NHS

The Newcastle upon Tyne Hospitals
NHS Foundation Trust

Annual Report & Accounts

2017-2018

Healthcare at its very best - with a personal touch

Annual Report & Accounts
2017/18

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Contents

Chairman's Introduction

I was honoured to be appointed as Chairman of this Trust in December 2017 so this is the first time I have had the pleasure of writing the Chairman's Statement for our review of the year.

Although I have only been in post for part of the 2017/18 financial year, I am no stranger to the Trust as I first came to the organisation as a medical student in 1970, and I have been part of the Trust throughout my career including being first consultant clinical geneticist in the North East and Cumbria, and the lead for the Northern Genetics Services for two decades.

I have always been extremely proud to be associated with a Trust that has such an absolute focus on providing excellent care, and it was no surprise to me that it should receive an outstanding rating in its last inspection by the Care Quality Commission.

It is that focus on providing outstanding care that I want to maintain as Chairman of the Trust, and part of that focus has to be on ensuring the organisation has the right leadership in place.

One of my first tasks on being appointed as Chairman was to work with my Non-Executive Director colleagues to begin the search for a new Chief Executive, who I would work with to lead the organisation on to even greater success than our staff have achieved so far. After an extensive search and rigorous selection process I was delighted that we were able to appoint Dame Jackie Daniel to the role, which she took up in May 2018.

A nurse by background Dame Jackie has spent 16 years working as a highly successful Chief Executive in the NHS. Throughout her career she has been committed to providing the highest quality of care for patients, but she also believes passionately that to deliver excellent services depends on creating an environment in which staff are truly valued for their contribution and shaping a culture in which they can flourish. I am confident that she will be a great asset to the Trust.

I must take this opportunity to thank all of our Executive Team members and the wider Board for the way they have continued to maintain the organisation's focus on delivering excellent care despite the increasing demands on the NHS and a period of instability in the Trust's leadership.

I want to pay particular tribute to Louise Robson, Business & Development Director, and Andy Welch, Medical Director, who shared the responsibilities of Chief Executive for over a year on top of their day jobs. Their commitment and dedication to the organisation has been outstanding and truly appreciated.

While making sure we have the right leadership for the organisation is important, to our patients it is the staff that care for them that make this Trust a truly great place. Over the last few months I have had the great privilege of meeting many staff across the organisation that truly put the patient at the heart of everything they do.

At a time when the NHS and this Trust is facing increasing demands for its services and ever tighter financial resources, their continued dedication and commitment to patients is something to be prized. I would like to take this opportunity to thank every member of staff for their hard work during 2017/18.

The review of the year gives a snap shot of the Trust's many achievements during 2017/18, and it provides us with an opportunity to explore some of the challenges and opportunities facing us in the coming year.

I am confident that this organisation is well placed to rise to those challenges and make the most of new opportunities. I look forward to leading the organisation on to bigger and better things with the commitment of our staff, our wonderful volunteers who do such great work in the Trust, and the strong partnerships we have built with universities, local authorities, other NHS organisations and the many charities that support our work.

Professor Sir John Burn
Chairman
25 May 2018

Review of the Year

Our super hero: Hasnath Siddiquey tries on his Batman vest with Mark Wilcock

Improving communication: Hospital passport for children with learning disabilities and additional needs

Innovative: Our Trust team build a specialist chair for children

Warm welcome: First cohort of University of Sunderland student nurses

Service Developments

Each year our staff - with the support of our commissioners - set up and develop new and existing services and treatments. Here is just a snapshot of some of those developments over the last year:

Training other UK medical centres in pioneering breast cancer treatment

Many of the 17,000 breast tumours identified each year require invasive surgery guided by a wire, but the Trust has introduced the first routine UK service to localise tumours with Iodine-125 seeds as an alternative to wires.

The seed acts as a beacon in the tumour with a probe guiding the surgeon to the precise location so reducing re-operation rates. The Breast Unit at the Royal Victoria Infirmary (RVI) is still the only site in the UK to offer this service. Our breast cancer specialists are now also running national workshops to share their expertise of the technique, and to help other specialists from across the UK learn how to implement the technology.

