network
TJR	Total joint replacement
UTI	Urinary tract infections
VTE	Venous thromboembolism
WGH	Wansbeck General Hospital
WHO	World Health Organisation
WRES	Workforce Race Equality Standard

## Annex 5: Feedback form

### We would like to hear your views about our Quality Account

Your feedback will give us an opportunity to include the initiatives you want to hear more about. The results of this feedback will contribute to the development of the Quality Account 2019/20. Please fill in the feedback form below, tear it off, and return to us, in the post, at the following FREEPOST address:

Patient Services and Quality Improvement - RTLL-KCYL-EYHL  
Northumbria Healthcare NHS Foundation Trust  
7-8 Silver Fox Way  
Cobalt Business Park  
Newcastle Upon Tyne NE27 0QJ

Or alternatively, you can email us at: [Patient.Services@nhct.nhs.uk](mailto:Patient.Services@nhct.nhs.uk)

**Thank you for your time**



### Feedback form (please tick the answers that are applicable to you)

What best describes you:

Patient ☐      Carer ☐      Member of public ☐      Staff ☐      Other ☐

	Yes all of it	Most of it	None of it
Did you find the Quality Account easy to read?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you find the content easy to understand?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did the content make sense to you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Did you feel the content was relevant to you?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Would the content encourage you to use our services?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Are there any topics that you would like to see included in next year's Quality Account?

.....

.....

.....

How do you feel we could improve our Quality Account?

.....

.....

.....

Northumbria Healthcare NHS Foundation Trust  
Northumbria House  
Unit 7/8 Cobalt Business Park  
Silverfox Way  
North Tyneside  
NE27 0QJ  
  
Tel: 0344 811 8111

## Alternative formats

If you would like a copy of this information in large print, another language, audio tape, BSL or other format please call the contact centre on 0344 811 8111.



# **NORTHUMBRIA HEALTHCARE NHS FOUNDATION TRUST**

**2018-19**

**ANNUAL ACCOUNTS**



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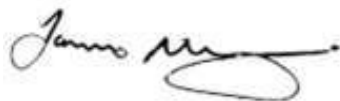
# Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

## Foreword to the accounts

### Northumbria Healthcare NHS Foundation Trust

These accounts, for the year ended 31 March 2019, have been prepared by Northumbria Healthcare NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006 and are presented to parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006.

Signed

A handwritten signature in black ink, appearing to read 'James Mackey', with a stylized flourish at the end.

Sir James Mackey  
Chief Executive

Date 22nd May 2019

## **Statement of the Chief Executive's responsibilities as the accounting officer of Northumbria Healthcare NHS Foundation Trust**

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require Northumbria Healthcare 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 Northumbria Healthcare NHS foundation trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

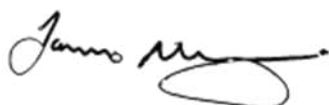
In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care Group Accounting Manual and in particular to:

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

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

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

Signed



Sir James Mackey

Chief Executive

Date: 22 May 2019

## Scope of responsibility

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

## The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of our policies, aims and objectives of Northumbria Healthcare NHS Foundation Trust, 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 Trust throughout the year ended 31<sup>st</sup> March 2019 and up to the date of approval of the Annual Report and Accounts.

## Capacity to handle risk

### Risk leadership

The Board of Directors has the overall responsibility for risk management within the Trust. Terms of Reference for the Board's assurance-seeking committees also set out the responsibility of key meetings in the oversight of risk management. In addition to the Audit Committee the Trust has an Assurance Committee which reviews Business Unit Risk Registers and associated actions in detail.

The specific responsibilities of each Board member, Business Unit Director, General Manager, Department Head, and Operational Service Manager, are set out in the Trust's Risk Management Strategy and Policy.

We have also appointed a Senior Independent Director, in line with the NHS Foundation Trust Code of Governance.

The role of the Senior Independent Director is to be available to Governors and members (including staff) should they have any concerns that they feel unable to raise via normal channels of communication with the Chair, Chief Executive, or any other Board members, or where such communication remains unresolved or would be inappropriate.

### Risk training

We employ appropriately-qualified staff who specialise in risk management. Risk management awareness and health and safety training is delivered to all new members of staff on the first day of employment and to existing staff through mandatory training programmes. There is also the facility for all staff to undertake further training in health and safety using e-learning. The Trust's suite of policies enables staff to understand their specific responsibilities in relation to risk management, depending upon where they work and the nature of their role. All job descriptions include specific reference to requirements regarding risk management, infection control and health and safety.

## The risk and control framework

We have a Risk Management Strategy and Policy which was reviewed by the Board during 2018/19. Risks are identified proactively through; risk assessment processes, our quality management system which includes harm review and mortality reviews, reactively through the monitoring of key business objectives and through incidents, complaints and claims. These risks are evaluated through the use of a risk assessment matrix and controlled through a risk register system.

## Quality governance arrangements

The Board has a dedicated Safety and Quality Committee which is responsible for the oversight of quality governance, including risks to clinical quality, throughout the Trust. The Safety and Quality Committee is chaired by a Non-Executive Director and includes within its membership the Chief Executive, Executive Medical Director, Executive Director of Nursing, Executive Director of Performance and Improvement, Head of Quality and Assurance, Chief Matrons, and Business Unit Directors and Deputy Directors. The Committee routinely receives assurance in relation to the Trust's compliance with CQC registration requirements.

In order to operate as a provider of NHS services under licence with the CQC, we must comply with the requirements of NHS Improvement's (NHSI's) Quality Governance Framework. NHSI (previously referred to as Monitor), and the CQC have aligned their definition of a 'well-led' organisation which is reflected in CQC's assessment approach, as well as NHSI's approach to regulatory oversight.

In 2016, the Trust commissioned an independent review of governance arrangements using Monitor's well-led framework, a process which is required at least every three years. There are four domains of the well-led framework which are: strategy and planning; capability and culture; process and structures and measurement. The report identified a number of strengths and good practice within the Trust, although there were areas identified for further development and improvement. An independent follow-up review began in April 2018, the results of which were considered by the Board and a well-led action plan was created and implemented.

The Safety and Quality Committee in conjunction with the Board of Directors, has responsibility for producing the strategic safety and quality vision, strategic goals and an implementation plan by horizon scanning and learning from the best evidence available. The Committee reports to the Board of Directors via a regular report on progress with the strategic objectives and produces the draft annual Quality Account for consideration by the Board.

We have arrangements to monitor compliance with the CQC registration requirements through completion of provider compliance assessments for each of the 16 essential safety and quality standards. Each safety and quality standard has an Executive Director lead and evidence of compliance is provided to the Assurance Committee at quarterly intervals. We are fully compliant with the registration requirements of the CQC and achieved an overall rating of 'Outstanding' following the CQC inspection in November 2015.

Incident reporting is openly encouraged and handled across the Trust. We have fully endorsed this principle. All serious untoward incidents and significant learning events are investigated by a senior clinician and manager and reported to the appropriate Business Unit Board to agree on the action plan and monitor implementation.

In addition, the most serious incidents are reviewed by the Trust's safety panel process, which provides independent scrutiny of incident investigations and monitoring of the completion of action plans arising from such investigations. All serious incidents are reported to the Board on a monthly basis.

Trust-wide learning is encouraged at all levels of the organisation. The Clinical Policy Group, a monthly meeting attended by a wide range of clinicians, is a key forum for sharing learning and good practice. Sharing the lessons learnt is by cascade via the Clinical Policy Group via the management teams to the ward management team.

We have worked closely with partner organisations to explore, understand, quantify and minimise potential risks which may impact upon other organisations and public stakeholders. Issues identified through the Trust's risk management process that impact on partner organisations and public stakeholders will be discussed in the appropriate forum so that action can be agreed.

We have undertaken risk assessments and have a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

The Trust have developed a detailed workforce strategy which identifies the need to develop new roles and ways of working to meet the needs of the Trust clinical strategy and to alleviate workforce supply shortages in some professions.

We know we have an ageing workforce in critical roles (such as nursing) and struggle to recruit into other specialist roles (e.g. radiographers and radiologists in clinical support) and so will work to develop an alternative workforce where possible to meet our needs.

The Trust is committed to ensuring safe staffing levels and has mitigations in place to ensure robust monitoring through daily staffing overview across seven days so allocation of staff is based on clinical judgement with patient dependency.

The Trust will include the NHSI safeguards to our reporting and monitoring processes both operationally from ward level to Board. The Trust has a process in line with NQB 2016 guidance which applies triangulation of metrics using an evaluation based tool, professional judgement and outcomes. The NHSI developing Safeguards will further mitigate safe staffing through applying the Quality Impact Assessments.

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

The Trust has published an up-to-date register of interests for decision making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

### Assurance Framework

The Board's Assurance Framework provides the Trust with a system to identify and monitor risks to meeting its key strategic objectives. Each risk is mapped to corresponding controls and assurances, both internal and external.

The Board of Directors has a well-established process for ensuring that the content of the Assurance Framework is fit-for-purpose. In addition to quarterly formal reviews of the Assurance Framework at formal meetings, the Board has established an Assurance Committee, Chaired by a Non-Executive Director, which is responsible for assuring the Board that the risk culture of the Trust is effective. One of the core functions of the Committee is to consider all high risks as identified by Business Units, to assess for their strategic impact, and add to the Board's Assurance Framework, if appropriate.

The risks included on the Board Assurance Framework are separated and individually managed and monitored by the appropriate Board Committee on a monthly or bi-monthly basis in order to ensure the risks are given due consideration at the relevant forum.

The highest scoring risks identified via the Assurance Framework during 2018/19, and associated actions, are summarised below:

Major Risks	In-year or future risk?	Clinical Risk	Mitigating Actions
<b>NHS Improvement Single Oversight Framework</b> Significant risks has been highlighted during the year in respect of the following measures which form part of the single oversight framework: <ul style="list-style-type: none"> <li>• <u>Failure to achieve A&amp;E four-hour target of 98% (internal) or 95% (national)</u> - The Trust has experienced unprecedented levels of demand in its A&amp;E department.</li> <li>• <u>Zero tolerance of hospital acquired Clostridium difficile</u> - Failure to achieve a maximum of 29 hospital acquired clostridium difficile infections.</li> <li>• <u>Cancer targets</u> – GP referral to treatment and bowel cancer screening</li> </ul>	In year	Yes	Performance against the four-hour A&E target is closely monitored by the Board and Executive Management Team. An action plan has been developed and continues to be closely monitored by the Trust.  The Board receives monthly performance data regarding the number of cases of C-Difficile via its Finance, Investment and Performance Committee and Safety and Quality Committee.  Weekly tracking meetings are undertaken to try and ensure that all patients are seen within timeframe.
<b>Staffing</b> Ensuring that enough suitably qualified staff are deployed to meet the needs of people using the service	In year and future risk	Yes	The Board receives regular reports regarding staffing levels, vacancy levels and turnover rates within the Trust however recruitment of certain staff groups continues to be problematic, with national shortages of some disciplines. Targeted recruitment campaigns together with overseas recruitment continues to be undertaken.  A monthly ward nursing and midwifery assurance report which includes review of a monthly quality dashboard metrics for triangulation of actual staffing levels, patient dependency and outcomes is presented to the Safety & Quality Committee and the Trust Board.
<b>Healthcare Funding</b> Overall healthcare funding remains a very high risk for the Trust, with increased demand for services and demographic changes.	In year and future risk	No	Financial performance is closely monitored by the Board, Executive Management Team and the Finance and Performance Committee.
<b>Premises and equipment</b> The Trust has received expert advice on rectification works that are required in some parts of its estate.  CSSD function and capacity, with rising demand and aging equipment a risk for continued service provision has been identified.	In year and future risk	No     Yes	Improvement works to address issues raised by external experts has continued during the year and is being monitored closely by the Executive Management Team and the Board of Directors.  The CSSD risk is currently being mitigated through a combination of maintenance contracts and in-house maintenance, however significant investment has been allocated to the 2019 capital plan to address the risk.
<b>IM&amp;T</b> Cybercrime and the continuing emergence of new types of ‘attacks’ remains a high risk. In addition, there is also a more general IM&T risk related to the Trust’s IT legacy infrastructure which is very old and requires a staged refresh	In year and future risk	Yes	A significant amount of progress has been made to mitigate the risk associated with cyber security.  The first steps of the IT refresh has started with consolidation of the data centres and servers, but more work is required to ensure that this is both robust for business as usual and also fit for the future development of IT solutions across the Trust.  Updates on progress are monitored closely by Executive Management Team, Audit Committee, Information Management & Technology Committee, and the Board of Directors.
<b>EU Exit</b> Uncertainty over the implications of a no deal EU exit	In year and future risk	Yes	The Department of Health and Social Care (DHSC) is leading national NHS preparations for a ‘no deal’ EU exit. Local preparations are also being undertaken, with the DHSC providing operational guidance to Trusts. The implications of the EU exit are regularly monitored by the Finance and Performance Committee.

During the year, the Board has been updated in public session on the national expectations on Trusts related to the United Kingdom leaving the European Union. The Trust has complied with all relevant national requirements. The Board has reviewed the potential risks, and has concluded that this is not a significant strategic risk for the organisation given the matters being dealt with directly by NHS central bodies and HM Government.

#### Data security

There are robust arrangements in place to provide assurance on the quality of performance information. This is known as our data quality standards and these are reported quarterly to the Trust’s Information Management and Technology Group. The Trust is compliant with Level 2 or above against all of the information governance standards and will complete a satisfactory submission of the Data Security and Protection Toolkit at the end of March 2019. There is an annual independent review by our Internal Auditors which reviews performance information included as part of the quarterly governance declarations made to the Regulator.

As an NHS Organisation we have a Caldicott Guardian, a dedicated Board member who is responsible for protecting the confidentiality of people's health and care information and making sure it is used properly.

We also have a Senior Information Risk Owner ('SIRO'), a dedicated Board member with responsibility for assuring the Board regarding progress against the Trust's information governance work programme.

The key role of the SIRO & Caldicott Guardian, in conjunction with the Information Governance Group, is primarily to ensure:

- Compliance with the information governance toolkit/ Data Security & Protection Toolkit and improvements in relation to managing risks to information;
- Organisational compliance with legislative and regulatory requirements relating to handling of information, including compliance with the Data Protection Act (2018) and Freedom of Information Act (2000);
- Any Serious Untoward Incidents within the preceding twelve months, relating to any losses of personal data or breaches of confidentiality;
- Implementation of the General Data Protection Regulations (GDPR);
- The direction of information governance work during 2018-19 following the release of the new Data Security and Protection toolkit and how it aligns with the strategic business goals of the Trust and outlines the work plan for the coming year.

As part of the Trust's responsibilities under the Data Protection Act / GDPR, we also have a dedicated Data Protection Officer. Their tasks are:

- To inform and advise on the GDPR and other data protection laws;
- Monitor compliance with the GDPR and other data protection laws, data protection policies, including managing internal data protection activities; raising awareness of data protection issues, training staff and conducting internal audits;
- Cooperate with the supervisory authority
- Be the first point of contact for supervisory authorities and for individuals whose data is processed (employees, customers etc).

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

We have robust arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include ensuring the financial strategy is affordable, scrutiny of cost savings plans to ensure achievement, compliance with terms of authorisation and coordination of individual objectives with corporate objectives as identified in the Annual Plan.

Performance against objectives is monitored and actions identified through a number of channels:

- Approval of annual Operational Plan by the Board of Directors
- Monthly reporting to the Board's Finance, Investment and Performance Committee (FIP) and Board of Directors on key performance indicators covering finance, activity, patient safety and quality, human resources targets and information, management and technology bi-monthly.
- Regular presentations from Business Units to the FIP Committee and Board on each Business Unit's performance against its cost improvement plan and Annual Plan in general.
- Monthly review of financial and performance targets by the FIP committee
- Weekly reporting to Executive Management Team meeting on key factors effecting the Trust's financial position and performance
- Periodic performance management of business units by the Executive Management Team covering performance against key objectives.
- Assurance Committee
- Reporting to NHSI.

We also participate in initiatives to ensure value for money for example:

- Subscribes to the NHS Providers benchmarking organisation that provides comparative information analysis on productivity and clinical indicators for high risk specialties
- Participates in top performing national initiatives with the Institute of Innovation and Learning to learn best practice in international sites
- CQC information that identifies key performance indicators and measures these over time to focus attention on areas for improvement.
- Value for money is an important component of the internal and external audit plans that provides assurance to the Trust of processes that are in place to ensure effective use of resources.

We have a standard assessment process for future business plans to ensure value for money and full appraisal processes are employed when considering the effect on the organisation. Procedures are in place to ensure all strategic decisions are considered at Executive and Board level.

The emphasis in internal audit work is providing assurances on internal controls, risk management and governance systems to the Audit Committee and to the Board. Where scope for improvement in terms of value for money was identified during an internal audit review, appropriate recommendations were made and actions were agreed with management for implementation. All internal audit reviews of material financial systems during 2018/19 resulted in substantial or good assurance.

We follow best practice as recommended by the NHS Counter Fraud and Security Management Service and participate in the National Fraud Initiative led by the Audit Commission. Staff are trained in fraud awareness and we actively promote the mechanism for staff to report any concerns about potential fraud or corruption. All concerns are investigated by the local counter fraud and security management specialist and the outcome of all investigations are reported to the Audit Committee.

#### Information Governance

There have been six information governance incidents during the financial year 2018/19:

- In July 2018, there was an incident relating to the alleged inappropriate access to personal data by a staff member when not in direct care of the patient. A full investigation and all appropriate action were taken by the Trust. Following the external reporting of the incident to the ICO, they considered the action we have taken and considered this proportionate and are satisfied that all appropriate measures were taken.
- In August 2018, there was an incident relating to the inappropriate access to personal data by a staff member when not in direct care of the patient. Following a full investigation by the Trust all appropriate action was taken against the individual. The ICO has considered the action we have taken against the employee and considered this as proportionate and are satisfied that appropriate measures were taken.
- In August 2018, there was an incident relating to the inappropriate access to personal data by a staff member when not in direct care of the patient. Following a full investigation by the Trust all appropriate action was taken against the individual. The ICO is still considering this incident and their outcome is still pending.
- In January 2019, there was an incident relating to the inappropriate obtaining of personal information by a staff member. A full HR investigation is underway and the incident was reported to the ICO. Investigations currently remain ongoing.
- In January 2019, there was an incident relating to clinical documentation being disclosed in error to an incorrect patient. Upon becoming aware of this the Trust has initiated a full investigation and carried out all initial appropriate actions to ensure patient safety for all parties concerned. The incident has been reported to the ICO & Department of Health & Social Care with the outcome results pending.
- In March 2019, the Trust became aware that a number of electronic folders had been set up within the Trust with the incorrect permissions on who may have access to these. A full investigation was undertaken and the incident was been reported to the ICO who confirmed that no further action was required and that appropriate mitigation and risk management was put in place.