As well as training others, the service this year also began using the radioactive seeds to assist with the localisation of cancerous lymph nodes, meaning that patients no longer have all lymph nodes removed; just those that are found to be cancerous.

A Super Vest for a Super Hero

Two years ago Hasnath Siddiquey was waiting for a heart transplant which would save his life at the Children's Heart Unit at the Freeman Hospital in Newcastle - one of the world's leading specialist centres for children and babies born with, or who develop, heart conditions.

Now five-year-old Hasnath from Darlington is running around enjoying life like any other youngster his age. Mad about superheroes, it was Hasnath's love of Batman which brought about a truly super vest which helped him to live his life, as normal as possible, while he waited for a donor heart to become available.

Hasnath developed a heart condition called dilated cardiomyopathy - a disease of the heart muscle where it becomes stretched and thin. It meant that Hasnath's heart was not able to pump blood around his body properly and so he was referred to the Children's Heart Unit at the Freeman Hospital. After surgery his condition suddenly deteriorated and he had to be fitted with a device to keep his heart beating.

The ventricular assistive device (VAD) is a mechanical pump used as a bridge to transplant, and was given to Hasnath when he was just three-years-old while he waited for a suitable donor heart to become available. As the device was originally designed for adults, there were no options available for Hasnath to carry it around comfortably and safely. This meant he could not move around freely.

Catherine Forster, an advanced occupational therapist at the Freeman Hospital, worked with colleagues at the hospital's medical physics department and Care-Ability Healthcare Ltd – a specialist manufacturer of moving and handling products for the healthcare industry based in the North East.

Together they came up with a special vest for children, funded by the Children's Cardiothoracic Transplant Fund, which held the device and all of its parts in one place, allowing its young wearer to get out and about unhindered. To make sure Hasnath enjoyed wearing the vest it was given a Batman theme.

Thankfully, not long after having the VAD device implanted Hasnath had a heart transplant and he's now at school and doing extremely well.

RVI electrician's cutting edge surgery

A member of the Trust's estates team shared his story of a pioneering 12-hour operation on BBC's The One Show.

Tommy Innes, who has worked for the NHS for 30 years, had reconstructive surgery to remove a tumour from his mouth which was destroying his lower jaw. The operation involved replacing the affected section of jawbone with a grafted bone from one of his lower legs. In the past, the bone would have been replaced during one operation, and the insertion of teeth implants taken place at a later date.

But Tommy's operation used cutting-edge computed generated 3D planning and 3D printing to customise his reconstruction and allow dental implants to be accurately inserted into his leg bone before the bone was removed from his leg to reconstruct his jaw - all during the same operation.

The electrician, who is part of the maintenance team at the RVI, only found out about the tumour when he went for a routine dental check-up. The dentist referred him to the RVI where he was diagnosed with a relatively rare benign (non-cancerous) tumour of the jaw.

So innovative was the surgery that it attracted the attention of BBC's The One Show, which followed the meticulous planning by surgeons, medical device experts and clinical engineers who together produced personalised surgical guides and titanium 3D printed implants for the complex surgery.

New endoscopy list

The Trust's endoscopy team became the first in the region to run a weekly general anaesthesia service for therapeutic endoscopy for patients needing advanced treatment.

The unit at the Freeman Hospital is the largest single tertiary centre in the UK for complex and advanced forms of endoscopic procedures. However due to the complexity and length of time required for some of the procedures, many patients cannot tolerate them under conscious sedation. So the team set up a weekly general anaesthesia list to carry out the most complex endoscopy procedures and minimise discomfort for patients.

Home ventilation team

The work of the home ventilation team at the RVI featured on BBC's Inside Out programme.

One of the largest specialist centres in the UK, the team supports almost 600 patients on domiciliary ventilation in the North East and Cumbria, and receives up to 120 new referrals each year.

The main focus of the service is to allow patients to achieve an enhanced quality of life while remaining in their home, and with this in mind the team provides an extensive training and support programme to patients, their family and carers, including operating a 24 hour support service.

First Sunderland student nurses

The Trust welcomed the first students to begin the new University of Sunderland adult nursing degree.

We worked closely with the university to design the programme and the students began the first of a number of clinical placements in local hospitals and community services.

New cinema for children's heart unit

Patients, staff and families on the Children's Heart Unit at the Freeman Hospital celebrated the launch of their new cinema with a Frozen sing-along party.

The 'Cine-makeover' was awarded to the unit thanks to a national campaign run by Finite Solutions, after nominees were asked to submit a short description of what the facility could be used for at their local hospital.

Holding a Frozen-themed sing-along party was the winning nomination made by Kim Carberry, author of blog 'Northumberland Mam', whose daughters had spent time in the unit following open heart surgery.

Live music for intensive care patients

The Trust welcomed the Music in Hospitals and Care charity into the intensive care unit at the Freeman Hospital for the first time to bring live music to patients and their families.

Soothing sounds from Newcastle musician Claire Tustin helped to reduce the anxiety and stress of patients and visitors, and was a welcome distraction from the noise of life saving equipment.

'Gift of Life' sculptures

Striking sculptures commemorating the many people who have saved lives through organ donation were unveiled at the Trust's Institute of Transplantation.

The artwork, created by Turner prize finalist Christine Borland, was specially commissioned to honour the act of 'the Gift of Life' by donors and their families.

Entitled 'Positive Pattern', the five pieces were the culmination of three years of work, and they were inspired by carved wooden sculptures created by internationally renowned artist Barbara Hepworth in the 1920s.

Christine, a Professor of Fine Art at Northumbria University, met with donor families to inform the early development stages of her work, which was also influenced by talking to young doctors and medical students about the future of transplantation.

Trust team builds specialist chair for children

A specialist chair used to perform a videofluoroscopy examination on children and babies with eating, drinking and swallowing problems, has been designed and manufactured by the Trust's mechanical engineering service in partnership with the radiology and paediatric speech and language services.

The chair is used in the x-ray department at the Great North Children's Hospital (GNCH) based at the RVI in Newcastle to more accurately position young patients for real-time x-ray of their swallowing.

'Beat Asthma' website

Respiratory experts at the Great North Children's Hospital (GNCH) launched a new asthma website to help improve asthma care for children and young people in the North East.

The 'Beat Asthma' website provides information and education to help families, schools and health professionals to work together to ensure children and young people living with asthma receive the best care and support.

Almost 5.4 million people have been diagnosed with asthma in the UK, making it the nation's most common lung disease, and asthma rates in the North East are amongst the highest in the UK.

Dr Jen Townshend, consultant paediatric respiratory physician, worked alongside consultant paediatric respiratory physician Samantha Moss, Sally-Anne Hails, children's respiratory nurse specialist, and other childhood healthcare colleagues from across the region to develop the new website funded by the GNCH Foundation. The team also consulted with patients and their families to make sure the site meets their needs.

£7m Advanced Therapies Treatment Centre bid

An innovative advanced therapies treatment centre that could revolutionise the treatment of currently incurable diseases looks set to come to the North of England and Scotland.

In January 2018, Minister Sam Gyimah announced the funding of three Advanced Therapies Treatment Centres to facilitate the development, commercialisation and adoption of Cell, Gene and Tissue Engineered Therapies in the UK.

An alliance of advanced therapies companies, NHS organisations and universities in the North of England and Scotland was amongst the successful bids. The Industrial Strategy Challenge Fund three year grant award from Innovate UK is worth £7m with contributions from commercial partners expected to unlock an additional £2m.

The bid was led by the Trust and the Scottish National Blood Transfusion Service along with 18 other alliance partners.

Hospital Passport

A team of specialist nurses at GNCH created a passport for children and young people with learning disabilities and additional needs to improve their journey through hospital.

Designed to make visits to hospital as stress-free as possible, the passports carry all important information about the patient in one place. This includes their communication needs, likes and dislikes.

"Our staff truly do put patients at the heart of everything we do, and that is why our performance in national and local patient experience surveys is consistently high."

Digital Maturity Self-Assessment: Key Findings (Capabilities Theme)

Newcastle upon Tyne Hospitals FT

NHS England

There were only 7 providers with an overall score of 70% or above for the Capabilities theme, which indicates they're doing very well in all or most areas.

109 providers had a self-assessed score of between 40 and 69%, suggesting they've made good progress in some areas but still have gaps in a number of key capabilities.