## Annual Quality Account

The Board of Directors is required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare a Quality Account for each financial year. NHS Improvement (in exercise of their powers conferred on Monitor) has issued guidance to NHS Foundation Boards of Directors on the form and content of annual Quality Accounts which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Quality Account represents a balanced view and there are appropriate controls in place to ensure the accuracy of the data. The following provides evidence of the steps in place to provide this assurance:

## Governance and leadership

This is the tenth year of developing Quality Accounts for the Trust. We have a quality management system in place based on the Institute of Medicine definition of quality. This quality management system ensures that a balanced scorecard of quality standards and indicators is considered by the Board of Directors. Furthermore, national guidance from the Department of Health Medical Director that Boards of Directors should review all their services over a reasonable period has placed a commitment on Board of Directors to review all services over a three-year period based on five quality domains that are safety, effectiveness, caring, responsive and well led.

## Policies

We have put controls in place to ensure the quality of care provided and accuracy of the data used in the Quality Account. This is not an exhaustive list but key policies include:

RMP 03	Reporting and management of incidents
RMP 14	Complaints policy and procedure
IG104	Records policy
DQP01	Data quality policy

We have an extensive range of clinical governance policies and these are reviewed at appropriate intervals but no later than three years to ensure our operating policies reflect the best practice.

## Systems and processes

There is a system and process to report the quality indicators for services from Board of Directors to every level in the Trust. Each service has a range of national quality indicators and these are extracted from the information centre data source and reported by service line to the Board of Directors at monthly intervals. Any high risk issues (red rated) are considered by the Finance, Investment and Performance Committee and an appropriate action plan agreed.

Furthermore, the clinical audit plan reports on the performance of the national and local clinical audits at quarterly intervals to the Board of Directors' Safety and Quality Committee and includes any key risk areas and associated action plans. The internal and clinical audit plans are also aligned to the Board's Assurance Framework.

Patient experience results have been developed at service line and services now have at least five years of information on the views of outpatients and inpatients, where appropriate. This year, we have continued to develop our quality panels which provide the Board of Directors with a detailed assessment of the quality, safety and leadership effectiveness for each of the services we offer.

This service line information sits alongside established patient experience data to allow for a comprehensive assessment of quality. These panels rely on a face-to-face assessment as well as analysis of a wide range of information gathered in advance including ward observation.



## People and skills

The Quality Account describes the focus on people and skills in the Trust. There are three key elements described. Firstly, the outcomes of services to patients are delivered by highly-qualified and skilled individuals. We have robust policies for the recruitment and the development of staff. Secondly, mandatory and statutory training of staff is a key performance indicator and this is also reported to the Board of Directors at regular intervals. Thirdly, results of the 2018 NHS staff survey, against which we achieved a response rate of 72%, show that the majority of our staff would recommend the Trust as a place to work or receive treatment and ranking, putting Northumbria Healthcare 2<sup>nd</sup> among non-specialist acute Trusts (out of 86) and 6th compared to all other Trusts (out of 163). Overall, the survey provides some excellent results however we will continue to focus on areas for improvement.

## Data use and reporting

Good quality information underpins the effective delivery of patient care and is essential if improvements in quality of care are to be made. Improving data quality, which includes the quality of ethnicity and other equality data, will thus improve patient care and improve value for money. We have robust procedures to ensure that the quality and accuracy of elective waiting time data reported is as high. There is detailed guidance followed by the analysts each month in producing the elective waiting time data reports for NHS England and the Board.

## Corporate Governance Statement

The Board of Directors, as required under NHS Foundation Trust condition 4(8)(b) assures itself of the validity of its Corporate Governance Statement. The Board of Directors review the Corporate Governance Statement every year to ensure that declarations being made can be supported with evidence. It considers the risks and mitigating actions that management provided to support the Statements and determine, both from its own work throughout the year - particularly the testing of the controls set out in the Assurance Framework - and assurances provided from the work of the Trust's internal, external auditors and other external audits or reviews, whether the Statements are valid.

## Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the Trust that have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the Quality Account attached to this Annual Report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board of Directors, the Audit Committee and Assurance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Board of Directors, supported by the Audit Committee and Assurance Committee, has routinely reviewed the Trust's system of internal control and governance framework, together with the Trust's integrated approach to achieving compliance with the CQC fundamental standards. The Assurance Framework provides the Board of Directors with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

The Audit Committee has provided the Board of Directors with an independent and objective review of internal financial control within the Trust by reflecting on the Trust financial report to the Board of Directors. There have been no significant controls gaps identified during 2018/19.

The Finance Investment and Performance Committee and Safety and Quality Committee provides the Board of Directors with an integrated clinical governance report at regular intervals and the former committee of the Board of Directors ensures compliance on governance issues are delivered and immediate action is taken should performance not be in line with the target set by the Board of Directors.

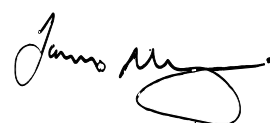
Clinical audit is given a high importance in the Trust. The annual Clinical Audit Plan is agreed by the Safety and Quality Committee and the Annual Plan reflects the priorities of the Board of Directors and the national best practice, for example, NICE clinical guidelines, national confidential enquiries, high level enquiries and other nationally agreed guidance is taken into account in the context of clinical services provided by the organisation. A quarterly review of progress against the plan is reported to the Safety and Quality Committee and to the Board of Directors via an integrated governance report. Any significant issues that emerge are reported to the Board of Directors and a service improvement plan or Trust-wide quality improvement is approved.

Internal audit has reviewed and reported upon control, governance and risk management processes, based on an audit plan approved by the Audit Committee. The work included identifying and evaluating controls and testing their effectiveness, in accordance with NHS Internal audit standards. Where scope for improvement was found, recommendations were made and appropriate action plans agreed with management. The Head of Internal Audit Opinion Statement has been received on the effectiveness of the system of internal control giving substantial assurance.

## Conclusion

The overall opinion is that no significant internal control issues have been identified during 2018/19 and therefore significant assurance can be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Sir James Mackey



Chief Executive Officer

23<sup>rd</sup> May 2019



# Independent auditor's report

## to the Council of Governors of Northumbria Healthcare NHS Foundation Trust

### REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

#### 1. Our opinion is unmodified

We have audited the financial statements of Northumbria Healthcare NHS Foundation Trust ("the Trust") for the year ended 31 March 2019 which comprise the Group and Trust Statements of Comprehensive Income, Group and Trust Statements of Financial Position, Group and Trust Statements of Changes in Equity and Group and Trust Statements of Cash Flows, and the related notes, including the accounting policies in note 1.

#### In our opinion:

- the financial statements give a true and fair view of the state of the Group's and the Trust's affairs as at 31 March 2019 and of the Group's and Trust's income and expenditure for the year then ended; and
- the Group's and the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2018/19 and the Department of Health and Social Care Group Accounting Manual 2018/19.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Group and Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

#### Overview

<b>Materiality:</b>	£9.2m (2018: £7.5m)
Group financial statements as a whole	1.7% (2018: 1.4%) of operating income

<b>Coverage</b>	100% (2018: 100%) of group operating income
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#### Risks of material misstatement vs 2018

<b>Recurring risks</b>	Valuation of land and buildings	◀▶
	Recoverability of reimbursement asset	▲



## 2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In arriving at our audit opinion above, the key audit matters, in decreasing order of audit significance, were as follows:

All of these key audit matters relate to the Group and the parent Trust.

	The risk	Our response
<p><b>Valuation of land and buildings</b></p> <p>(£171 million; 2018: £185 million)</p> <p><i>Refer to page Annual report page 28 (Audit Committee Report) and Annual Accounts pages 8 to 11 (accounting policy) and pages 25 to 27 (financial disclosures)</i></p>	<p><b>Subjective valuation:</b></p> <p>Land and buildings are required to be maintained at up to date estimates of current value in existing use (EUV). For specialised assets where no market value is readily ascertainable, EUV is the depreciated replacement cost of a modern equivalent asset that has the same service potential as the existing property (DRC).</p> <p>There is significant judgement involved in determining the appropriate basis (EUV or DRC) for each asset according to the degree of specialisation, as well as over the assumptions made in arriving at the valuation. The DRC basis requires an assumption as to whether the replacement asset would be situated on the existing site or, if more appropriate, on an alternative site, with a potentially significant effect on the valuation. Further, replacement cost is decreased if VAT on replacement costs is recoverable.</p> <p>The Trust owns a fully operational facilities management company which maintains the existing Trust properties and which has and will undertake significant new capital developments on behalf of the Trust. In addition a proportion of the Trust estate is held under PFI arrangements under which VAT would be recoverable on the construction of any replacement asset. For all of these reasons assumptions are required as to whether it is appropriate to assume that VAT is recoverable and therefore whether such valuations should be recorded net of VAT.</p> <p>The valuation is undertaken by an external expert engaged by the Group. The Group's external valuers performed a full valuation, supported by inspection, as at November 2017 and indexed this to determine the valuation as at 31 March 2019.</p> <p>There is a risk that the valuation is not applied to the financial statement balances appropriately to recognise the valuation gains and impairment losses in line with the requirements of the Department of Health Group Accounting Manual 2018/19.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Assessing the valuer's credentials:</b> We assessed the competence, capability, objectivity and independence of the Trust's external valuer and considered the terms of engagement of, and the instructions issued to, the valuer for consistency with the requirements of the NHS Group Accounting Manual;</li> <li>— <b>Methodology choice:</b> We assessed the appropriateness of the valuation bases and assumptions applied by the valuers within the full valuation at 31 March 2019;</li> <li>— <b>Historical comparisons:</b> We considered the Group's history of VAT recovery through its PFI arrangements and commercial subsidiary and critically assessed the consistency of this judgement with the evidence presented;</li> <li>— <b>Data comparisons:</b> We critically assessed, in light of our knowledge of the Group's assets and changes in market conditions, whether any significant movements in values since the last full valuation are appropriate;</li> <li>— <b>Accounting analysis:</b> We undertook work to understand the basis upon which any movements in the valuation of land and buildings had been classified and treated in the financial statements and determined whether they had complied with the requirements of the DHSC Group Accounting manual 2018/19.</li> <li>— <b>Assessing transparency:</b> We considered the adequacy of the disclosures about the key judgements and degree of estimation involved in arriving at the valuation and the related sensitivities.</li> </ul>

	The risk	Our response
<p><b>Recoverability of right of reimbursement assets (included in other receivables) £18m (2018: £6m)</b></p> <p><i>Refer to page 28 Audit Committee Report, Annual Accounts pages 14 and 16 (accounting policies) and Note 16 of the Accounts (financial disclosures).</i></p>	<p><b>Subjective estimate:</b></p> <p>Other receivables include a right of reimbursement asset of £18m in relation to rectifications and re-imbursements for the work required to address the defects on the Northumbria Specialist Emergency Care Hospital (NSECH) site. The Trust continues to work with its build partner and other external advisers to identify the extent of the defects and the most appropriate way to remedy these.</p> <p>The amount that has been recognised is assessed by the Trust as being the amount that is considered to be virtually certain to be recovered taking into account the latest information available.</p> <p>The effect of these matters is that, as part of our risk assessment, we determined that the recoverability of the right of reimbursement assets has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.</p>	<p>Our procedures included:</p> <ul style="list-style-type: none"> <li>— <b>Enquiry of legal advisers and property consultants:</b> We have inspected correspondence and attended meetings with the Group's legal advisers and property consultants to corroborate our understanding of the defects issue;</li> <li>— <b>Assessing recoverability:</b> We have reviewed the Trust's assessment of the likelihood of re-imbursement of the various defects identified to understand the approach adopted to identifying those items that are regarded as virtually certain to be recovered.</li> <li>— <b>Tests of detail:</b> We have reperformed a reconciliation of the quantum of the defects identified to the level of the re-imbursement asset to understand the items which have not been recognised as re-imbursement assets and the rationale for exclusion from recognition.</li> <li>— <b>Assessing transparency:</b> We considered the adequacy of the disclosures about the key judgements and degree of estimation involved in arriving at the estimate and the related sensitivities.</li> </ul>



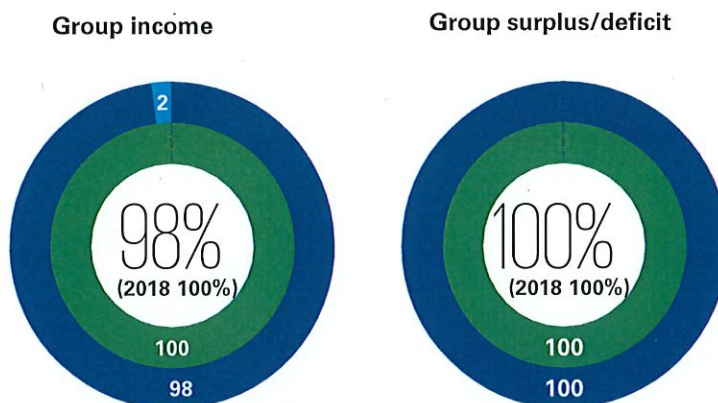
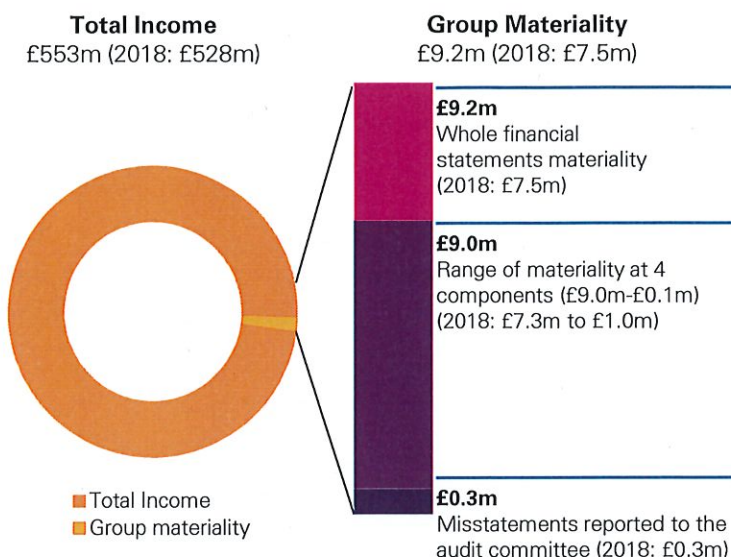
### 3. Our application of materiality and an overview of the scope of our audit

Materiality for the Group financial statements as a whole was set at £9.2 million (2018: £7.5 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.7%). We consider operating income to be more stable than a surplus or deficit related benchmark.

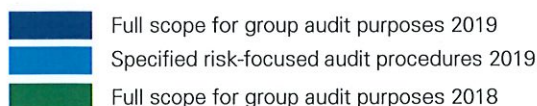
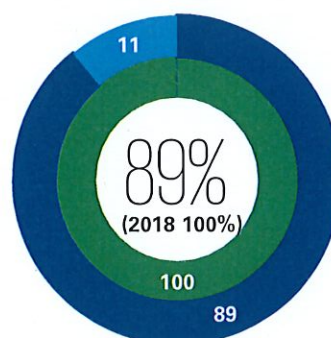
Materiality for the parent Trust's financial statements as a whole was set at £9.0 million (2018: £7.3 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.7% (2018: 1.4%).

We agreed to report to the Audit Committee any corrected and uncorrected identified misstatements exceeding £0.3 million (2018: £0.3 million), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Of the group's 4 (2018: 5) reporting components, we subjected 1 (2018: 1) to full scope audits for group purposes and 3 (2018: 4) to specified risk-focused audit procedures. The latter were not individually financially significant enough to require a full scope audit for group purposes, but did present specific individual risks that needed to be addressed. The components within the scope of our work accounted for the percentages illustrated opposite.



**Group total assets**





#### 4. We have nothing to report on going concern

The Accounting Officer has prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Group or the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Group or the Trust will continue in operation.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Group's and Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Group's and Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement on page i to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

#### 5. We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements.

#### Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2018/19.

#### Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Group's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2018/19, is misleading or is not consistent with our knowledge of the Group and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

#### 6. Respective responsibilities

##### Accounting Officer's responsibilities

As explained more fully in the statement set out on pages 78 and 79, the Accounting Officer is responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Group and parent Trust without the transfer of their services to another public sector entity.

##### Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities)



## REPORT ON OTHER LEGAL AND REGULATORY MATTERS

### **We have nothing to report on the statutory reporting matters**

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

### **We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources**

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in the use of resources..

We have nothing to report in this respect.

#### **Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources..

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the 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 the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

### **Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources**

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements to secure economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

The significant risks identified during our risk assessment are set out below together with the findings from the work we carried out on each area.

Significant Risk	Description	Work carried out and judgements
<b>Delivery of Cost Improvement Programme (CIP)</b>	<p>The Trust should be able to demonstrate delivery against a CIP at the planned level of improvement and have delivered planned savings.</p> <p>The Trust has a CIP target within the NHSI Annual Plan of £30.5m for 2018/19. The Trust achieved £29.4m and is £1.1m behind the original target.</p> <p>There is therefore a risk that this indicates that the Trust does not have proper arrangements in place to deliver recurrent cost improvements.</p>	<p>Our work included:</p> <ul style="list-style-type: none"> <li>— We held discussions with the Programme Management Office and obtained documentation supporting the Trust's approach to meeting the targets agreed with NHSI;</li> <li>— We viewed evidence of the Trust having planned for the target set by NHSI and assessed why the target had not been achieved;</li> <li>— We considered NHSI's review of the Trust's CIP and their observations in relation to cost improvement.</li> </ul> <p><b>Our findings on this risk area:</b></p> <ul style="list-style-type: none"> <li>— We concluded that the Trust had adequate controls in place to manage the CIP process. Although the CIP target was not achieved in the year we concluded that the shortfall is not significant enough to impact our opinion.</li> </ul>

#### THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

#### CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of Northumbria Healthcare NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



**Paul Moran**

**for and on behalf of KPMG LLP (Statutory Auditor)**

*Chartered Accountants*

Quayside House

110 Quayside

Newcastle upon Tyne

NE1 3DX

3 June 2019



# Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Group		Foundation Trust	
		Year Ending	Year Ending	Year Ending	Year Ending
		31 March	31 March	31 March	31 March
		2019	2018	2019	2018
		£000	£000	£000	£000
Operating income	3	553,203	528,407	541,189	516,935
Operating expenses	4	(543,663)	(517,237)	(532,937)	(510,198)
<b>Total Operating surplus</b>		<b>9,540</b>	<b>11,170</b>	<b>8,252</b>	<b>6,737</b>

<b>Finance Costs</b>					
Finance income	5	354	82	3,303	8,079
Finance expense	6	(10,931)	(10,045)	(15,228)	(13,582)
Finance expense - unwinding of discount on provisions	24	(40)	(37)	(40)	(37)
PDC dividends payable		(698)	(1,141)	(698)	(1,141)
<b>Net Finance Costs</b>		<b>(11,315)</b>	<b>(11,141)</b>	<b>(12,663)</b>	<b>(6,681)</b>

Gains on disposal of assets		10,905	7,748	10,948	7,748
Movement in fair value of other investments	35	38	70	0	0
Corporation tax		0	(4)	0	0
<b>Surplus</b>		<b>9,168</b>	<b>7,843</b>	<b>6,537</b>	<b>7,804</b>

<b>Other comprehensive income</b>					
Amounts that will not be reclassified subsequently to income and expenditure including:					
Gains on revaluations	10	0	0	0	0
Impairments and reversal taken to revaluation reserve	10	1,273	963	1,273	963
<b>Total comprehensive income for the year</b>		<b>10,441</b>	<b>8,806</b>	<b>7,810</b>	<b>8,767</b>

Note: Allocation of surplus for the year:	Note	Group		Foundation Trust	
		Year Ending	Year Ending	Year Ending	Year Ending
		31 March	31 March	31 March	31 March
		2019	2018	2019	2018
		£000	£000	£000	£000
(a) Deficit for the period attributable to:					
(i) minority interest, and		0	0	0	0
(ii) owners of the parent.		9,168	7,843	6,537	7,804
<b>Total</b>		<b>9,168</b>	<b>7,843</b>	<b>6,537</b>	<b>7,804</b>

(b) Total comprehensive income for the year attributable to:					
(i) minority interest, and		0	0	0	0
(ii) owners of the parent.		10,441	8,806	7,810	8,767
<b>Total</b>		<b>10,441</b>	<b>8,806</b>	<b>7,810</b>	<b>8,767</b>

All income and expenditure is derived from continuing operations.

**Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19**  
**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019 - GROUP AND TRUST**

Non-current assets	Note	Group		Foundation Trust	
		31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Intangible assets	8.1	6,448	5,801	6,448	5,801
Property, plant and equipment	10.1	220,139	216,218	206,132	214,633
Investments - subsidiaries	14	0	0	16,787	14,040
Loans - subsidiaries	14	0	0	74,686	78,832
Other Investments	35	1,295	257	0	0
Trade and other receivables	16	17,771	0	17,771	0
Employee benefits	23	1,710	350	1,710	350
<b>Total non-current assets</b>		<b>247,363</b>	<b>222,626</b>	<b>323,534</b>	<b>313,656</b>

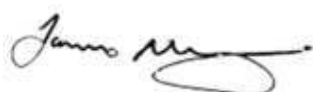
<b>Current assets</b>					
Inventories	15	14,043	13,939	13,432	13,384
Trade and other receivables	16	65,474	80,468	86,175	99,122
Loans - subsidiaries	14	0	0	2,910	2,760
Assets held for sale	12	0	0	0	0
Cash and cash equivalents	26	64,166	30,052	61,159	26,412
<b>Total current assets</b>		<b>143,683</b>	<b>124,459</b>	<b>163,676</b>	<b>141,678</b>

<b>Current Liabilities</b>					
Trade and other payables	18	(55,955)	(69,214)	(63,939)	(90,545)
Interest bearing borrowings	20	(12,823)	(8,214)	(16,950)	(8,214)
Provisions	24	(336)	(336)	(336)	(336)
Other liabilities	19	(1,096)	(2,187)	(1,054)	(2,187)
<b>Total current liabilities</b>		<b>(70,210)</b>	<b>(79,951)</b>	<b>(82,279)</b>	<b>(101,282)</b>
<b>Total assets less current liabilities</b>		<b>320,836</b>	<b>267,134</b>	<b>404,931</b>	<b>354,052</b>

<b>Non-current liabilities</b>					
Trade and other payables	18	(2,599)	(2,880)	(2,599)	(2,880)
Interest bearing borrowings	20	(229,890)	(187,270)	(314,029)	(271,601)
Employee benefits	23	(1,710)	(350)	(1,710)	(350)
Provisions	24	(1,043)	(1,328)	(1,043)	(1,328)
<b>Total non-current liabilities</b>		<b>(235,242)</b>	<b>(191,828)</b>	<b>(319,381)</b>	<b>(276,159)</b>
<b>Total assets employed</b>		<b>85,594</b>	<b>75,306</b>	<b>85,550</b>	<b>77,893</b>

<b>Financed by taxpayer's equity</b>					
Public dividend capital		151,322	151,475	151,322	151,475
Revaluation reserve	25	6,640	5,367	6,640	5,367
Charitable fund reserve	35	2,754	2,846	0	0
Other Reserves		(551)	(551)	(551)	(551)
Income and expenditure reserve		(74,571)	(83,831)	(71,861)	(78,398)
<b>Total taxpayer's equity</b>		<b>85,594</b>	<b>75,306</b>	<b>85,550</b>	<b>77,893</b>

The financial statements on pages 1 to 43 were approved by the Board on the 22nd May 2019 and signed on its behalf by:



Sir James Mackey  
Chief Executive

Dated 22nd May 2019

# Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

## STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

### Changes in Taxpayer's Equity for the year ended 31 March 2019

Group	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserve £000	Other Reserve £000	Total £000
Balance as at 31 March 2018	151,475	5,367	(83,831)	2,846	(551)	75,306
PDC received	12	0	0	0	0	12
PDC Repaid	(165)	0	0	0	0	(165)
Total comprehensive income for the year; retained surplus / (deficit) for the year	0	0	9,260	(92)	0	9,168
Transfer between reserves	0	0	0	0	0	0
Revaluations - property, plant and equipment	0	1,273	0	0	0	1,273
<b>Balance as at 31 March 2019</b>	<b>151,322</b>	<b>6,640</b>	<b>(74,571)</b>	<b>2,754</b>	<b>(551)</b>	<b>85,594</b>

### Changes in Taxpayer's Equity for the year ended 31 March 2018

Group	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserve £000	Other Reserve £000	Total £000
Balance as at 31 March 2017	149,960	4,404	(91,674)	2,846	(551)	64,985
PDC received	1,515	0	0	0	0	1,515
Total comprehensive income for the year; retained surplus for the year	0	0	7,843	0	0	7,843
Transfer between reserves	0	0	0	0	0	0
Revaluations - property, plant and equipment	0	963	0	0	0	963
<b>Balance as at 31 March 2018</b>	<b>151,475</b>	<b>5,367</b>	<b>(83,831)</b>	<b>2,846</b>	<b>(551)</b>	<b>75,306</b>

### Changes in Taxpayer's Equity for the year ended 31 March 2019

Foundation Trust	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserve £000	Other Reserve £000	Total £000
Balance as at 31 March 2018	151,475	5,367	(78,398)	0	(551)	77,893
PDC received	12	0	0	0	0	12
PDC Repaid	(165)	0	0	0	0	(165)
Total comprehensive income for the year; retained surplus for the year	0	0	6,537	0	0	6,537
Revaluations - property, plant and equipment	0	1,273	0	0	0	1,273
<b>Balance as at 31 March 2019</b>	<b>151,322</b>	<b>6,640</b>	<b>(71,861)</b>	<b>0</b>	<b>(551)</b>	<b>85,550</b>

### Changes in Taxpayer's Equity for the year ended 31 March 2018

Foundation Trust	Public Dividend Capital £000	Revaluation Reserve £000	Income and Expenditure Reserve £000	Charitable Fund Reserve £000	Other Reserve £000	Total £000
Balance as at 31 March 2017	149,960	4,404	(86,202)	0	(551)	67,611
PDC received	1,515	0	0	0	0	1,515
Total comprehensive income for the year; retained surplus for the year	0	0	7,804	0	0	7,804
Revaluations - property, plant and equipment	0	963	0	0	0	963
<b>Balance as at 31 March 2018</b>	<b>151,475</b>	<b>5,367</b>	<b>(78,398)</b>	<b>0</b>	<b>(551)</b>	<b>77,893</b>

# Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

## STATEMENT OF CASHFLOWS

	Note	Group		Foundation Trust	
		Year Ending	Year Ending	Year Ending	Year Ending
		31 March	31 March	31 March	31 March
Cash flows from operating activities		2019	2018	2019	2018
		£000	£000	£000	£000
Operating surplus from continuing operations		9,540	11,170	8,252	6,737
<b>Operating surplus</b>		<b>9,540</b>	<b>11,170</b>	<b>8,252</b>	<b>6,737</b>
<b>Non-cash income and expenses</b>					
Depreciation and amortisation		10,389	10,318	10,389	10,318
Impairments		24,416	20,310	24,458	20,310
Increase / (decrease) in trade and other receivables		4,652	(18,462)	2,605	(30,120)
Increase in inventories		(104)	(240)	(48)	85
Decrease / (increase) in trade and other payables		(9,643)	10,982	(22,429)	24,797
Decrease in other liabilities		(1,091)	(8,444)	(1,133)	(8,444)
Unwinding of discount provisions		(40)	(37)	(40)	(37)
Decrease in provisions		(285)	(1,265)	(285)	(1,265)
Corporation tax paid		0	(4)	0	0
Other movements in operating cashflows		(513)	414	(513)	0
<b>Net cash generated from operating activities</b>		<b>37,321</b>	<b>24,742</b>	<b>21,256</b>	<b>22,381</b>
<b>Cash flows from investing activities</b>					
Interest received		330	82	3,279	8,079
Purchase of financial assets		(1,000)	0	0	0
Investment in a subsidiary / joint venture		0	0	1,249	2,190
Purchase of property, plant and equipment and intangible assets		(28,357)	(14,124)	(11,410)	(12,884)
Proceeds from sale of property and equipment		225	5,348	225	5,348
<b>Net cash used in investing activities</b>		<b>(28,802)</b>	<b>(8,694)</b>	<b>(6,657)</b>	<b>2,733</b>
<b>Cash flows from financing activities</b>					
PDC received		(153)	1,515	(153)	1,515
PDC dividend paid		(142)	(1,861)	(142)	(1,861)
Loans repaid		(10,525)	(8,016)	(10,525)	(8,016)
Loans received		50,000	0	50,000	0
Interest paid on loans		(10,157)	(8,803)	(10,157)	(8,803)
Payment of finance lease obligations - interest		(1,202)	(832)	(5,499)	(4,369)
Payment of Private Finance Initiative obligations - interest		(1,962)	(1,961)	(1,962)	(1,961)
Additions of finance lease obligations - capital		0	0	0	(2,727)
Payment of finance lease obligations - capital		(196)	(1,207)	(1,346)	(5,839)
Payment of Private Finance Initiative obligations - capital		(68)	12	(68)	12
<b>Net cash absorbed from financing activities</b>		<b>25,595</b>	<b>(21,153)</b>	<b>20,148</b>	<b>(32,049)</b>
Increase in cash and cash equivalents		34,114	(5,105)	34,747	(6,935)
<b>Cash and cash equivalents at 1 April</b>		<b>30,052</b>	<b>35,157</b>	<b>26,412</b>	<b>33,347</b>
<b>Cash and cash equivalents at 31 March</b>	<b>26</b>	<b>64,166</b>	<b>30,052</b>	<b>61,159</b>	<b>26,412</b>

# Northumbria Healthcare NHS Foundation Trust – Annual Accounts 2018-19

## Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, is responsible for issuing an accounts direction to NHS foundation trusts under the NHS Act 2006. NHS Improvement has directed that the financial statements of NHS foundation trusts shall meet the accounting requirements of the Department of Health Group Accounting Manual (DH GAM) which shall be agreed with the Secretary of State. Consequently, the following financial statements have been prepared in accordance with the DH GAM 2018/19 issued by the Department of Health. The accounting policies contained in that manual follow IFRS and HM Treasury's DHSC GAM to the extent that they are meaningful and appropriate to NHS foundation trusts. The accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

### 1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and certain financial assets and financial liabilities.

### 2 Going Concern Basis

These accounts have been prepared on a going concern basis. This is based on financial projections taking into account the working capital position, agreed 2019/20 contractual income and expenditure plans. The Group had cash at bank of £64.2m at the year end and generated cash from operations of £37.3m.

After making enquiries the directors have a reasonable expectation that the Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason they continue to use the going concern basis in preparing this report.

### 3 Consolidation

The group financial statements consolidate the financial statements of the Trust and entities controlled by the Trust (its subsidiaries) and incorporate its share of the results of wholly and jointly controlled entities and associates using the equity method of accounting. The financial statements of the subsidiaries are prepared for the same reporting year as the Trust.

Subsidiary entities are those over which the Foundation Trust has the power to exercise control or a dominant influence so as to gain economic or other benefits. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines.

Where subsidiaries accounting policies are not aligned with those of the Foundation Trust (including where they report under UK GAAP) these amounts are adjusted during consolidation where differences are material.

All intragroup balances and transactions, including unrealised profits arising from the intragroup transactions, have been eliminated in full. Subsidiaries are consolidated from the date on which control is obtained by the group and cease to be consolidated from the date on which control is no longer held by the group.

Joint ventures are separate entities over which the trust has joint control with one or more parties. The meaning of control is the same as that for subsidiaries. Joint ventures are recognised in the trusts financial statements using the equity method. This investment is initially recognised at a cost.

Northumbria Healthcare Facilities Management Ltd. was incorporated on the 9th October 2012 and is a wholly owned subsidiary of Northumbria Healthcare NHS FT. The primary purpose of the company is the provision of a fully managed healthcare facility, including the design, project management and operation of specific capital schemes. Currently the largest contract is for the management of the site of the Northumbria Specialist Emergency Care Hospital in Cramlington and provision of services.

Northumbria Primary Care Limited was established to provide GPs with professional support in many of the corporate functions that come with running a GP practice. It is a wholly owned subsidiary of Northumbria Healthcare NHS Foundation Trust which started trading on 1 April 2015.

Northumbria Digital Solutions Limited was established to provide information technology services to NHS and other organisations, including Northumbria Healthcare NHS Foundation Trust. It is a wholly owned subsidiary of Northumbria Healthcare NHS Foundation Trust which started trading on 1 July 2017.

Northumbria Healthcare NHS Foundation Trust is the corporate trustee to Northumbria Healthcare NHS Trust Charity NHS charitable fund. The Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Foundation Trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients and its staff.

## Northumbria Healthcare NHS Foundation Trust – Annual Accounts 2018-19

The charitable funds statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on FRS102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- Recognise and measure them in accordance with the Foundation Trust's accounting policies; and
- Eliminate intra-group transactions, balances gains and losses.

The summary Statement of Financial Activities and Statement of Financial Position of the Charitable Fund are presented in a note (note 35) to the accounts.

When there is a legal restriction on the purpose to which a fund may be put, the fund is classified in the accounts as a restricted fund. Funds where the capital is held to generate income for the charitable purposes and cannot itself be spent are accounted for as endowment funds. Other funds are classified as unrestricted funds. Unrestricted funds which the Trustees have chosen to earmark for set purposes are also classified as designated funds. In all other respects the accounting policies of the Charitable Fund are materially in line with those of the Foundation Trust.

Additionally the Trust has dormant subsidiaries and investments in Limited Liability Partnerships as disclosed in note 14.

### 4 Income

#### Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The DHSC 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). As directed by the GAM, the transition to IFRS 15 in 2018/19 has been completed in accordance with paragraph C3 (b) of the Standard: applying the Standard retrospectively but recognising the cumulative effects at the date of initial application (1 April 2018).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

#### Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust does not receive income where a patient is readmitted within 30 days of discharge from a previous planned stay. This is considered an additional performance obligation to be satisfied under the original transaction price. An estimate of readmissions is made at the year end this portion of revenue is deferred as a contract liability.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

# Northumbria Healthcare NHS Foundation Trust – Annual Accounts 2018-19

## Revenue from research contracts

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

## 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 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.

## Revenue 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.

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, the corresponding notional expense is also recognised at the point of recognition for the benefit.

## Other income

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

## 5 Expenditure on Employee Benefits

### Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

### Pension costs

#### NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at [www.nhsbsa.nhs.uk/pensions](http://www.nhsbsa.nhs.uk/pensions). Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 DHSC GAM 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



## Northumbria Healthcare NHS Foundation Trust – Annual Accounts 2018-19

in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2019, is based on valuation data as 31 March 2017, updated to 31 March 2019 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant DHSC GAM 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

### b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend contribution rates payable by employees and employers. The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2019. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

### *Defined benefit plan – Northumberland County Council Local Government Pension Scheme*

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Trust's net obligation in respect of this defined benefit pension plan is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets (at bid price) are deducted. The liability discount rate is the yield at the balance sheet date on AA credit rated bonds denominated in the currency of, and having maturity dates approximating to the terms of the Trust's obligations. The calculation is performed by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Trust, the recognised asset is limited to the present value of benefits available in the form of any future refunds from the plan, reductions in future contributions to the plan or on settlement of the plan and takes into account the adverse effect of any minimum funding requirements.

The Trust's defined benefit obligations in respect of this scheme have been indemnified by Northumberland County Council. As a result of this indemnification, the Trust has a right of reimbursement for expenditures required to settle this defined benefit obligation or a commitment to refund any defined benefit surplus.

## **6 Expenditure on other goods and services**

### *Expenditure on other 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.

### *Financing income and expenses*

Net financing costs comprise interest payable and interest receivable on funds invested. Interest income and interest payable is recognised in the statement of Comprehensive Income as it accrues, using the effective interest method.

## **7 Property, Plant and Equipment**

### *Recognition*

Property, Plant and Equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the items individually have a cost of at least £5,000 or form a group of assets which individually have a cost of more than £250, collectively have a cost of at least £5,000, where the assets are functionally interdependent,



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they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control or form part of the initial setting up cost of a new building or refurbishment of a ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Land is not depreciated as it is expected to have an infinite life. Buildings have expected lives of between 1 and 36 years, and are depreciated evenly over the life of the buildings.

Equipment is generally depreciated on current cost evenly over the estimated life of the assets on the following basis;

- Short life medical and other equipment – 5 years
- Medium life medical equipment – 10 years
- Long life medical equipment – 15 years
- Short life engineering plant and equipment – 5 years
- Medium life engineering plant and equipment – 10 years
- Long life engineering plant and equipment – 15 years
- Office and IT equipment – 2 to 5 years
- Mainframe-type IT installations – 8 years
- PCs and printers – 2 years
- Furniture – 10 years
- Vehicles – 7 years

Where it is possible individual assets are depreciated on a specific estimate of the assets life.

### *Measurement*

#### *1. Valuation*

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All land and buildings are measured subsequently at fair value as required by the GAM.

Property, plant and equipment are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs, such as installation, directly attributable to bringing them into working condition. The carrying values of property, plant and equipment are reviewed for impairment in periods if events or changes in circumstances that indicates the carrying value may not be recoverable. The costs arising from financing the construction of the fixed assets are not capitalised but are charged to the income and expenditure account in the year to which they relate.

All land and buildings are re-valued using professional valuations in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the end of the reporting period. The last asset valuations were undertaken in 2019 as at the prospective valuation date of 31 March 2019. The revaluation undertaken at that date was accounted for on 31 March 2019.

The valuation was carried out by Cushman & Wakefield, qualified valuers (MRICS), using the Modern Equivalent Asset Valuation (MEAV) technique and Depreciated Replacement Cost method for specialised operational property and existing use value for non-specialised operational property. The value of land for existing use purposes is assessed at existing user value. For non-operational properties including surplus land, the valuations are carried out at open market value. Additional alternative open market value figures have only been supplied for operational assets scheduled for imminent closure and subsequent disposal.