123 respondents (more than half) had a self-assessed score below 40% for the Capabilities theme as whole. This illustrates the significant amount of work most providers still need to do in order to progress towards becoming paperfree at the point of care.

Key:

Red = Infrastructure score 0-39%

Amber = Infrastructure score 40-69%

Green = Infrastructure score 70-100%

Informatics and Global Digital Exemplar Programme

The Trust has continued to progress and develop its strategic capability in support of the informatics agenda. Clinical engagement has been enhanced with the creation of the Chief Clinical Information Officer, Chief Nursing Information Officer and Chief Pharmacy Information Officer roles; working collaboratively with the Chief Information Officer. These roles perform the key function of linking solution development to medical need to ensure that excellence in the provision of patient care remains at the heart of all initiatives.

We have continued to use our competency in infrastructure design and provision, developing a number of digitally supported services across the region, such as remote foetal diagnostics and remote mammogram screening in Cumbria.

We deliver a range of community and outreach services for both diagnostics and treatment. Recent enhancements include an ophthalmology diagnostics service and the use of specialised audiology booths for both adults and children. We also use video conferencing as a standard component of multi-disciplinary teams, and we are moving towards being completely digital for GP referrals well ahead of the national target.

We have, and will continue, to take a leading role in standardising the Transfer of Care documentation working jointly with primary care. Recent developments have enabled multiple document types to be digitally transmitted, with the introduction of the service now underway.

In 2017 the Trust was proud to be awarded Global Digital Exemplar (GDE) status. Becoming a GDE site was based upon our past investment and adoption of technology as part of the drive to continually improve quality.

The journey began in 2009 when we implemented an Enterprise Electronic Patient Record (EPR) solution with both patient administration and clinical coverage to improve patient safety, access to patient data, and staff experience.

We have continued to adopt and integrate technology; developing a core brand for the multiple digital systems in use. This has created a single-point of access for the EPR, reducing the time and effort required to access important patient information. Developments in

documentation were initiated with a number of areas within the Trust becoming operationally paper-light, notably the emergency department and ophthalmology, two of our busiest services.

Enhancement continues through a transition programme to implement paper-light operation in clinical areas, supporting NHS England's objectives. The success of this programme is demonstrated through the Trust being one of only seven to achieve above 70% in the National Digital Maturity Assessment (see chart above).

The three year GDE programme will add to the core clinical content creating a full EPR. Importantly this data will be codified and structured to reduce variations in content, and to allow further development of decision support and pathway-based care plans with targets and staged interventions.

The structured digital patient record will be developed in alignment with the principles set out in The Five Year Forward View of a digital patient record supporting direct patient care and informing the population health agenda. This will include the ability to extend to an interoperable service for the appropriate sharing of clinical information across our regional health and care services, as the regional capability builds, to meet the following objectives:

- **More informed, and safer decisions about patient care** - clinicians will have efficient access to complete, accurate, and timely patient information supporting safer clinical care; to obtain and appropriately share information across the health and social care economy. The development of a richer data model will also enable decision support to drive protocol based care.

- **Improving the patient experience** - complete and accurate records provide patients with greater assurance healthcare professionals are providing the best care possible, while improving patient experience by removing the need to repeat information.

- **Patient engagement** - accessing their digital record allows patients to be more informed about - and involved in - their care and as adoption rates grow, act as an enabler for patients to self-manage conditions and rehabilitation with the aim of reducing readmission rates, and facilitating the wider population health agenda. This, along with existing initiatives such as tele-health, will empower patients, allow care to be provided closer to home, and improve quality of life.

- **Collaboration** - efficiency gains may be achieved across the health and social care economy through the reduction of readmission rates, real time reporting of admissions and discharges, accurate and timely provision of transfer of care documentation. This will require the EPR system to be populated in a highly-structured way using the appropriate terminologies to facilitate inter-operability. As the population of codified data matures, collaboration will be extended to include bi-directional in patient context, real time clinical record sharing. This will initially be Trust-led but it is expected to transmute into collaborative GNCR deliverables as wider strategic transformation programme funding becomes available.

- **Transparency** - the development of a consistent, data-rich EPR with reporting functionality will enable greater transparency of care, and will drive research. We are working with Newcastle University to integrate clinical data collection in disease specific areas within the EPR to ensure patients in, or eligible to be in, trials are easily identifiable.

- **Future-proofing** - the establishment of a structured database of health data using national terminologies will facilitate future advances in health management, with the potential to allow patients to view and contribute appropriate data to their own medical record. This is envisioned to expand to encompass emerging technology, such as wearable technology and location based monitoring and intervention, a key enhancement to provide patients with safe care in their preferred environment.

The primary reasons for completing our move to digital healthcare provision are to improve quality and services at the same time as reducing costs.

A digital healthcare record will improve the safety of the care provided by the Trust by ensuring that all the information to make the best decisions is available to all those responsible, with appropriate decision support built in to the way they work. Quality will be improved by reducing patients' need to repeat information to different members of the clinical team, increasing their access to appropriate healthcare information, and involving them and their carers' in healthcare choices through well-informed shared decision making.

Operational efficiency is essential to provide state-of-the-art medical care within the financial constraints of NHS funding. While some benefits will be realised immediately, including improved coding leading to more accurate coding of outcomes according to co-morbidity and reduced printing and postage costs when letters and results are sent electronically; others will take more time for improved working practices to develop into efficiency savings, but they will be even more important in the long term.

Electronic patient records are internationally regarded as the standard of care. Within the UK, primary care has embraced this technology and realised its clinical and business advantages. The Department of Health expect all trusts to be largely digital by 2023. For us to remain a leader in healthcare and research, it is essential that we take this opportunity of central funding to move to digital maturity and realise the full benefits of electronic patient records.

Implementing the GDE programme will support healthcare research and development across a wide range of areas inside and outside the Trust, delivering benefits not only for today's patients, but for the generations to come through digital maturity across the Trust and the NHS.

For the last five years we have hosted reference site visits for UK and Ireland Trusts to demonstrate digital clinical systems and share experiences of build and go-live methodology, hardware, decision support and user engagement. These visits have developed ongoing collaborative partnerships, which are maintained through various networks of special interest groups.

Our informatics team and clinical champions have presented at national and international forums, including Cerner International Health conference, Cerner European Collaboration Centre, Clinical Pharmacy Congress, Diabetes UK Conference, and Durham University post-graduate conference on innovation.

Increasingly we seek to publish our experiences in health journals, and informatics related publications have appeared in Hospital Pharmacy Europe, Clinical Endocrinology, and Clinical Kidney Journal. Through the development of formal research projects further learning and publications are expected.

To drive the research agenda we have an active partnership with The University of Durham, including links to colleagues in schools at Harvard, and research conducted includes "The benefits and challenges of customising a commercial Computerised Physician Order Entry (CPOE) system to improve patient safety." We are also in the final stages of research on the impact of electronic prescribing on adverse events across adult and paediatric settings.

We are working with partners in multiple hospital and academic sites to develop and research novel digital methods for antimicrobial stewardship as part of a National Institute for Health Research (NIHR) programme grant application. This work is developing links with teams in Amsterdam to assess an alternative method for closed loop administration. We are exploring options to link and data mine extracts from primary and secondary care in collaboration with the Business Services Authority, which will be used to identify opportunities to review and improve the transition between the care settings.

We have a record of working with software suppliers to develop and assess new functionality. This includes the development of an automated reporting process for adverse drug reaction in conjunction with the MHRA, which has been implemented in several other UK sites. The pharmacy team has also developed processes to send electronic referrals to community pharmacies, which has now been integrated into the core EPR system. This innovative work has been shared at many forums and won two Health Service Journal Awards. More recently this work has been published in BMJ Open, demonstrating that an electronic transfer of care model can reduce readmission rates.

We have close working links with NHS England to share experiences on digital clinical systems. Our staff directly collaborated in the development of systems to assess ePrescribing Digital Maturity, and they have also contributed experience and documents to the development of toolkits for the governance of digital clinical systems.

The process of achieving a truly electronic patient record will give the Trust a unique opportunity to review clinical processes and outcomes across all aspects of healthcare. This will allow us to establish systems which ensure best practice by providing context specific decision support and rigorous audit. In this way, we will reduce unwarranted variation in practice and improve clinical results.