Assets in the course of construction are valued at cost and are valued by professional valuers as part of the valuations when they are brought into use.

Residual interests in 'off-Statement of Financial Position' private finance initiative properties are included in assets under construction within property, plant and equipment at the amount of the unitary charge allocated for the acquisition of the residual with an adjustment. The adjustment is the net present value of the change in the fair value of the residual as estimated at the start of the contract and at the Statement of Financial Position date.

Operational equipment is valued at net current replacement cost. Equipment surplus to requirements is valued at net recoverable amount.

## *2. Subsequent expenditure*

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is added to the asset's carrying value. Where subsequent expenditure is simply restoring the asset to the specification assumed by its economic useful life then the expenditure is charged to operating expenses.

## *3. Depreciation*

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

## *4. Revaluation gains and losses*

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

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

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

## *5. Impairments*

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating income 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/ reclassification of property, plant and equipment*

Assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
  - the sale must be highly probable i.e.:
    - management are committed to a plan to sell the asset;
    - an active programme has begun to find a buyer and complete the sale;
    - the asset is being actively marketed at a reasonable price;
    - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale';
- and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

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## *Donated assets, government grant and other grant funded assets*

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation / grant is credited to the income statement at the same time, unless the donor imposes 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 financial donation/ grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

## **Private Finance Initiative (PFI) transactions**

PFI transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's DHSC GAM , are accounted for as 'on-Statement of Financial Position' by the Trust. In accordance with IAS 17 the underlying assets are recognised as property, plant and equipment at their fair value together with an equivalent financial liability. Subsequently the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services. The finance cost is calculated using the implicit interest rate for the scheme.

The service charge is recognised in operating expenses and the finance cost is charged to Finance Costs in the Statement of Comprehensive Income.

## **8 Intangible assets**

### *Recognition*

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably.

### *Internally generated intangible assets*

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits e.g. the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset; and
- the Trust can measure reliably the expenses attributable to the asset during development.

### *Software*

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

### *Measurement*

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

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Subsequently intangible assets are measured at fair value. Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in operating expenses, in which case they are recognised in operating income. Decreases in asset values and impairments 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'.

Intangible assets held for sale are measured at the lower of their carrying amount or 'fair value less costs to sell'.

### *Amortisation*

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

## **9 Revenue government and other grants**

Government grants are grants from government bodies other than income from Clinical Commissioning Groups or NHS trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

## **10 Inventories**

Inventories are valued at the lower of cost and net realisable value. The cost of all consumable goods is charged to operating expenses at the time of purchase.

## **11 Financial instruments and financial liabilities**

### *Recognition*

Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs i.e. when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

All other financial assets and financial liabilities are recognised when the Trust becomes a party to the contractual provisions of the instrument.

### *De-recognition*

All financial assets are de-recognised when the rights to receive cashflows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

### *Classification and Measurement*

Financial assets are categorised as 'Fair Value through Income and Expenditure', Loans and receivables or 'Available-for-sale financial assets'.

Financial liabilities are classified as 'Fair value through Income and Expenditure' or as 'Other Financial liabilities'.

### *Financial assets and financial liabilities at 'Fair Value through Statement of Comprehensive Income'*

Financial assets and financial liabilities at 'fair value through Statement of Comprehensive Income' are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges.

### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included in current assets.

The Trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued

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income and 'other receivables'.

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset. Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

### *Other financial liabilities*

All 'other financial liabilities' are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to Finance Costs.

### *Impairment of financial assets*

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at 'fair value through comprehensive income' are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cashflows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced.

## **12 Leases**

### *Finance leases*

Where substantially all risks and rewards of ownership of a leased asset are borne by the NHS Foundation Trust, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to Finance Costs in the Statement of Comprehensive Income.

### *Operating leases*

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

### *Leases of land and buildings*

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Following the adoption of a change to IAS 17 leased land is assessed separately to determine if it is a finance or operating lease, depending upon the nature of the lease terms.

### *Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such arrangement is or contains a lease. This will be the case if the following two criteria are met:

- The fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- The arrangement contains a right to use the asset(s).

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At inception or on reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of relative fair values. If the Group concludes for a finance lease that it is impractical to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequent the liability is reduced as payments are made and an imputed finance costs on the liability is recognised using the Group's incremental borrowing rate.

### 13 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rate of 0.24%, (2017/18 0.24%) in real terms.

#### *Clinical negligence costs risk pooling*

NHS Resolution, formerly the NHS Litigation Authority, 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. For this reason, the total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 28 but it is not recognised in the NHS Foundation Trust's accounts.

#### *Non-clinical negligence costs risk pooling*

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to the NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of particular claims are charged to operating expenses when the liability arises.

### 14 Contingent Assets and Liabilities

Contingent assets (assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in Note 28 where an inflow of economic benefits is probable. When realisation of a contingent asset is virtually certain it is no longer considered contingent and is recognised as an asset. The amount is recognised in the period in which this change from contingent asset to asset occurs.

Contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed in Note 28, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

### 15 Public Dividend Capital

Public Dividend Capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IFRS 9.

A charge, reflecting the cost of capital utilised by the NHS Foundation Trust, is payable as PDC. 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 value of all liabilities, except for (i) donated assets (ii) average daily cash balances held with the Government Banking Services and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility and (iii) any PDC dividend balance receivable or payable. In accordance with the requirements laid down by the Department of Health (as the issuer of PDC), the dividend for the year is calculated on the average actual relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

### 16 Value Added Tax

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

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included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 17 Corporation Tax

The Trust Board has reviewed the commercial activities of the Trust and consideration has been given to the implications of corporation tax. At this stage the Trust Board is satisfied that there are no corporation tax liabilities resulting from non-core activities. The Trust will continue to review commercial services in light of any potential changes in the scope of corporation tax.

Northumbria Healthcare NHS Foundation Trust is a Health Service Body within the meaning of s519A ICTA 1998 and accordingly is exempt from taxation in respect of income and capital gains within categories covered by this. There is the power from the Treasury to disapply the exemption in relation to the specified activities of a Foundation Trust (s519A (3) to (8) ICTA 1998). Accordingly, the Trust is potentially within the scope of Corporation Tax in respect of activities which are not related to, or ancillary to, the provision of healthcare, and where the profits therefrom exceed £50,000 per annum.

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the Statement of Financial Position date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

The Trust's subsidiaries are subject to corporation tax on commercial activities. Up to 31 March 2019 no material corporation tax or deferred tax assets or liabilities have arisen.

### 18 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 at the date of the transaction.

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

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

### 19 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Foundation Trust has no beneficial interest in them. However, they are disclosed within note 26 to the accounts in accordance with the requirements of HM Treasury's DHSC GAM.

### 20 Accounting Standards, amendments and interpretations in issue but not yet effective or adopted.



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There are accounting standards, amendments and interpretations that have been issued by the IASB and IFRIC which have not yet been applied to the Trust in these financial statement:

- IFRS 16 Leases – Application required for accounting periods beginning on or after 1 January 2019 but not yet adopted by the DHSC GAM ; early adoption is therefore not permitted;
- IFRS 17 Insurance Contracts – Application required for accounting periods beginning on or after 1 January 2021 but not yet adopted by the DHSC GAM ; early adoption is therefore not permitted;
- IFRIC 23 Uncertainty over Income Tax Treatments - Application required for accounting periods beginning on or after 1 January 2019.

The adoption of IFRS 17 and IFRIC 23 is not expected to have a material effect on the financial statements. In the case of IFRS 16, there may be a requirement for the Trust to recognise the underlying assets (represented by the present value of the lease payments) and corresponding liabilities inherent in all of its lease agreements (and contracts containing leases), in addition, the income statement will be charged with depreciation and interest instead of the lease payments, which is expected to 'front load' the expense to the earlier part of the agreement, the value of such adjustments is still being quantified.

## 21 IAS 1 – critical accounting judgements or key estimation uncertainties

### *"Critical accounting judgements and key sources of estimation uncertainty and critical judgement"*

In the application of the Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year;

- It is impracticable to disclose the extent of the possible effects of an assumption or another source of estimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes within the next financial year that are different from the assumption around the valuation of our land, property, plant and equipment could require a material adjustment to the carrying amount of the asset or liability recorded in note 10.1
- Provisions have been made in line with management's best estimates and in line with IAS 37: *Provisions, Contingent Liabilities and Contingent Assets* (note 24).
- A reimbursement has been recognised in respect of the costs associated with rectification of defects at the Trust's NSECH site.

The following are the key critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the consolidated and Trust financial statements:

- Accounting for arrangements containing a lease and lease classification (note 21)
- The Group provides a number of non-patient care services to other NHS bodies. Each arrangement requires an assessment of whether the Group is acting as an agent or principal based upon an evaluation of the control. Where the Group works with other bodies on an agency basis the transactions it processes on behalf of the other bodies are not reflected in the Group financial statements.

## 22 Late Payment of Commercial Debt

Legislation is in force which requires Trust's to pay interest to small companies if payment is not made within 30 days (Late payment of Commercial Debts (Interest) Act 1998). The Trust was not required to make any such payment during the year.



## 23 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 accrual basis, including losses which would have been made good through insurance cover had the NHS Foundation Trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

## 24 Impact of New Accounting Standards

IFRS 9 Financial Instruments as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect recognised as an adjustment to reserves on 1 April 2018. IFRS 9 replaces IAS 39 and introduces a revised approach to classification and measurement of financial assets and financial liabilities, a new forward-looking 'expected loss' impairment model and a revised approach to hedge accounting.

Reassessment of allowances for credit losses under the expected loss model resulted no impact in the carrying value of receivables. The GAM expands the definition of a contract in the context of financial instruments to include legislation and regulations, except where this gives rise to a tax.

IFRS 15 Revenue from Contracts with Customers as interpreted and adapted by the GAM has been applied by the Trust from 1 April 2018. The standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the income and expenditure reserve on 1 April 2018.

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

As directed by the GAM, the Trust has applied the practical expedient offered in C7A of the standard removing the need to retrospectively restate any contract modifications that occurred before the date of implementation (1 April 2018). The adoption of IFRS 15 had no material impact on the reported results in 2019.

## 2 Segmental Reporting

All of the activities of the Trust arise from a single business segment, the provision of healthcare and related activities, which is an aggregate of all the individual speciality components therein. Similarly the large majority of the Trust's revenue arises from within the UK Government. The majority of expenses incurred are payroll expenditure on staff involved in the production or support of healthcare activities generally across the Trust, together with the related supplies and overheads needed to establish this production. The business activities which earn and incur these expenses are of one broad nature and therefore on this basis one segment 'Healthcare' is deemed appropriate.

The operating results of the Foundation Trust are reviewed monthly or more frequently by the Trust's chief operating decision maker which is the overall Foundation Trust Board and which includes professional Non-Executive Directors. The Trust Board review the financial position of the trust as a whole, rather than individual components included in the totals, in terms of allocating resources. This process implies a single operating segment of healthcare in its decision making process. The finance report considered monthly by the Trust Board provides summary figures for the whole Trust together with graphical and bar charts relating to different total income activity levels and directorate expense budgets with their cost improvement positions. Likewise only the financial position and cashflow forecasts are considered for the whole Foundation Trust. The Board, as chief operating decision maker, therefore only considers one segment of healthcare in its decision making process.

The single segment of 'Healthcare' has therefore been identified as being consistent with the core principal of IFRS8 which is to enable users of the financial statements to evaluate the nature of financial effects of business activities and economic environments.

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## 3 Income from Activities

3.1 Income from Activities - by Function	Group		Foundation Trust	
	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2019	Year Ending 31 March 2018
	£000	£000	£000	£000
Elective income	59,300	57,730	59,300	57,730
Non elective income	85,345	87,621	85,345	87,621
Outpatient income	55,941	52,195	55,941	52,195
Other NHS clinical income	134,392	130,100	134,392	130,100
A&E income	21,928	21,331	21,928	21,331
Income for community services	63,498	66,753	63,498	66,753
Private patient & overseas visitors income	182	132	182	132
<b>Total income by function</b>	<b>420,586</b>	<b>415,862</b>	<b>420,586</b>	<b>415,862</b>

The Trust's Terms of Authorisation set out the mandatory goods and services that the Trust is required to provide ('Protected Services'). All income from activities shown above is derived from the provision of protected services.

3.2 Private Patient Income	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2019	Year Ending 31 March 2018
	£000	£000	£000	£000
Private patient income	97	76	97	76
<b>Total patient related income</b>	<b>420,586</b>	<b>415,862</b>	<b>420,586</b>	<b>415,862</b>
<b>Proportion (as a percentage)</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>	<b>0.02%</b>

Under its Terms of Authorisation the Trust must ensure that the proportion of patient related income derived from private patients does not exceed the proportion received as an NHS Trust in the base year, 2002/3, which was 0.09% of related income.

3.3 Income from Activities - by Source	Group		Foundation Trust	
	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2019	Year Ending 31 March 2018
	£000	£000	£000	£000
NHS Foundation Trusts	1,285	1,068	1,285	1,068
Department of Health	5,382	0	5,382	0
CCGs and NHS England	400,534	396,989	400,534	396,989
NHS Other	0	340	0	340
Local Authorities	11,881	10,172	11,881	10,172
Non NHS : Overseas visitors	84	56	84	56
Non NHS : Private patients	97	76	97	76
NHS Injury Scheme *	866	768	866	768
Non NHS Other	457	6,393	457	6,393
<b>Total income from activities</b>	<b>420,586</b>	<b>415,862</b>	<b>420,586</b>	<b>415,862</b>

\*NHS Injury Scheme income (formerly known as Road Traffic Act income) is subject to a provision for doubtful debts of 21.98% of claims.

3.4 Other Operating Income	Group		Foundation Trust	
	Year Ending 31 March 2019	Year Ending 31 March 2018	Year Ending 31 March 2019	Year Ending 31 March 2018
	£000	£000	£000	£000
Research and Development	3,008	3,304	3,008	3,304
Education and training	12,014	11,521	11,426	11,521
NHS charitable funds: income received	1,594	1,430	0	0
Non-patient care services to other bodies	7,710	12,847	7,899	12,847
Provider sustainability fund income	20,059	12,431	20,059	12,431
Other income - contracted	76,311	71,012	66,290	60,970
Other income - non contract	11,921	0	11,921	0
<b>Total other operating income</b>	<b>132,617</b>	<b>112,545</b>	<b>120,603</b>	<b>101,073</b>

<b>Total Income</b>	<b>553,203</b>	<b>528,407</b>	<b>541,189</b>	<b>516,935</b>
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The main components of non-patient care services to other bodies comprise hosting of the North East Patches Oracle financial information system consortium , hosting the North of Tyne Payroll consortium and provision of services to North Cumbria University Hospitals NHS Trust.

Other non-contract income includes amounts in respect of the re-imbursement asset, see note 16.

Other contracted income includes amounts in respect of NHS Fleet Solutions and other commercial services, catering services, car parking income and property rentals.

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## 4 Operating Expenses

4.1 Operating Expenses	Group		Foundation Trust	
	Year Ended	Year Ended	Year Ended	Year Ended
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Services from NHS Foundation Trusts	3,567	3,758	3,567	3,758
Purchase of healthcare from non-NHS bodies	3,843	3,609	3,843	3,603
Chair and Non-Executive Directors' costs	197	180	197	180
Executive Directors' costs	1,336	1,344	1,336	1,344
Staff costs	343,351	336,316	316,248	313,873
Drug costs	29,274	28,023	28,678	27,440
Supplies and services - clinical (excluding drug costs)	38,345	40,553	37,628	39,353
Supplies and services - general	7,068	5,967	2,237	2,393
Establishment	3,343	3,734	1,463	2,446
Transport	7,259	6,213	6,781	5,607
Premises	33,501	31,633	54,791	56,566
Bad debts provided for / (released unused)	7,558	(2,385)	7,558	(2,385)
Increase /(decrease) in other provisions	0	(138)	0	(138)
Rentals under operating leases	6,391	5,757	5,720	5,777
Depreciation and amortisation	10,389	10,318	10,389	10,318
Fixed asset impairments	24,416	20,310	24,458	20,310
Audit fees - audit services - statutory audit	107	104	77	60
Other auditors remuneration - other assurance services	16	3	16	3
Internal audit costs	202	277	202	277
Clinical negligence	10,848	11,620	10,848	11,620
Legal Fees	786	525	761	490
Professional fees and consultancy costs	1,766	2,512	2,313	1,855
Research, education, training courses and conferences	2,749	2,345	2,607	2,231
Patient Travel	45	94	45	83
Car parking and security	0	81	0	26
Redundancy and termination costs	686	217	686	217
Hospitality	12	44	27	60
Publishing	215	429	215	404
Insurance	768	469	371	293
Losses, ex-gratia and special payments	2	7	2	5
NHS Charitable funds: other resources expended	1,776	1,536	0	0
Other	3,847	1,782	9,873	2,129
<b>Total operating expenses</b>	<b>543,663</b>	<b>517,237</b>	<b>532,937</b>	<b>510,198</b>

The main component of other expenditure is expenses relating to the provision of on-site crèche facilities and costs associated with other income (note 3.4)

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4.2.1 Operating Lease Rentals	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
Charged to operating expenses during the year;	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Land and buildings	1,446	1,355	1,446	1,355
Plant and machinery	4,945	4,402	4,274	4,402
<b>Total operating lease rentals</b>	<b>6,391</b>	<b>5,757</b>	<b>5,720</b>	<b>5,757</b>

4.2.2 Operating Lease Commitments	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
Land and buildings total commitments on leases expiring;	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
within one year	1,226	1,226	1,226	1,226
between one and five years	4,904	4,904	4,904	4,904
after five years	6,189	7,415	6,189	7,415
<b>Total commitments land and buildings</b>	<b>12,319</b>	<b>13,545</b>	<b>12,319</b>	<b>13,545</b>

Land and building leases comprise of clinical accommodation used for elderly medicine services adjacent to North Tyneside General Hospital and at Morpeth Cottage Hospital.

	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
Plant and machinery total commitments on leases expiring;	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
within one year	1,545	592	1,545	592
between one and five years	3,602	4,381	3,602	4,381
<b>Total commitments plant and machinery</b>	<b>5,147</b>	<b>4,973</b>	<b>5,147</b>	<b>4,973</b>

Operating leases of less than five years refer to leasing agreements entered into for leased vehicles. All such leases are for a period of three years with three equal annual instalments payable. Costs are charged to operating expenses in the year in which payments are made.

4.3 Staff Costs and Numbers	Year Ended		Year Ended	
	31 March 2019		31 March 2018	
4.3.1 Staff Costs (Excluding Non-Executive Directors) - Group	Total	Permanently Employed	Other	Total
	£000	£000	£000	£000
Salaries and wages	279,988	271,292	8,696	271,297
Social security costs	26,798	25,957	841	25,888
Apprenticeship levy	1,305	1,305	0	1,256
Employer contributions to NHS pensions	33,097	32,031	1,066	32,321
Employer contributions to other pension	472	472	0	332
Agency/contract staff	5,327	0	5,327	6,619
Termination costs	686	686	0	217
<b>Total staff costs</b>	<b>347,673</b>	<b>331,743</b>	<b>15,930</b>	<b>337,930</b>

Included in the above is £2,300,000 of salaries that the group capitalised as tangible fixed assets in the year (2017/18 - £53,000). This related to staff employed to work on specific capital schemes. These costs are therefore additional to the staff costs disclosed in note 4.1 - operating expenses.