We will work closely with our partners in Newcastle University in their bid to be a substantial site in the new UK MRC Institute for Health and Biomedical Informatics Research. If successful this will build on the university's longstanding global excellence in digital technology and ageing research. The expertise already embedded in Newcastle University will be invaluable to inform and study the change management employed to facilitate different ways of working in a "paper-light" healthcare system. In addition, the widespread clinical adoption of SNOMED-CT in the GDEs (and their fast followers) in the region will generate large robust datasets. These will be available for research not only in specific conditions but more generally to discover new associations and treatment effects before testing hypotheses in clinical trials.

The programme has been constructed to provide the following unique capabilities:

- The Trust is a member of the North East and North Cumbria Academic Health Science Network and wholly engaged in the strategic development of the Great North Care Record (GNCR). This will make a lasting contribution to the health and well-being of our regional population through widely available and accessible support to frontline care, individual self-management, planning and research. We will continue to feed learning from the GDE programme into the GNCR initiative. The GDE Programme will also provide early adoption capability to this regional programme through the use of the Information Health Exchange. This will be enabled through facilitating the

Soothing sounds - Music in Hospitals and Care Charity provide live music in intensive care

Improving care: Dr Jen Townshend with the new 'Beat Asthma' website

Inspirational: 'Gift of Life' sculptures are unveiled at the Institute of Transplantation

ability to join up with referring acute organisations, such as Gateshead Health NHS Foundation Trust and Northumbria Healthcare NHS Foundation Trust; primary care, social care and community services, subject to their ability and capacity.

- As one of the largest and most successful teaching hospitals in England we are uniquely placed to provide comprehensive blueprints with relevance to both national and international health and care organisations.

- We are leading the development of digital support to reduce variation in seven day services, and we will lead in the sharing of operational and system innovations. We are working as an early adopter of the seven day working standards and have developed the methodology for improving consultant reviews through the use of supporting IT solutions. This first stage has been demonstrated to NHS England and is due to be shared on a wider basis. We are now moving to implement a refined solution across the organisation and we will communicate the outcomes from this early adoption with the wider NHS.

- In collaboration with academic colleagues at Durham University School of Pharmacy, we will continue to develop best practice and share ePrescribing and safety research.

- As part of the GNCR we are working with Newcastle Council and Newcastle University to research and develop intervention strategies to improve the outcomes for groups of residents that are large users of public services. The project - "SILVER" (Smart Interventions for Local Vulnerable Residents) - is targeting troubled families within the region, families at risk of homelessness, and high risk complex homeless individuals. The project will carry out formative research then develop interventions and finally, evaluate the effectiveness of these interventions. The formative research is dependent on effective data sharing across the stakeholders' IT systems. The project also requires the development of a platform to analyse the data on those within the project and be able to evaluate: impact, process and economic benefits of the project.

Research

Research and development plays a huge part in the life of the Trust, with many of our clinicians working in close partnership with local universities to develop new treatments and drugs.

"I found all the care staff to be fantastic and supporting at their jobs, even when they're extremely busy they had time for people."

2017-2018 was yet another ground breaking year for research for us. In partnership with colleagues in the Faculty of Medical Sciences, Newcastle University, and Northumberland, Tyne & Wear NHS Foundation Trust, a wide variety of high quality research has been carried out focusing on improving the health and opportunities for people living in Newcastle and the surrounding area.

We saw 18,773 patients participate in research, including 964 participants in commercial research studies. This culminated in the Trust topping the National Institute of Health Research (NIHR) league table for the amount of studies it supports for the seventh consecutive year, which highlights the opportunities that our patients have to avail themselves of the highest quality research that is absolutely cutting edge.

Other exciting developments over the last year included the renewal of the infrastructure awards that underpin our NIHR Clinical Research Facility, which is based at the RVI and runs in parallel with our Clinical Ageing Research Unit at the Campus for Ageing & Vitality.

The Trust was delighted to be awarded one of eleven NIHR Medtech and In vitro diagnostics Co-operatives (MICs), which has led to the launch of the important externally facing 'Diagnostics North East'. This overarching structure brings together all the components of a unique and innovative diagnostics infrastructure in the North East of England focused on providing support for a distinct pathway of diagnostic development for industry and academia.