Other staff includes agency staff, staff on secondment from other organisations and medical staff whose contract of employment is with

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## 4.3 Staff Costs and Numbers - continued

4.3.2 Staff costs (excluding Non Executive Directors) - Foundation Trust	Year Ended 31 March 2019			Year Ended 31 March 2018
	Total £000	Permanently Employed £000	Other £000	Total £000
Salaries and wages	256,534	247,838	8,696	250,599
Social security costs	25,130	24,289	841	24,388
Employer contributions to NHS pensions	31,503	30,437	1,066	32,425
Employer contributions to other pension	117	117	0	35
Apprenticeship levy	1,273	1,273	0	1,204
Agency/contract staff	5,327	0	5,327	6,619
Termination costs	686	686	0	217
<b>Total staff costs</b>	<b>320,570</b>	<b>304,640</b>	<b>15,930</b>	<b>315,487</b>

Included in the above is £2,300,000 of salaries that the Trust capitalised as tangible fixed assets in the year (2017/18 - £53,000). This related to staff employed to work on specific capital schemes. These costs are therefore additional to the staff costs disclosed in note 4.1 - operating

4.3.3 Staff Numbers (Whole Time Equivalents) - Group	Year Ended			Year Ended
	31 March 2019	Permanently Employed	Other	31 March 2018
	Total			Total
Medical and dental	629	481	148	650
Administration and estates	1,926	1,926	0	1,874
Healthcare assistants & other support staff	1,689	1,689	0	1,877
Nursing, midwifery & health visiting staff	2,199	2,199	0	2,231
Nursing, midwifery & health visiting learners	42	42	0	43
Scientific, therapeutic and technical staff	1,069	1,069	0	1,057
Healthcare science staff	313	313	0	308
Agency staff	54	0	54	58
<b>Total whole time equivalents</b>	<b>7,921</b>	<b>7,719</b>	<b>202</b>	<b>8,098</b>

4.3.3 Staff Numbers (Whole Time Equivalents) - Foundation Trust	Year Ended 31 March 2019	Year Ended 31 March 2018		
	Total	Permanently Employed	Other	Total
Medical and dental	608	460	148	628
Administration and estates	1,812	1,812	0	1,726
Healthcare assistants & other support staff	1,052	1,052	0	1,399
Nursing, midwifery & health visiting staff	2,173	2,173	0	2,207
Nursing, midwifery & health visiting learners	42	42	0	43
Scientific, therapeutic and technical staff	1,055	1,055	0	1,045
Healthcare science staff	312	312	0	307
Agency staff	54	0	54	58
<b>Total whole time equivalents</b>	<b>7,108</b>	<b>6,906</b>	<b>202</b>	<b>7,413</b>

Staff numbers are for the 'whole time equivalent' as opposed to a head count basis i.e. two employees each working half the number of standard hours for a full time employee are classed as one 'whole time equivalent'. The totals are an average of whole time equivalents worked for the reporting period. Other staff includes staff on secondment from other organisations and medical staff whose contract of

4.3.4 Staff Exit Packages - Group and Foundation Trust	Redundancy Payments	Other Departures Agreed	Total
Less than £10,000	3	0	3
Between £10,000 and £25,000	2	0	2
Between £25,001 and £50,000	3	0	3
Between £50,001 and £100,000	3	0	3
Between £100,001 and £150,000	1	0	1
Between £150,001 and £200,000	1	0	1
<b>Total Number of exit packages by type</b>	<b>13</b>	<b>0</b>	<b>13</b>
<b>Total Resource cost £000's</b>	<b>686</b>	<b>0</b>	<b>686</b>

### 4.3.5 Employee Benefits

The Trust incurred no costs in providing employee benefits, other than pensions costs (note 24) , in the year ended 31 March 2019 (previous year - Nil).

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### 4.3 Staff Costs and Numbers - Group and Foundation Trust

Group and Foundation Trust	Year Ended 31 March 2019		Year Ended 31 March 2018	
	£000	Number	£000	Number
Number of early retirements agreed on the grounds of ill-health	2		7	
Estimated additional liabilities		95		461

The costs of these ill-health schemes will be borne by the NHS Pensions Agency.

#### 4.3.6 Salary Entitlements of Executive and Non Executive Directors

Executive Directors		Year ended 31 March 2019		Year ended 31 March 2018	
Name	Title	Basic salary (Bands of £5,000)	Benefits in kind (nearest £100)	Basic salary (Bands of £5,000)	Benefits in kind (nearest £100)
Sir James Mackey	Chief Executive	245 -250	11,100	90-95	15,200
Birju Bartoli	Executive Director of Performance and Improvement	175 -180	-	170-175	9,600
Paul Dunn	Executive Director of Finance	175 -180	5,500	170-175	3,400
Ann Stringer	Executive Director of HR & OD	160 -165	4,300	150-155	6,500
Jeremy Rushmer	Executive Medical Director	190-195	4,300	190-195	8,300
Jeremy Rushmer	Other remuneration - payment for medical duties	35-40	-	30-35	-
Ellie Monkhouse	Executive Director of Nursing (to 13/11/18)	85 - 90	-	50-55	-
Marion Dickson	Interim Executive Director of Nursing and Midwifery (from 14/11/18)	50 -55	-	-	-
Daljit Lally	Executive Director of System Leadership and Community	75 -80	17,900	90-95	11,600
David Evans					
	Chief Executive (From 1/4/17 until 31/10/17)	-	-	140-145	-
Debbie Reape	Executive Director of Nursing (1/4/17 until 31/10/17)	-	-	75-80	-
Ann Wright	Executive Director of Operations (1/4/17 until 22/9/17)	-	-	165-70	3,300

Non-executive Directors					
Alan Richardson	Chairman	50-55	200	50-55	100
Peter Sanderson	Non-Executive Director	15-20	-	10-15	-
Martin Knowles	Non-Executive Director	15-20	-	15-20	-
Alan Hepple	Non-Executive Director (to 1/3/19)	10-15	-	15-20	-
Alison Marshall	Non-Executive Director	15-20	-	15-20	-
Malcolm Page	Non-Executive Director	15-20	-	10-15	-
Moirra Davison	Non-Executive Director	15-20	-	10-15	-
Bernard McCardle	Non-Executive Director (from 16/6/18)	10-15	-	-	-
Sir Alan Craft	Non-Executive Director (from 16/10/18)	5-10	-	-	-
John Marsden	Non-Executive Director (1/4/17 to 27/4/17)	-	-	0-5	-
David Chesser	Non-Executive Director (1/4/17 to 31/10/17)	-	-	10-15	-

Other Directors					
Steven Bannister	Director of Facilities (to 20/8/18)	60-65	700	130-135	10,600
	Interim Director of Estates and Facilities (from 3/9/18)	30-35	-	-	-
Les Morgan					
Claire Riley	Director of Communications	130-135	10,500	125-130	11,300
Annie Lavery	Director of Patient Experience	125-130	5,300	110-115	4,400
Helen Ray	Chief Operating Officer (from 15/7/18)	95-100	4,900	-	-
Mark Thomas	Director of Health Informatics (to 30/9/18)	55-60	100	110-115	3,700
David Elliot	Director of IT (from 1/3/19)	10-15	-	-	-

Benefits in kind consist of the taxable benefit of leased cars used for business and private purposes and the taxable benefit of payments made for the reimbursement of business miles made in privately owned vehicles.

From 1/4/2017 to 31/10/2017 Sir James Mackey was Chief Executive at NHS Improvement on a secondment agreed between Northumbria Healthcare and NHS Improvement. In the table above 2017/18 figures only include remuneration for the period 1/11/2017 to 31/10/2017 when the secondment to NHS Improvement ended and he returned to Northumbria Healthcare as Chief Executive.

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## 5 Finance Income

	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Interest on bank accounts	302	42	302	42
Interest on loans and receivables	0	4	3,001	8,037
Other investment income	52	36	0	0
<b>Total finance income</b>	<b>354</b>	<b>82</b>	<b>3,303</b>	<b>8,079</b>

## 6 Finance Cost

6.1 Finance Costs - Interest Expense	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Loan from Foundation Trust Financing Facility	1,774	1,876	1,774	1,876
Other loans	5,993	5,376	5,993	5,376
Finance leases	1,202	832	5,499	4,369
Finance costs in PFI obligations	1,962	1,961	1,962	1,961
<b>Total finance expenses</b>	<b>10,931</b>	<b>10,045</b>	<b>15,228</b>	<b>13,582</b>

6.2 Impairment of Assets Property, Plant and Equipment	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Net Impairments due to changes in valuation	24,416	20,310	24,458	20,310
<b>Total impairments charged to income</b>	<b>24,416</b>	<b>20,310</b>	<b>24,458</b>	<b>20,310</b>

## 7 Taxation

UK corporation tax	Group		Foundation Trust	
	Year Ending	Year Ending	Year Ending	Year Ending
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Current tax payable	0	4	0	0
<b>Total tax payable</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>

Northumbria Healthcare Facilities Management Limited, Northumbria Primary Care Limited and Northumbria Digital Solutions Limited are subject to corporation tax on commercial activities. No material corporation tax or deferred tax arises in the current or prior period.

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## 8.1 Intangible Non-Current Assets

	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
<b>Gross cost at 1 April</b>	<b>10,456</b>	7,455	<b>10,456</b>	7,455
Reclassifications from property, plant and equipment	393	2,492	393	2,492
Additions	1,406	509	1,406	509
<b>Gross cost at 31 March</b>	<b>12,255</b>	10,456	<b>12,255</b>	10,456
<b>Amortisation at 1 April</b>	<b>4,655</b>	3,688	<b>4,655</b>	3,688
Provided during the year	1,152	967	1,152	967
<b>Amortisation at 31 March</b>	<b>5,807</b>	4,655	<b>5,807</b>	4,655
<b>Net book value</b>				
Purchased	5,801	3,767	5,801	3,767
Finance leases	0	0	0	0
<b>Total at 1 April</b>	<b>5,801</b>	3,767	<b>5,801</b>	3,767
<b>Net book value</b>				
Purchased	6,448	5,801	5,924	5,801
Finance leases	0	0	524	0
<b>Total at 31 March</b>	<b>6,448</b>	5,801	<b>6,448</b>	5,801

All intangible non-current assets are software licences.

## 8.2 Intangible Non-Current Assets Acquired by Government Grant

None of the Trust's intangible assets were acquired by government grant.

## 8.3 Economic Life of Non-Current Assets

The Trust's intangible assets, software licences, have an expected minimum economic life of five years.

## 9 Surplus / Deficit Attributable to the Trust

The surplus for the Trust was £6,537,000 (2017/18 surplus of £7,804,000) and is included within the Statement of Comprehensive Income for the Group.



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## 10 Tangible Non-Current Assets

### 10.1 Property Plant and Equipment at the 31 March 2019 Comprise the Following Elements;

Group	Land	£000	Buildings excluding dwellings £000	Assets under construction £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2018	14,333		371,852	3,192	6,195	68,499	49	20,347	2,852	487,319
Additions - purchased	0		13,889	14,132	0	3,197	0	6,509	0	37,727
Additions - donated	0		0	0	0	125	0	0	0	125
Reclassifications	0		427	(1,225)	0	116	0	682	0	0
Reclassifications to intangibles	0		0	(393)	0	0	0	0	0	(393)
Revaluations	861		162	0	37	0	0	0	0	1,060
Disposals	(688)		(225)	0	0	(511)	0	0	0	(1,424)
<b>Cost or valuation at 31 March 2019</b>	<b>14,506</b>		<b>386,105</b>	<b>15,706</b>	<b>6,232</b>	<b>71,426</b>	<b>49</b>	<b>27,538</b>	<b>2,852</b>	<b>524,414</b>

Accumulated depreciation at 1 April 2018	5,841		196,702	99	5,095	46,133	49	14,693	2,489	271,101
Provided during the year	0		3,412	0	37	3,972	0	1,736	80	9,237
Reversal of impairments	(267)		(301)	0	0	0	0	0	0	(568)
Impairments	0		24,984	0	0	0	0	0	0	24,984
Disposals	0		0	0	0	(479)	0	0	0	(479)
<b>Accumulated depreciation at 31 March</b>	<b>5,574</b>		<b>224,797</b>	<b>99</b>	<b>5,132</b>	<b>49,626</b>	<b>49</b>	<b>16,429</b>	<b>2,569</b>	<b>304,275</b>

Net book value (cost less accumulated depreciation)										
Purchased	8,531		151,043	15,607	0	21,436	0	10,522	255	207,394
Finance Leases	401		4,457	0	1,100	15	0	587	0	6,560
On Balance Sheet PFI contracts	0		5,761	0	0	0	0	0	0	5,761
Donated	0		47	0	0	349	0	0	28	424
<b>Net book value at 31 March 2019</b>	<b>8,932</b>		<b>161,308</b>	<b>15,607</b>	<b>1,100</b>	<b>21,800</b>	<b>0</b>	<b>11,109</b>	<b>283</b>	<b>220,139</b>

The Group and Foundation Trust's land and buildings were revalued at 31 March 2019 by external valuers. Further information is included in note 1, accounting policies. As a result of this revaluation a net amount of £24,416,000 was charged to the expenditure statement (being impairments of £24,984,000 less impairment reversals of £568,000). In addition £1,060,000 was credited to the revaluation reserve. Assets under construction were not included in this revaluation.

The Group and Trust's land and buildings were revalued at 31 March by external valuers. Further information is included in note , accounting policies. The valuation exercise covers all of the Group and Trust sites and takes into account the defects identified at NSECH.

### Property plant and equipment at the 31 March 2018 comprised the following elements;

Group	Land	£000	Buildings excluding dwellings £000	Assets under construction £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2017	14,895		364,104	7,947	6,796	66,356	49	17,450	2,852	480,449
Additions - purchased	0		3,114	2,864	1,501	2,074	0	2,436	0	11,989
Additions - donated	0		0	0	0	89	0	0	0	89
Reclassifications	0		4,634	(5,127)	0	32	0	461	0	0
Reclassifications to intangibles	0		0	(2,492)	0	0	0	0	0	(2,492)
Revaluations	0		0	0	(214)	0	0	0	0	(214)
Disposals	(562)		0	0	(1,888)	(52)	0	0	0	(2,502)
<b>Cost or valuation at 31 March 2018</b>	<b>14,333</b>		<b>371,852</b>	<b>3,192</b>	<b>6,195</b>	<b>68,499</b>	<b>49</b>	<b>20,347</b>	<b>2,852</b>	<b>487,319</b>

Accumulated depreciation at 1 April 2017	5,731		173,804	99	5,309	41,882	49	13,511	2,398	242,783
Provided during the year	0		3,661	0	114	4,303	0	1,182	91	9,351
Reversal of impairments	0		(1,527)	0	0	0	0	0	0	(1,527)
Impairments	110		21,941	0	(214)	0	0	0	0	21,837
Revaluation surpluses	0		(1,177)	0	0	0	0	0	0	(1,177)
Disposals	0		0	0	(114)	(52)	0	0	0	(166)
<b>Accumulated depreciation at 31 March</b>	<b>5,841</b>		<b>196,702</b>	<b>99</b>	<b>5,095</b>	<b>46,133</b>	<b>49</b>	<b>14,693</b>	<b>2,489</b>	<b>271,101</b>

Net book value (cost less accumulated depreciation)										
Purchased	8,091		164,715	3,093	0	21,957	0	5,654	319	203,829
Finance Leases	401		3,914	0	1,100	74	0	0	0	5,489
On Balance Sheet PFI contracts	0		6,423	0	0	0	0	0	0	6,423
Donated	0		98	0	0	335	0	0	44	477
<b>Net book value at 31 March 2018</b>	<b>8,492</b>		<b>175,150</b>	<b>3,093</b>	<b>1,100</b>	<b>22,366</b>	<b>0</b>	<b>5,654</b>	<b>363</b>	<b>216,218</b>

The Group and Foundation Trust's land and buildings were revalued at 31 March 2018 by external valuers. Further information is included in note 1, accounting policies. As a result of this revaluation a net amount of £20,310,000 was charged to the expenditure statement (being impairments of £21,837,000 less impairment reversals of £1,527,000). In addition £963,000 was credited to the revaluation reserve. Assets under construction were not included in this revaluation.

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### 10 Tangible Non-Current Assets

#### 10.1 Property Plant and Equipment at the 31 March 2019 Comprise the Following Elements;

Foundation Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2018	14,333	371,539	1,920	6,195	68,499	49	20,347	2,852	485,734
Additions - purchased	0	14,244	1,397	0	3,197	0	6,509	0	25,347
Additions - donated	0	0	0	0	125	0	0	0	125
Reclassifications	0	427	(1,225)	0	116	0	682	0	0
Reclassifications to intangibles	0	0	(393)	0	0	0	0	0	(393)
Revaluations	861	162	0	37	0	0	0	0	1,060
Disposals	(688)	(225)	0	0	(511)	0	0	0	(1,424)
<b>Cost or valuation at 31 March 2019</b>	<b>14,506</b>	<b>386,147</b>	<b>1,699</b>	<b>6,232</b>	<b>71,426</b>	<b>49</b>	<b>27,538</b>	<b>2,852</b>	<b>510,449</b>
Accumulated depreciation at 1 April 2018	5,841	196,702	99	5,095	46,133	49	14,693	2,489	271,101
Provided during the year	0	3,412	0	37	3,972	0	1,736	80	9,237
Reversal of impairments	(267)	(301)	0	0	0	0	0	0	(568)
Impairments	0	25,026	0	0	0	0	0	0	25,026
Disposals	0	0	0	0	(479)	0	0	0	(479)
<b>Accumulated depreciation at 31 March 2019</b>	<b>5,574</b>	<b>224,839</b>	<b>99</b>	<b>5,132</b>	<b>49,626</b>	<b>49</b>	<b>16,429</b>	<b>2,569</b>	<b>304,317</b>
<b>Net book value (cost less accumulated depreciation)</b>									
Purchased	8,531	91,316	1,600	0	15,769	0	6,728	255	124,199
Finance Leases	401	64,184	0	1,100	5,682	0	4,381	0	75,748
On Balance Sheet PFI contracts	0	5,761	0	0	0	0	0	0	5,761
Donated	0	47	0	0	349	0	0	28	424
<b>Net book value at 31 March 2019</b>	<b>8,932</b>	<b>161,308</b>	<b>1,600</b>	<b>1,100</b>	<b>21,800</b>	<b>0</b>	<b>11,109</b>	<b>283</b>	<b>206,132</b>

The Group and Foundation Trust's land and buildings were revalued at 31 March 2019 by external valuers. Further information is included in note 1, accounting policies. As a result of this revaluation a net amount of £24,458,000 was charged to the expenditure statement (being impairments of £25,026,000 less impairment reversals of £568,000). In addition £1,060,000 was credited to the revaluation reserve. Assets under construction were not included in this revaluation.

The Group and Trust's land and buildings were revalued at 31 March by external valuers. Further information is included in note , accounting policies. The valuation exercise covers all of the Group and Trust sites and takes into account the defects identified at NSECH.

#### Property plant and equipment at the 31 March 2018 comprised the following elements;

Foundation Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Dwellings £000	Plant & Machinery £000	Transport Equipment £000	Information Technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2017	14,895	364,104	3,183	6,796	66,356	49	17,450	2,852	475,685
Additions - purchased	0	6,293	2,864	1,501	2,074	0	2,436	0	15,168
Additions - donated	0	0	0	0	89	0	0	0	89
Reclassifications	0	1,142	(1,635)	0	32	0	461	0	0
Reclassifications to intangibles	0	0	(2,492)	0	0	0	0	0	(2,492)
Revaluations	0	0	0	(214)	0	0	0	0	(214)
Disposals	(562)	0	0	(1,888)	(52)	0	0	0	(2,502)
<b>Cost or valuation at 31 March 2018</b>	<b>14,333</b>	<b>371,539</b>	<b>1,920</b>	<b>6,195</b>	<b>68,499</b>	<b>49</b>	<b>20,347</b>	<b>2,852</b>	<b>485,734</b>
Accumulated depreciation at 1 April 2017	5,731	173,804	99	5,309	41,882	49	13,511	2,398	242,783
Provided during the year	0	3,661	0	114	4,303	0	1,182	91	9,351
Reversal of impairments	0	(1,527)	0	0	0	0	0	0	(1,527)
Impairments	110	21,941	0	(214)	0	0	0	0	21,837
Revaluation surpluses	0	(1,177)	0	0	0	0	0	0	(1,177)
Disposals	0	0	0	(114)	(52)	0	0	0	(166)
<b>Accumulated depreciation at 31 March 2018</b>	<b>5,841</b>	<b>196,702</b>	<b>99</b>	<b>5,095</b>	<b>46,133</b>	<b>49</b>	<b>14,693</b>	<b>2,489</b>	<b>271,101</b>
<b>Net book value (cost less accumulated depreciation)</b>									
Purchased	8,091	93,086	1,821	0	15,400	0	5,654	319	124,371
Finance Leases	401	75,230	0	1,100	6,631	0	0	0	83,362
On Balance Sheet PFI contracts	0	6,423	0	0	0	0	0	0	6,423
Donated	0	98	0	0	335	0	0	44	477
<b>Net book value at 31 March 2018</b>	<b>8,492</b>	<b>174,837</b>	<b>1,821</b>	<b>1,100</b>	<b>22,366</b>	<b>0</b>	<b>5,654</b>	<b>363</b>	<b>214,633</b>

The Group and Foundation Trust's land and buildings were revalued at 31 March 2018 by external valuers. Further information is included in note 1, accounting policies. As a result of this revaluation a net amount of £20,310,000 was charged to the expenditure statement (being impairments of £21,837,000 less impairment reversals of £1,527,000). In addition £963,000 was credited to the revaluation reserve. Assets under construction were not included in this revaluation.

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Group and Foundation Trust		
10.2 Assets Held at Open Market Value	31 March 2019	31 March 2018
	£000	£000
Land	0	0
Buildings	2,350	2,350
<b>Total open market value</b>	<b>2,350</b>	<b>2,350</b>

Group and Foundation Trust		
10.3 The Net Book Value of Land, Buildings and Dwellings at the Date of the Statement of Financial Position Comprises	31 March 2019	31 March 2018
	£000	£000
Freehold	99,894	101,591
Leasehold	71,446	83,150
<b>Total net book value</b>	<b>171,340</b>	<b>184,741</b>

At 31 March 2019 the Group and Foundation Trust's land and buildings were independently revalued as described in note Accounting policies section 7. The valuation was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition, insofar as these terms are consistent with requirements of HM Treasury, the National Health Service and NHS Improvement.

The method of valuation is outlined in paragraph 5 of the section 'valuation' on page 9 and 10.

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## 11.1 Net Book Value of Assets Held Under Finance Leases

Group	Total £000	Land £000	Dwellings £000	Plant & Machinery £000	Buildings Excluding Dwellings £000	IT Equipment £000	PFI arrangements £000
Cost or valuation at 1 April 2018	37,529	401	1,470	3,702	4,969	0	26,987
Additions	9,130	0	0	0	8,400	730	0
Reclassifications	0	0	0	0	0	0	0
Revaluations	184	0	37	0	0	0	147
Disposals	(562)	0	0	0	0	0	(562)
<b>Cost or valuation at 31 March 2019</b>	<b>46,281</b>	<b>401</b>	<b>1,507</b>	<b>3,702</b>	<b>13,369</b>	<b>730</b>	<b>26,572</b>

Accumulated depreciation at 1 April 2018	25,617	0	370	3,628	1,055	0	20,564
Provided during the year	574	0	37	59	43	143	292
Impairments	7,838	0	0	0	7,838	0	0
Reversal of Impairments	(69)	0	0	0	(24)	0	(45)
Revaluation surpluses	0	0	0	0	0	0	0
Disposals	0	0	0	0	0	0	0
<b>Accumulated depreciation at 31 March 2019</b>	<b>33,960</b>	<b>0</b>	<b>407</b>	<b>3,687</b>	<b>8,912</b>	<b>143</b>	<b>20,811</b>

<b>Net book value</b>							
NBV 1 April 2018	11,912	401	1,100	74	3,914	0	6,423
<b>NBV total at 1 April 2017</b>	<b>11,912</b>	<b>401</b>	<b>1,100</b>	<b>74</b>	<b>3,914</b>	<b>0</b>	<b>6,423</b>

<b>Net book value</b>							
NBV 31 March 2019	12,321	401	1,100	15	4,457	587	5,761
<b>NBV total at 31 March 2018</b>	<b>12,321</b>	<b>401</b>	<b>1,100</b>	<b>15</b>	<b>4,457</b>	<b>587</b>	<b>5,761</b>

Group	Total £000	Land £000	Dwellings £000	Plant & Machinery £000	Buildings Excluding Dwellings £000	IT Equipment £000	PFI arrangements £000
Cost or valuation at 1 April 2017	38,642	913	2,071	3,702	4,969	0	26,987
Additions	1,501	0	1,501	0	0	0	0
Reclassifications	0	0	0	0	0	0	0
Revaluations	(214)	0	(214)	0	0	0	0
Disposals	(2,400)	(512)	(1,888)	0	0	0	0
<b>Cost or valuation at 31 March 2018</b>	<b>37,529</b>	<b>401</b>	<b>1,470</b>	<b>3,702</b>	<b>4,969</b>	<b>0</b>	<b>26,987</b>

Accumulated depreciation at 1 April 2017	22,508	0	584	3,435	(62)	0	18,551
Provided during the year	732	0	114	193	63	0	362
Impairments	2,921	0	(214)	0	1,337	0	1,798
Reversal of Impairments	0	0	0	0	0	0	0
Revaluation surpluses	(430)	0	0	0	(283)	0	(147)
Disposals	(114)	0	(114)	0	0	0	0
<b>Accumulated depreciation at 31 March 2018</b>	<b>25,617</b>	<b>0</b>	<b>370</b>	<b>3,628</b>	<b>1,055</b>	<b>0</b>	<b>20,564</b>

<b>Net book value</b>							
NBV 1 April 2017	16,134	913	1,487	267	5,031	0	8,436
<b>NBV total at 1 April 2017</b>	<b>16,134</b>	<b>913</b>	<b>1,487</b>	<b>267</b>	<b>5,031</b>	<b>0</b>	<b>8,436</b>

<b>Net book value</b>							
NBV 31 March 2018	11,912	401	1,100	74	3,914	0	6,423
<b>NBV total at 31 March 2018</b>	<b>11,912</b>	<b>401</b>	<b>1,100</b>	<b>74</b>	<b>3,914</b>	<b>0</b>	<b>6,423</b>

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### 11.1 Net Book Value of Assets Held Under Finance Leases

Foundation Trust	Total £000	Land £000	Dwellings £000	Plant & Machinery £000	Buildings Excluding Dwellings £000	IT Equipment £000	PFI arrangements £000	Intangibles £000
Cost or valuation at 1 April 2018	134,472	401	1,470	12,083	93,531	0	26,987	0
Additions	14,266	0	0	0	8,442	4,604	679	541
Revaluations	194	0	37	0	10	0	147	0
Disposals	(562)	0	0	0	0	0	(562)	0
<b>Cost or valuation at 31 March 2019</b>	<b>148,370</b>	<b>401</b>	<b>1,507</b>	<b>12,083</b>	<b>101,983</b>	<b>4,604</b>	<b>27,251</b>	<b>541</b>

Accumulated depreciation at 1 April 2018	44,687	0	370	5,452	18,301	0	20,564	0
Provided during the year	2,548	0	37	949	1,030	223	292	17
Impairments	19,208	0	0	0	18,529	0	679	0
Reversal of Impairments	(106)	0	0	0	(61)	0	(45)	0
Disposals	0	0	0	0	0	0	0	0
<b>Accumulated depreciation at 31 March 2019</b>	<b>66,337</b>	<b>0</b>	<b>407</b>	<b>6,401</b>	<b>37,799</b>	<b>223</b>	<b>21,490</b>	<b>17</b>

#### Net book value

NBV - Purchased at 1 April 2018	89,785	401	1,100	6,631	75,230	0	6,423	0
<b>NBV total at 1 April 2018</b>	<b>89,785</b>	<b>401</b>	<b>1,100</b>	<b>6,631</b>	<b>75,230</b>	<b>0</b>	<b>6,423</b>	<b>0</b>

#### Net book value

NBV - Purchased at 31 March 2019	82,033	401	1,100	5,682	64,184	4,381	5,761	524
<b>NBV total at 31 March 2019</b>	<b>82,033</b>	<b>401</b>	<b>1,100</b>	<b>5,682</b>	<b>64,184</b>	<b>4,381</b>	<b>5,761</b>	<b>524</b>

Foundation Trust	Total £000	Land £000	Dwellings £000	Plant & Machinery £000	Buildings Excluding Dwellings £000	IT Equipment £000	PFI arrangements £000	Intangibles £000
Cost or valuation at 1 April 2017	132,858	913	2,071	12,083	90,804	0	26,987	0
Additions	4,228	0	1,501	0	2,727	0	0	0
Revaluation	(214)	0	(214)	0	0	0	0	0
Disposals	(2,400)	(512)	(1,888)	0	0	0	0	0
<b>Cost or valuation at 31 March 2018</b>	<b>134,472</b>	<b>401</b>	<b>1,470</b>	<b>12,083</b>	<b>93,531</b>	<b>0</b>	<b>26,987</b>	<b>0</b>

Accumulated depreciation at 1 April 2017	33,486	0	584	4,369	9,982	0	18,551	0
Provided during the year	2,601	0	114	1,083	1,042	0	362	0
Impairments	10,167	0	(214)	0	8,583	0	1,798	0
Reversal of Impairments	(276)	0	0	0	(276)	0	0	0
Revaluation surpluses	(1,177)	0	0	0	(1,030)	0	(147)	0
Disposals	(114)	0	(114)	0	0	0	0	0
<b>Accumulated depreciation at 31 March 2018</b>	<b>44,687</b>	<b>0</b>	<b>370</b>	<b>5,452</b>	<b>18,301</b>	<b>0</b>	<b>20,564</b>	<b>0</b>

#### Net book value

NBV - Purchased at 1 April 2017	99,372	913	1,487	7,714	80,822	0	8,436	0
<b>NBV total at 1 April 2017</b>	<b>99,372</b>	<b>913</b>	<b>1,487</b>	<b>7,714</b>	<b>80,822</b>	<b>0</b>	<b>8,436</b>	<b>0</b>

#### Net book value

NBV - Purchased at 31 March 2018	89,785	401	1,100	6,631	75,230	0	6,423	0
<b>NBV total at 31 March 2018</b>	<b>89,785</b>	<b>401</b>	<b>1,100</b>	<b>6,631</b>	<b>75,230</b>	<b>0</b>	<b>6,423</b>	<b>0</b>

### 12 Assets Held for Sale

	Group		Foundation Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
Land held for sale	0	0	0	0

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### 13 Group Investments

The Trust's principal subsidiary undertakings included in the consolidation at 31 March 2018 are shown below. The accounting dates for the subsidiaries and joint ventures

Name	Country of Incorporation	Beneficial Interest	Principal Activity	Undertaking Type
Northumbria Healthcare Facilities Management Limited	UK	100%	Design, project management and operation of capital schemes	Subsidiary
Northumbria Primary Care Limited	UK	100%	Provision of healthcare services	Subsidiary
Northumbria Primary Care Cost Sharing Group Limited	UK	100%	A cost sharing group	Subsidiary
Community Services North East Limited	UK	50%	Provision of healthcare services	Joint venture
Northumbria Digital Solutions Limited	UK	100%	Provision of computer services	Subsidiary
York Teaching Hospitals Facilities Management LLP	UK	5%	Provision of healthcare facilities and other commercial services	Partnership
North Tees and Hartlepool Solutions LLP	UK	5%	Provision of healthcare facilities and other commercial services	Partnership

Northumbria Healthcare Facilities Management Limited was incorporated on the 25th of January 2012 and is a wholly owned subsidiary of Northumbria Healthcare NHS Foundation Trust. The primary purpose of the company is the design, project management and operation of specific capital schemes.

Northumbria Primary Care Limited was incorporated on 1 April 2015. The company was established to provide GPs with professional support in many of the corporate functions that come with running a GP practice. This operates via a cost sharing group.

Northumbria Digital Solutions Limited was incorporated on 22 March 2017 and commenced trading on 1 July 2017. The company was established to provide computer services to NHS and other bodies including Northumbria Healthcare NHS Foundation Trust.

The Trust holds a 50% share in Community Services North East Limited with the remaining investment being fully held by Norprime Limited a subsidiary of Monkseaton Medical Practice.

The Trust holds a 5% share in York Teaching Hospitals Facilities Management LLP with the remaining investment being held by York Teaching Hospitals NHS Foundation Trust.. The primary purpose of the LLP is the provision of managed facility services to the York Teaching Hospital NHS Foundation Trust.

The Trust holds a 5% share in North Tees and Hartlepool Solutions LLP with the remaining investment being held by North Tees and Hartlepool NHS Foundation Trust . The primary purpose of the LLP is the provision of managed facility services to the North Tees and Hartlepool NHS Foundation Trust.

### 14 Investments in Subsidiary and Joint Venture Operations

Group	Total £000	31 March 2019 £000	31 March 2019 £000
Current		Investments in wholly owned subsidiaries	Loans to wholly owned subsidiaries
At beginning and end of the year	0	0	0
<b>Total investment</b>	<b>0</b>	<b>0</b>	<b>0</b>

Foundation Trust	Total £000	31 March 2019 £000	31 March 2019 £000
Non Current		Investments in wholly owned subsidiaries	Loans to wholly owned subsidiaries
At beginning of year	95,632	14,040	81,592
Additions	1,712	1,712	0
Repayment of loan principal	(2,961)	0	(2,961)
Conversion of loan to equity	0	1,035	(1,035)
<b>Total investment</b>	<b>94,383</b>	<b>16,787</b>	<b>77,596</b>
Less amounts due within one year	(2,910)	0	(2,910)
<b>Total Non-current investments</b>	<b>91,473</b>	<b>16,787</b>	<b>74,686</b>

Foundation Trust	Total £000	31 March 2018 £000	31 March 2018 £000
Non Current		Investments in wholly owned subsidiaries	Loans to wholly owned subsidiaries
At beginning of year	97,822	14,040	83,782
Additions	570	0	570
Repayment of loan principal	(2,760)	0	(2,760)
<b>Total investment</b>	<b>95,632</b>	<b>14,040</b>	<b>81,592</b>
Less amounts due within one year	(2,760)	0	(2,760)
<b>Total Non-current investments</b>	<b>92,872</b>	<b>14,040</b>	<b>78,832</b>

The Group has accounted Northumbria Healthcare Facilities Management Limited, Northumbria Primary Care Ltd and Northumbria Digital Solutions Ltd as subsidiary undertakings.

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## 15 Inventories

	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Theatre inventories	7,334	7,549	7,334	7,549
Drugs and medical gases	2,226	2,010	2,172	1,941
Medical supplies	3,107	3,189	3,045	3,189
Other inventories	1,376	1,191	881	705
<b>Total inventories</b>	<b>14,043</b>	<b>13,939</b>	<b>13,432</b>	<b>13,384</b>

## 16 Trade and Other Receivables

### 16.1 Trade and Other Receivables

	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Contracted NHS Receivables - invoiced	20,406	28,936	19,916	28,936
Contracted NHS receivables - accrued	13,762	8,139	13,762	8,139
Contracted trade receivables- invoiced	7,129	0	18,203	0
Contracted trade receivables- accrued	6,386	18,842	14,291	26,159
Contract assets	1,524	0	1,524	0
Capital receivables	7,961	0	7,961	0
PDC Receivable	57	613	57	613
Allowance for impaired contract receivables	(8,391)	(833)	(8,391)	(833)
Other receivables - related parties VAT	3,004	3,135	3,004	4,417
Prepayments	9,849	5,409	14,349	7,144
Interest receivable	25	1	25	1
Other receivables	3,762	16,226	1,474	24,546
<b>Total current receivables</b>	<b>65,474</b>	<b>80,468</b>	<b>86,175</b>	<b>99,122</b>

### Non-current

Other receivables	17,771	0	17,771	0
<b>Total non current receivables</b>	<b>17,771</b>	<b>0</b>	<b>17,771</b>	<b>0</b>

<b>Total trade and other receivables</b>	<b>83,245</b>	<b>80,468</b>	<b>103,946</b>	<b>99,122</b>
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Non Current other receivables includes a right of re-imbursement asset of £17.8million in relation rectification and re-imbursement for works required to address the defects on the Northumbria Specialist Emergency Care Hospital site (NSECH). The Trust is working very closely with its build partner and other professional advisers to ensure that these are made good to appropriate standards and at a suitable pace. The amount that has been recognised above is an estimate of the amount that is considered to be virtually certain based on discussions and advice received to date. As the Trust agrees further work to be undertaken the value of the reimbursable asset is likely to increase. 2018 included an amount of £5.9m within current other receivables

Following the application of IFRS 15 from 1 April 2018 the Trust's entitlement for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS15

### 16.2 Allowance for credit losses (impairment of contract receivables)

	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
At beginning of year (before IFRS 9 and 15 implementation)	833	3,218	833	3,218
Impact of IFRS 9 and 15	0	0	0	0
New allowances arising	8,991	(2,385)	8,991	(2,385)
Changes in the calculation of existing allowances	(833)	0	(833)	0
Reversal of allowances	(600)	0	(600)	0
<b>Total Provision for Impaired Receivables</b>	<b>8,391</b>	<b>833</b>	<b>8,391</b>	<b>833</b>

## 17 Other Assets Investments

No current asset investments were held at 31 March 2019 (31 March 2018 - Nil).

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## 18 Trade and Other Payables

18.1 Payables at the Statement of Financial Position date are made up of:

Current	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
NHS payables	6,601	7,013	6,601	7,013
Other trade payables	14,613	32,924	29,016	47,970
Amount due to related parties	19,134	10,066	16,384	10,092
Accrual - capital	1,379	1,086	111	379
PDC dividend payable	0	0	0	0
Accruals	14,228	18,125	11,827	25,091
<b>Total current payables</b>	<b>55,955</b>	<b>69,214</b>	<b>63,939</b>	<b>90,545</b>

Non-Current				
Trade payables - capital	0	0	0	0
Other payables	2,599	2,880	2,599	2,880
<b>Total payables due after 1 year</b>	<b>2,599</b>	<b>2,880</b>	<b>2,599</b>	<b>2,880</b>

<b>Total trade and other payables</b>	<b>58,554</b>	<b>72,094</b>	<b>66,538</b>	<b>93,425</b>
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Other payables include; - £30,000 for payments due in future years under arrangements to buy out the liability for 70 early retirements (31 March 2018 - £32,000).

The pensions indemnity liability arises from the indemnity agreement between the Trust and Northumberland County Council in respect of the transfer of employees in April 2011. Full details are included in note 23.

## 19 Other Liabilities

Current	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Deferred Income	1,096	2,187	1,054	2,187
<b>Total other current liabilities</b>	<b>1,096</b>	<b>2,187</b>	<b>1,054</b>	<b>2,187</b>

## 20 Interest bearing borrowings

Current	Group		Foundation Trust	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Loans from Foundation Trust Financing Facility	3,389	2,624	3,389	2,624
Other term loan	8,372	5,397	8,372	5,397
Obligations under finance leases	261	45	4,388	45
Obligations under Private Finance Initiative contracts	801	148	801	148
<b>Total current borrowings</b>	<b>12,823</b>	<b>8,214</b>	<b>16,950</b>	<b>8,214</b>

Non Current				
Loans from Foundation Trust Financing Facility	42,616	45,240	42,616	45,240
Other term loan	160,523	120,364	160,523	120,364
Obligations under finance leases	10,222	1,423	94,361	85,754
Obligations under Private Finance Initiative contracts	16,529	20,243	16,529	20,243
<b>Total non current borrowings</b>	<b>229,890</b>	<b>187,270</b>	<b>314,029</b>	<b>271,601</b>

Following adoption of IFRS 9 on 1 April 2018 loans are measured at amortised cost. Any accrued interest is now included in the carrying value of the loan within note 20. IFRS 9 is applied without any restatement therefore comparatives have not been restated.



## Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

### 20 Interest bearing borrowings continued

Further details of loans;

Loan and purpose of loan	Amount of Loan	Due after 5 years	Year of Loan	Interest rate
From FTFF for build of Cramlington Emergency Care Hospital	£50,000,000	£24,560,000	2011/12	4.00% fixed
From FTFF for purchase of Northumbria House Cobalt Business Park	£12,600,000	£7,560,000	2013/14	3.34% fixed
From Northumberland County Council for the termination of Hexham PFI contract	£111,200,000	£67,312,000	2013/14	3.98% fixed
From Northumberland County Council for the redevelopment of Berwick Hospital	£25,000,000	£16,000,000	2014/15	3.21% fixed
From Northumberland County Council	£10,000,000	£0	2015/16	3.50% fixed
From M&G Investment Management Limited	£50,000,000	£37,783,000	2018/19	3.07% Fixed

All loans are repayable by 50 equal instalments over 25 years with the exception of the £10,000,000 loan from Northumberland County Council. This is a ten year loan with all principal payable on the final date of the term. Interest is payable on all loans at six month intervals.

### 21 Finance Lease Obligations

#### 21.2 Finance Lease Obligations - Group

The Group had the following material finance lease obligations under non-PFI finance lease arrangements;

- 1. Staff Residences** - Land and Building at Wansbeck General Hospital for a period of 30 years from 29 March 2018.
- 2. Beds** - Beds and specialised beds for all wards Trustwide under various 15 year leases ending in 2020.
- 3. Cisco** - Lease of IT equipment for a period of 3 years ending in 2021
- 4. Rothbury** - Building at Rothbury for a period of 30 years from 31 March 2019.

The Group is contracted to make the following payments for these and other non-material finance lease obligations over the total periods.

Group	31 March 2019 £000	31 March 2018 £000	Book Value
<b>Gross lease liabilities</b>	<b>63,804</b>		<b>33,963</b>
<b>of which liabilities are due:</b>			
- not later than one year;	<b>1,997</b>		<b>903</b>
- later than one year and not later than five years;	<b>6,537</b>		<b>3,896</b>
- later than five years.	<b>55,270</b>		<b>29,164</b>
<b>Net lease liabilities</b>	<b>10,483</b>		<b>1,468</b>
<b>of which liabilities are due:</b>			
- not later than one year;	<b>261</b>		<b>45</b>
- later than one year and not later than five years;	<b>68</b>		<b>0</b>
- later than five years.	<b>10,154</b>		<b>1,423</b>

#### 21.3 Finance Lease Obligations - Foundation Trust

The Trust had the following material finance lease obligations under non-PFI finance lease arrangements;

- 1. Staff Residences** - Land and Building at Wansbeck General Hospital for a period of 30 years from 29 March 2018.
- 2. Beds** - Beds and specialised beds for all wards Trustwide under various 15 year leases ending in 2020.
- 3. Cisco** - Lease of IT equipment for a period of 3 years ending in 2021
- 4. Rothbury** - Building at Rothbury for a period of 30 years from 31 March 2019.
- 5. Emergency Care Hospital Cramlington 'The Northumbria'** - During 2012 the Trust entered into an agreement with Northumbria Healthcare Facilities Management Limited (NHFML) to design, finance, construct and operate healthcare facilities and provide facility management services with respect to the new Emergency Care Centre. Practical completion was granted on 31 March 2015 and the Emergency Care Centre has been reflected in the balance sheet of the Trust since that date together with an associated finance lease creditor payable to Northumbria Healthcare Facilities Management Limited.

The classification and recognition of this asset and liability is based on a detailed assessment of the risks and rewards and economic substance of this 'operated healthcare services' arrangement. This in turn includes an assessment of whether the arrangement is an arrangement containing a lease, whether such a lease is a finance or operating lease, and consideration of the economic substance of this arrangement.

Although the arrangement is not in the legal form of a lease, the Trust concluded that the arrangement contains a lease of the ECC, and is unlikely that any parties other than the Trust will receive more than an insignificant part of its use. The Trust have concluded that substantially all the risks and rewards incidental to the ownership of this asset have transferred to the Trust under this arrangement. The element of this arrangement is therefore classified as a finance lease.

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Foundation Trust	31 March 2019 £000	31 March 2018 £000
	Book Value	
<b>Gross lease liabilities</b>	<b>214,018</b>	168,797
<b>of which liabilities are due:</b>		
- not later than one year;	<b>13,426</b>	7,325
- later than one year and not later than five years;	<b>51,787</b>	35,218
- later than five years.	<b>148,805</b>	126,254
<b>Net lease liabilities</b>	<b>98,749</b>	85,799
<b>of which liabilities are due:</b>		
- not later than one year;	<b>4,388</b>	45
- later than one year and not later than five years;	<b>17,783</b>	20,824
- later than five years.	<b>76,578</b>	64,930

## 22 PFI Obligations - on Statement of Financial Position

The Group and Trust has the following finance lease obligations under PFI arrangements;

**1. Wansbeck Hospital Phase II** - The scheme is for the provision of Maternity, Gynaecology, Outpatients, Day Surgery and Child Health facilities and associated building maintenance.

**2. Rothbury Community Hospital** - The scheme was for the reprovision of a community hospital. The Trust terminated this PFI contract on 31st March 2019.

The Group and Trust is contracted to make the following payments for on Statement of Financial Position PFI obligations over the total periods of the contracts;

Group and Foundation Trust	31 March 2019 £000	31 March 2018 £000
<b>Gross PFI obligations (including lifecycle expenditure payments)</b>	<b>40,248</b>	49,154
<b>of which liabilities are due:</b>		
-not later than one year;	<b>2,466</b>	2,823
-later than one year and not later than five years;	<b>10,466</b>	11,985
-later than five years.	<b>27,316</b>	34,346
Lifecycle maintenance expenditure	<b>(8,674)</b>	(9,900)
Finance charges allocated to future periods	<b>(14,244)</b>	(18,863)
<b>Total gross PFI obligations</b>	<b>17,330</b>	<b>20,391</b>
<b>Net PFI liabilities falling Due;</b>		
- not later than one year;	<b>801</b>	148
- later than one year and not later than five years;	<b>3,282</b>	3,511
- later than five years.	<b>13,247</b>	16,732
<b>Total net PFI liabilities</b>	<b>17,330</b>	<b>20,391</b>

Gross PFI liabilities includes £8,674,000 (2017/18 - £9,990,000 ) in respect of lifecycle maintenance expenditure on the PFI schemes. These are payments to replace components of the hospital infrastructure

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## Service charge element of PFI

In addition to the above obligations the Group and Trust is contracted to make following payments over the remaining life of the PFI agreements in respect of the service element of operating the PFI schemes. These payments are expensed in the period in which they are made and are excluded from the gross and net PFI liabilities shown above.

	31 March 2019 £000	31 March 2018 £000
Service charge commitment falling due;		
- not later than one year;	386	483
- later than one year and not later than five years;	1,672	2,088
- later than five years.	4,330	5,988
<b>Total service charge element commitment</b>	<b>6,388</b>	<b>8,559</b>

## PFI Payment obligations

During the next year the Group and Trust is committed to make the following payments for on-Statement of Financial Position PFI obligations in respect of the non-service unitary charge. The amount to be paid in 2019/20 is shown against the period in which the contract expires.

Period when contract expires:	31 March 2019 Total £000	31 March 2019 WGH Phase II £000	31 March 2018 Total £000
- within 1 year;	0	0	0
- within 2 to 5 years;	0	0	0
- within 11 to 15 years	2,782	2,782	3,226
- within 21 to 25 years	0	0	0
<b>Total PFI payment obligations</b>	<b>2,782</b>	<b>2,782</b>	<b>3,226</b>

## Total Future payments

Total future payments committed in respect of PFI arrangements	31 March 2019 £000	31 March 2018 £000
- not later than one year;	2,852	3,306
- later than one year and not later than five years;	12,138	14,073
- later than five years.	31,646	40,334
<b>Total service charge element commitment</b>	<b>46,636</b>	<b>57,713</b>

Total paid to the PFI operator during the year	31 March 2019 £000	31 March 2018 £000
Interest charge	1,962	1,961
Repayment of finance lease liability	3,060	0
Service element	483	476
Revenue lifecycle maintenance expenditure	35	34
Capital lifecycle expenditure	679	755
<b>Total unitary payments made</b>	<b>6,219</b>	<b>3,226</b>

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## 23 Employee Benefits NHS Pension Scheme

As the Trust is unable to identify its share of the underlying scheme assets and liabilities this pension scheme is accounted for as if it were a defined contribution pension scheme and the pension cost for the period represents contributions payable to the scheme. The pension cost of this scheme is £33,097,000 (2017/18 £32,341,000). The latest valuation of the NHS Pensions Scheme was undertaken as at 31 March 2012. This showed a deficit of £10.3 billion. The previous valuation at 31 March 2004 showed a deficit of £3.3billion.

## Northumberland County Council Local Government Pension Scheme

	Group		Foundation Trust	
Non current assets	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
<b>Employee benefits</b>	<b>1,710</b>	<b>350</b>	<b>1,710</b>	<b>350</b>

On 1 April 2011 Northumbria Healthcare NHS Foundation Trust acquired the provider business of Northumberland Care Trust and North Tyneside PCT. As part of this transaction a number of employees transferred to Northumbria Healthcare Foundation Trust ('the Trust') the Trust was admitted as a member of the Northumberland County Council Local Government Pension Scheme.

As part of the agreement for the transfer of this business Northumberland County Council agreed to indemnify the Trust for all future pension costs of the employees transferred, including all future contributions and any terminal value. The effect of this agreement is that the Trust is indemnified by Northumberland County Council against any gains and losses arising through membership of this pension scheme.

Although the Northumberland County Council Pension Scheme is a multi-employer scheme the Trust is able to identify its share of the assets and liabilities of this scheme and therefore is accounting for this scheme as a defined benefit scheme. This results in a non current net pension asset or liability being included in these accounts which is offset by a non current asset or liability representing the right of reimbursement from or to Northumberland County Council under the terms of the Transfer Agreement.

No amounts are included in the Consolidated Statement of Comprehensive Income in respect of this scheme due to the right of reimbursement from Northumberland County Council of all pension pension costs arising from this scheme. Without this reimbursement right there would be a net charge to the income statement of £400,000 (2017/18 £400,000) comprising;

Group and Foundation Trust	31 March 2019	31 March 2018
	£000	£000
Current service cost	410	420
Interest cost	(10)	590
Less: expected return on scheme assets	0	(610)
<b>Net charge to income statement</b>	<b>400</b>	<b>400</b>

The information below is in respect of the Group and Trust's share of the assets and liabilities of this scheme;

Group and Foundation Trust	31 March 2019	31 March 2018
	£000	£000
Fair value of assets	26,910	(24,350)
Present value of funded defined benefit obligations	(25,200)	24,700
Recognised asset for defined benefit obligation	1,710	350
Right of reimbursement to Northumberland County Council (note 16.1 and 18.1)	(1,710)	(350)
<b>Net</b>	<b>0</b>	<b>0</b>

Movements in present value of defined benefit obligation	31 March 2019	31 March 2018
	£000	£000
At 1 April	(24,350)	(23,690)
Current service cost	(390)	(420)
Interest cost	(630)	(590)
Actuarial gains on liabilities - experience	(40)	(130)
Actuarial (losses) / gains	(270)	20
Contribution by members	(70)	(70)
Benefits paid	550	530
<b>At 31 March</b>	<b>(25,200)</b>	<b>(24,350)</b>

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Movements in fair value of plan assets	31 March 2019 £000	31 March 2018 £000
At 1 April 2018	24,700	24,200
Expected return on plan assets	640	610
Actuarial gains / (losses)	1,600	(120)
Contribution by employer	450	470
Contribution by members	70	70
Benefits paid	(550)	(530)
<b>As at 31 March 2019</b>	<b>26,910</b>	<b>24,700</b>

The fair value of the plan assets and the return on those assets were as follows;

	31 March 2019 £000	31 March 2018 £000
Equities	17,680	16,525
Government debt	4,602	4,446
Corporate bonds	2,126	1,877
Property	1,130	963
Other	1,372	889
<b>As at 31 March 2019</b>	<b>26,910</b>	<b>24,700</b>
<b>Actual return on plan assets</b>	<b>(224)</b>	<b>(490)</b>

The expected rates of return on plan assets are determined by reference to the historical returns, without adjustment, of the portfolio as a whole and not on the sum of the returns on individual asset categories.

Principal actuarial assumptions (expressed as weighted average) at the year end were as follows;

	31 March 2019	31 March 2018
Discount rate	2.40%	2.60%
Future salary increases	3.70%	3.60%
Rate of increase to pensions in payment	2.20%	2.10%
Rate of increase to deferred pensions	2.20%	2.10%
RPI inflation	3.30%	3.20%
CPI inflation	2.20%	2.10%

In valuing the liabilities of the pension fund at 31 March 2019, mortality assumptions have been made as indicated below.

The assumptions relating to longevity underlying the pension liabilities at the Statement of Financial Position date are based on standard actuarial mortality tables and include an allowance for future improvements in longevity. The assumptions are equivalent to expecting a 65-year old to live for a number of years as follows;  
Current pensioner aged 65: 22.2 years (male), 24.1 years (female).

### History of plans

The history of plans for the current and prior periods are as follows;

Statement of Financial Position	31 March 2019 £000	31 March 2018 £000
Fair value of assets	26,910	24,700
Present value of the defined benefit obligation	(25,200)	(24,350)
<b>Gross surplus</b>	<b>1,710</b>	<b>350</b>
Right of reimbursement	(1,710)	(350)
<b>Net surplus / (deficit)</b>	<b>0</b>	<b>0</b>

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## 24 Provisions for Liabilities and Charges

### Group and Foundation Trust

	Pensions relating to 'Other' staff £000	Injury Benefit Allowance £000	Public Liability Claims £000	Total 2019 £000	Total 2018 £000
At 1 April	629	832	203	1,664	2,929
Reversed unused	0	0	0	0	(138)
Utilised during the period	(144)	(136)	(45)	(325)	(1,164)
Unwinding of discount	40	0	0	40	37
<b>At 31 March</b>	<b>525</b>	<b>696</b>	<b>158</b>	<b>1,379</b>	<b>1,664</b>

### Expected timing of cashflows:

Within 1 year	120	140	76	336	336
1 - 5 years	405	556	82	1,043	1,328
<b>At 31 March</b>	<b>525</b>	<b>696</b>	<b>158</b>	<b>1,379</b>	<b>1,664</b>

The provision for 'pensions relating to other staff' is in respect of staff, other than Directors, who retired prior to 6 March 1995. Repayment is by quarterly instalments to the NHS Pensions Agency.

Payment of injury benefit allowances is made to former employees via the Pensions Agency on the same basis.

Public liability claims are limited in value because the Trust insures against these claims, and clinical negligence claims, by payment to the NHS Resolution. NHS Resolution includes in its accounts at 31 March 2019 a provision for £145,112,205 in respect of clinical negligence claims made against the Trust (31 March 2018 - £139,654,111). These amounts are not included in the financial statements.

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## 25 Revaluation Reserve

Group and Foundation Trust	Note	31 March 2019 £000	31 March 2018 £000
Revaluation reserve at 1 April		5,367	4,404
Revaluations	10	1,060	963
Other reserve movements		213	0
<b>Revaluation reserve at 31 March</b>		<b>6,640</b>	<b>5,367</b>

All balances in the revaluation reserve relate to property, plant and equipment. The revaluation reserve does not contain any revaluations in respect of intangible assets.

## 26 Cash and Cash Equivalents

	Group		Foundation Trust	
	31 March 2019 £000	31 March 2018 £000	31 March 2019 £000	31 March 2018 £000
<b>At 1 April</b>	<b>30,052</b>	35,157	<b>26,412</b>	33,347
Net change in year	<b>34,114</b>	(5,105)	<b>34,747</b>	(6,935)
<b>At 31 March</b>	<b>64,166</b>	30,052	<b>61,159</b>	26,412

<b>Analysed as:</b>				
Cash at commercial banks and cash in hand	2,895	3,188	123	35
Cash with the Government Banking Service	61,271	26,864	61,036	26,377
<b>Cash and cash equivalents as in Statement of Financial Position and Statement of Cash Flows</b>	<b>64,166</b>	30,052	<b>61,159</b>	26,412

The Trust held £101,000 cash at bank and in hand at 31 March 2019, (31 March 2018 - £102,000) which relates to monies held by the Trust on behalf of patients. The money is held in a separate bank account and has been excluded from the cash and cash equivalent figure reported in the accounts.

## 27 Future Accounting Period

### 27.1 Events after the Reporting Period

There were no events after the reporting period.

### 27.2 Contractual Capital Commitments

At the date of the Statement of Financial Position the Group was contractually committed to complete two capital schemes. The value of payments committed to be made for the schemes are £6,495,000.

Capital commitments at 31 March 2018 - £1,038,000.

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## 28 Contingencies

	31 March 2019	31 March 2018
	£000	£000
Total estimate of contingent liabilities against the Group and Foundation Trust	(113)	(122)
<b>Net contingent liability</b>	<b>(113)</b>	<b>(122)</b>

Contingent liabilities at 31 March 2019 are in respect of contingent employer and public liability claims as advised by the NHS Resolution.

## 29 Related Party Transactions and Balances

Northumbria Healthcare NHS Foundation Trust is a body corporate established by order of the Secretary of State for Health.

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with Northumbria Healthcare.

The Department of Health is regarded as a related party. During the year Northumbria Healthcare NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department, namely;

	Income	Expenditure	Receivables	Payables
	Year Ended	Year Ended	Year Ended	Year Ended
	31 March 2019	31 March 2019	31 March 2019	31 March 2019
	£000	£000	£000	£000
Northumberland Clinical Commissioning Group	218,506	0	3,188	977
North Tyneside Clinical Commissioning Group	141,136	0	2,949	796
Cumbria Clinical Commissioning Group	6,445	0	0	374
Newcastle and Gateshead Clinical Commissioning Group	5,108	0	243	138
Other Clinical Commissioning Groups	4,603	0	588	0
NHS England	49,261	0	15,825	5
Health Education England	13,138	0	624	193
The NHS Litigation Authority	8	11,168	0	0
NHS Property Services /CHP	864	3,938	644	380
NHS Foundation Trusts	9,929	5,958	7,406	3,501
NHS Trusts	2,514	0	3,307	192
Other NHS organisations	808	377	912	45
<b>Total NHS organisations</b>	<b>452,320</b>	<b>21,441</b>	<b>35,686</b>	<b>6,601</b>

<b>Other related parties;</b>				
Department of Health	5,602	0	6	0
HMRC	0	28,576	3,004	12,274
NHS Pensions Agency	0	33,097	0	6,860
Non-English NHS Bodies	603	0	1,471	0
<b>Total other related parties</b>	<b>6,205</b>	<b>61,673</b>	<b>4,481</b>	<b>19,134</b>

Northumberland County Council	31,957	0	2,544	0
North Tyneside County Council	2,162	0	464	0
Other local authorities	160	0	410	0
<b>Total local government</b>	<b>34,279</b>	<b>0</b>	<b>3,418</b>	<b>0</b>
<b>Total related parties</b>	<b>492,804</b>	<b>83,114</b>	<b>43,585</b>	<b>25,735</b>

The transactions with Northumberland County Council and North Tyneside Council were for income received in respect of joint enterprises and payments in respect of business rates and community charges.

## 30 Private Finance Initiative Schemes Deemed to be off Statement of Financial Position

The Group and the Trust had no PFI schemes deemed to be 'off the Statement of Financial Position' at 31 March 2019 (31 March 2018- Nil).



# Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-2019

## 31 Financial Instruments

IFRS 9 requires disclosure of the role that financial instruments have had during the period or changing the risks an entity faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with local CCGs and the way those CCGs are financed, the NHS Trust is not exposed to the degree of financial risk experienced by business entities. Also financial instruments apply a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 9 mainly applies. Financial assets and liabilities are primarily generated by day-to-day operational activities and are not held to change the risks facing Foundation Trusts in undertaking their activities.

### Credit Risk

Credit risk is the risk of financial loss to the Trust if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Trust's receivables.

### Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. Therefore, the maximum Group exposure to credit risk at the Statement of Financial Position was £135,547,000 note 31.2, (2017/18: £102,233,000) being the total of the carrying amount of financial assets.

### Credit Quality of Financial Assets and Impairment Losses

The Trust impaired receivables in the year NHS and Trade Debtors to reflect current circumstances which resulted in a charge net to expenditure of £7,558,000 (notes 4.1 and 16.2).

### Liquidity Risk

The Trust's net operating costs are incurred under service agreements with the local Clinical Commissioning Groups, which are financed from resources voted annually by Parliament. The Trust largely finances capital expenditure through internally generated funds and from loans that can be taken out up to agreed borrowing limit. The borrowing limit is based upon a risk rating determined by Monitor, the Independent Regulator for Foundation Trusts, and take into account the Trust's liquidity. The Trust is not therefore exposed to significant liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments:

### Market Risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Trust's income or the value of its holdings of financial instruments.

### Interest-Rate Risk

The only financial asset which carries risk is cash which is subject to floating rates of interest. It is estimated that a 1% change in interest rates would impact the income statement by £300,000. The Trusts loans, finance lease obligations and obligations under PFI contracts carry interest at fixed rates. The remainder of financial liabilities carry no interest. There are no financial liabilities which carry a floating rate of interest. The Trust is not therefore exposed to significant interest rate risk.

### Foreign exchange risk

All financial assets and liabilities are recorded in sterling. Therefore the Trust has no exposure to foreign exchange risks.

	Group Floating Rate		Foundation Trust Floating Rate	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
	£000	£000	£000	£000
Financial assets denominated in £ sterling	64,166	30,052	61,159	26,412
<b>Total gross financial assets at 31 March</b>	<b>64,166</b>	<b>30,052</b>	<b>61,159</b>	<b>26,412</b>

There are no financial asset or liabilities held in currencies other than sterling. The remaining financial assets (as set out in note 31.2) do not carry interest.

31.2 Financial Assets by Category		Group		Foundation Trust	
Assets as per Statement of Financial Position		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		£000	£000	£000	£000
Contracted receivables - invoiced		27,535	0	38,119	0
Contracted trade receivables - not invoiced		45,905	0	53,810	0
Contract Assets		1,524	0	1,524	0
NHS Receivables		0	37,075	0	37,075
Allowance for impaired receivables		(8,391)	(833)	(8,391)	(833)
Other Investments		1,295	257	0	0
Loans subsidiaries		0	0	77,596	81,592
Accrued income		0	18,842	0	26,159
Other receivables		3,513	16,840	1,474	25,160
Cash at bank and in hand		64,166	30,052	61,159	26,412
<b>Total</b>		<b>135,547</b>	<b>102,233</b>	<b>225,291</b>	<b>195,565</b>

31.3 Financial Liabilities by Category		Group		Foundation Trust	
Liabilities as per Statement of Financial Position		31 March 2019	31 March 2018	31 March 2019	31 March 2018
		£000	£000	£000	£000
Loans from Foundation Trust Financing Facility		46,005	47,864	46,005	47,864
Other loans		168,895	125,761	168,895	125,761
NHS Payables		6,601	7,013	6,601	7,013
Obligations under finance leases		10,483	1,468	98,749	85,799
Obligations under PFI contracts		17,330	20,391	17,330	20,391
Other trade payables		17,212	35,804	31,615	50,850
Accruals		14,228	18,125	11,827	25,091
Capital creditors and accruals		1,379	1,086	111	379
Provisions under contract		1,379	1,664	1,379	1,664
<b>Total</b>		<b>283,512</b>	<b>259,176</b>	<b>382,512</b>	<b>364,812</b>

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## 31 Financial Instruments (continued)

### 31.4 Fair Values of Financial Instruments

**Trade and other receivables** - The fair value of trade and other receivables is estimated as the present value of future cash flows, discounted at the market rate of interest at the date of the Statement of Financial Position if the effect is material.

**Trade and other payables** - The fair value of trade and other payables is estimated as the present value of future cash flows, discounted at the market rate of interest at the Statement of Financial Position date if the effect is material.

**Cash and cash equivalents** - The fair value of cash and cash equivalents is estimated as its carrying amount where the cash is repayable on demand. Where it is not repayable on demand then the fair value is estimated at the present value of future cash flows, discounted at the market rate of interest the Statement of Financial Position date.

### 31.5 Fair Values of Financial Assets

Group	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Assets as per Statement of Financial Position	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000
Contracted receivables - invoiced	27,535	27,535	0	0
Contracted trade receivables - not invoiced	45,905	45,905	0	0
NHS Receivables	0	0	37,075	37,075
Contract Assets	1,524	1,524	0	0
Allowance for impaired receivables	(8,391)	(8,391)	(833)	(833)
Other Investments	1,295	1,295	257	257
Accrued income	0	0	18,842	18,842
Other receivables	3,513	3,513	16,840	16,840
Cash at bank and in hand	64,166	64,166	30,052	30,052
<b>Total financial assets</b>	<b>135,547</b>	<b>135,547</b>	<b>102,233</b>	<b>102,233</b>

Foundation Trust	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Assets as per Statement of Financial Position	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000
Contracted receivables - invoiced	38,119	38,119	0	0
Contracted trade receivables - not invoiced	53,810	53,810	0	0
NHS Receivables	0	0	37,075	37,075
Contract Assets	1,524	1,524	0	0
Allowance for impaired receivables	(8,391)	(8,391)	(833)	(833)
Loans - subsidiaries	77,596	77,596	81,592	81,592
Accrued income	0	0	26,159	26,159
Other receivables	1,474	1,474	25,160	25,160
Cash at bank and in hand	61,159	61,159	26,412	26,412
<b>Total financial assets</b>	<b>225,291</b>	<b>225,291</b>	<b>195,565</b>	<b>195,565</b>

### 31.6 Fair values of Financial Liabilities

Group	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Liabilities as per Statement of Financial Position	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000
Loans from Foundation Trust Financing Facility	46,005	46,005	47,864	47,864
Other loans	168,895	168,895	125,761	125,761
NHS Payables	6,601	6,601	7,013	7,013
Obligations under finance leases	10,483	10,483	1,468	1,468
Obligations under PFI contracts	17,330	17,330	20,391	20,391
Other trade payables	17,212	17,212	35,804	35,804
Accruals	14,228	14,228	18,125	18,125
Capital creditors and accruals	1,379	1,379	1,086	1,086
Provisions under contract	1,379	1,379	1,664	1,664
<b>Total financial liabilities</b>	<b>283,512</b>	<b>283,512</b>	<b>259,176</b>	<b>259,176</b>

Foundation Trust	31 March 2019	31 March 2019	31 March 2018	31 March 2018
Liabilities as per Statement of Financial Position	Book Value	Fair Value	Book Value	Fair Value
	£000	£000	£000	£000
Loans from Foundation Trust Financing Facility	46,005	46,005	47,864	47,864
Other loans	168,895	168,895	125,761	125,761
NHS Payables	6,601	6,601	7,013	7,013
Obligations under finance leases	98,749	98,749	85,799	85,799
Obligations under PFI contracts	17,330	17,330	20,391	20,391
Other trade payables	31,615	31,615	50,850	50,850
Accruals	11,827	11,827	25,091	25,091
Capital creditors and accruals	111	111	379	379
Provisions under contract	1,379	1,379	1,664	1,664
<b>Total financial liabilities</b>	<b>382,512</b>	<b>382,512</b>	<b>364,812</b>	<b>364,812</b>

## Northumbria Healthcare NHS Foundation Trust - Annual Accounts 2018-19

### 32 Losses and Special Payments

Losses and special payments are charged to the relevant headings on a cash basis, including losses which would have been made good through insurance cover had the Trust not been bearing its own risks, with insurance premiums being included as normal revenue expenditure.

The Group and Foundation Trust losses and special payments for the year were:

Losses	Year Ended 31 March 2019		Year Ended 31 March 2018	
	£	Number	£	Number
Cash Losses	0	0	0	0
Fruitless payments and constructive losses	0	0	0	0
Bad debts and claims abandoned	57,275	169	0	0
Overpayments of salaries	304,316	443	306,561	191
Stores Losses	74,219	12	35,874	12
<b>Total Losses</b>	<b>435,810</b>	<b>624</b>	<b>342,435</b>	<b>203</b>
<b>Special Payments</b>				
Extra contractual payments	0	0	0	0
Extra-statutory and extra-regulatory payments	0	0	0	0
Compensation payments	45,411	14	73,834	27
Special Severance	0	0	0	0
Ex-gratia payments	2,000	1	3,842	1
<b>Total special payments</b>	<b>47,411</b>	<b>15</b>	<b>77,676</b>	<b>28</b>
<b>Total losses and special payments</b>	<b>483,221</b>	<b>639</b>	<b>420,111</b>	<b>231</b>

### 33 Pooled Budgets

The Group and Trust had no pooled budget projects during the twelve months to 31 March 2019 (2017/8- Nil).

### 34 Other Financial Assets

The Group and Trust had no other financial assets at 31 March 2019 (31 March 2018- Nil).

### 35 Charitable Fund Reserve

The Trust is the corporate trustee to Northumbria Healthcare NHS Trust Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined to be a subsidiary, in accordance with IAS 27, because the Trust has the power to govern the financial and operating policies of the charitable fund so as to obtain benefits from its activities for itself, its patients or its staff.

The main financial statements disclose the Trust's financial position alongside that of the group (which comprises the Trust, subsidiaries and charitable fund).

#### Northumbria Healthcare NHS Trust Charity - Summary statement of financial activities;

	Year Ended 2019	31 March £000	Intra-group eliminations	Year Ended 31 March 2018 £000	Intra-group eliminations
Donated Income		1,594	0	1,430	0
Income from activities for generating funds		0	0	0	0
Investment income		52	0	36	0
<b>Total incoming resources</b>		<b>1,646</b>	<b>0</b>	<b>1,466</b>	<b>0</b>
Charitable expenditure		(1,776)	0	(1,536)	0
Trading expenses		0	0	0	0
<b>Total outgoing resources</b>		<b>(1,776)</b>	<b>0</b>	<b>(1,536)</b>	<b>0</b>
Unrealised gains investments		38	0	70	0
<b>Net outgoing resources</b>		<b>(92)</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### Northumbria Healthcare NHS Trust Charity - Summary statement of financial position;

	Year Ended 2019	31 March £000	Intra-group eliminations	Year Ended 31 March 2018 £000	Intra-group eliminations
Investments- Common investment funds		1,295	0	257	0
Receivables		249	0	136	0
Trade and other payables		0	0	0	0
Cash		1,210	0	2,453	0
<b>Total net assets</b>		<b>2,754</b>	<b>0</b>	<b>2,846</b>	<b>0</b>
<b>Represented by:</b>					
Unrestricted Funds		1,625	0	1,676	0
Restricted Funds		1,129	0	1,170	0
<b>Total funds</b>		<b>2,754</b>	<b>0</b>	<b>2,846</b>	<b>0</b>

The total funds are represented in the group accounts as Charitable Funds Reserve.

An explanation of the distinction between unrestricted and restricted funds is provided in section 3, page 6, of accounting policies.



## **INDEPENDENT AUDITOR'S REPORT TO THE COUNCIL OF GOVERNORS OF NORTHUMBRIA NHS FOUNDATION TRUST ON THE QUALITY REPORT**

We have been engaged by the Council of Governors of Northumbria NHS Foundation Trust to perform an independent assurance engagement in respect of Northumbria NHS Foundation Trust's Quality Report for the year ended 31 March 2019 (the 'Quality Report') and certain performance indicators contained therein.

### **Scope and subject matter**

The indicators for the year ended 31 March 2019 subject to limited assurance consist of the following two national priority indicators:

- A&E: maximum waiting time of four hours from arrival to admission, transfer or discharge;
- maximum waiting time of 62 days from urgent GP referral to first treatment for all cancers;

We refer to these national priority indicators collectively as the 'indicators'.

### **Respective responsibilities of the directors and auditors**

The directors are responsible for the content and the preparation of the Quality Report in accordance with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* issued by NHS Improvement.

Our responsibility is to form a conclusion, based on limited assurance procedures, on whether anything has come to our attention that causes us to believe that:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the *Detailed requirements for quality reports for foundation trusts 2018/19* ('the Guidance'); and
- the indicators in the Quality Report identified as having been the subject of limited assurance in the Quality Report are not reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

We read the Quality Report and consider whether it addresses the content requirements of the NHS Foundation Trust Annual Reporting Manual and consider the implications for our report if we become aware of any material omissions.

We read the other information contained in the Quality Report and consider whether it is materially inconsistent with:

- board minutes and papers for the period April 2018 to March 2019
- papers relating to quality reported to the board over the period April 2018 to March 2019
- feedback from commissioners dated 17/05/2019
- feedback from governors dated 23/05/2019
- feedback from local Health watch organisations dated 20/05/2019 and 22/05/2019
- feedback from Overview and Scrutiny Committee dated 22/05/2019
- the Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 8/05/2019
- the 2018 national patient survey
- the 2018 national staff survey
- the Head of Internal Audit's annual opinion of the Trust's control environment dated 20/05/2019
- CQC inspection report dated 5/05/2017

We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with those documents (collectively, the 'documents'). Our responsibilities do not extend to any other information.

We are in compliance with the applicable independence and competency requirements of the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics. Our team comprised assurance practitioners and relevant subject matter experts.

This report, including the conclusion, has been prepared solely for the Council of Governors of Northumbria NHS Foundation Trust as a body, to assist the Council of Governors in reporting the NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2019, to enable the Council of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicator. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors as a body and Northumbria NHS Foundation Trust for our work or this report, except where terms are expressly agreed and with our prior consent in writing.

### **Assurance work performed**

We conducted this limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board ('ISAE 3000'). Our limited assurance procedures included:

- evaluating the design and implementation of the key processes and controls for managing and reporting the indicator;
- making enquiries of management;
- testing key management controls;
- limited testing, on a selective basis, of the data used to calculate the indicator back to supporting documentation;
- comparing the content requirements of the NHS Foundation Trust Annual Reporting Manual to the categories reported in the Quality Report; and
- reading the documents.

A limited assurance engagement is smaller in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

### **Limitations**

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different, but acceptable measurement techniques which can result in materially different measurements and can affect comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision of these criteria, may change over time. It is important to read the quality report in the context of the criteria set out in the *NHS Foundation Trust Annual Reporting Manual* and supporting guidance.

The scope of our assurance work has not included governance over quality or the non-mandated indicator, which was determined locally by Northumbria NHS Foundation Trust.

## Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that, for the year ended 31 March 2019:

- the Quality Report is not prepared in all material respects in line with the criteria set out in the NHS Foundation Trust Annual Reporting Manual and supporting guidance;
- the Quality Report is not consistent in all material respects with the sources specified in the Guidance; and
- the indicators in the Quality Report subject to limited assurance have not been reasonably stated in all material respects in accordance with the NHS Foundation Trust Annual Reporting Manual and the six dimensions of data quality set out in the Guidance.

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3 June 2019