The NIHR Biomedical Research Centre in Ageing & Long-term Conditions was also renewed and continues to provide significant infrastructure for the considerable volume of high quality cutting edge research in ageing and long-term conditions for which Newcastle and the North East is internationally renowned.

The parallel brand to Diagnostics North East, known as Therapeutics North East, was given a significant boost by the award of one of four National Advanced Treatment Centres for Cellular Therapies. This involves over £7 million to support the Northern Alliance, a project being delivered in partnership with centres in Scotland.

Working in partnership with industry, we launched the CEPA (Cellular Pathology Biobank) after a significant period of consultation with stakeholders. This allows us to work in partnership with industry collaborators to develop new diagnostic tests. In the coming year we will be developing the first NHS supported Phase 3 research infrastructure with significant investment on the Campus for Ageing & Vitality site at the Gibside Clinical Research Unit.

Awards

Over the last year many of our staff and services have been honoured with prestigious awards and national recognition. Here is just a snapshot of some of those honours:

Travel Fellowship

Allison Sykes, our senior nurse and practice development lead for infection prevention and control, was awarded a Travel Fellowship by the Winston Churchill Memorial Fund.

The fellowships are given to fund travel overseas for individuals to identify better ways of tackling some of challenges facing the UK. Allison was awarded a fellowship in the nurse and allied professional category to study high level isolation units around the world to establish best practice in controlling high consequence infectious diseases, such as Ebola.

Leading consultant urologist at Buckingham Palace

Professor Naeem Soomro, a consultant urologist, at the Freeman Hospital, was invited to a reception at Buckingham Palace to honour individuals from the Commonwealth who have made a significant contribution to society.

At the reception he met the Queen, Prince Charles, the Duchess of Cornwall, the Prime Minister, Foreign Minister and other members of the Cabinet. Prof. Soomro has spearheaded the development of complex minimally invasive urological surgery at the Trust and is a recognised leader in the field of robotic surgery.

Hospital Procurement Award

Our procurement and supplies team won the Hospital Procurement category at the Health Business Awards.

The team was recognised for its work in changing our supplier of specialist blood clotting products that are used in different forms and methods in most surgical areas. The team is the national lead for these products and worked closely with clinical colleagues and NHS Supply Chain to review the cost and quality of what it buys. Together they made average savings of 65% while maintaining quality and patient safety.

Better Health at Work Gold Award

We were delighted to receive a gold award from the North East Better Health at Work Awards after previously achieving bronze and silver levels.

The awards recognise organisations that take positive action on health and wellbeing in the workplace, and we are now working towards the next step in the process – Achieving Excellence – by focusing on sustainable health projects that promote good physical and mental health for staff.

Sustainable Hospital Award

We won the Sustainable Hospital category in the NHS Business Awards in recognition of work across the organisation to improve efficiency, reduce costs, and improve our environmental and social impact.

Cancer Care Award

Dr. Rachel Pearson, a senior oncology registrar at our Northern Centre for Cancer Care, won the oral presentation award at the British Uro-oncology Group annual meeting.

She was honoured for her presentation on a study looking at how using functional MRI imaging in the first few weeks of chemotherapy treatment for muscle-invasive bladder cancer can help doctors see how patients are responding to treatment.

OBE for Sarah

Dr. Sarah Pape, a consultant burns and plastics surgeon at the RVI, was honoured with an OBE in recognition of her work with burns patients in the UK and Romania.

She has developed pioneering technology for the assessment of burn depth, which is now used across the world. In 2015 Dr Pape volunteered to go to Romania to help care for 150 young people injured in a Bucharest nightclub fire. She not only provided expert advice to Romanian clinicians but also arranged for the most severely injured to be evacuated to the UK for treatment.

Research Delivery Award

The National Renal Complement Therapeutics Centre took first prize in the Bright Ideas in Health Awards for genetic research that developed a treatment which prevents patients with a rare inherited genetic condition from being confined to a lifetime on dialysis.

The centre is jointly run by clinicians from the Renal Unit at the Freeman Hospital and scientists from Newcastle University, and the research heavily involved patients in the development of this ground-breaking treatment.

Arrhythmia Alliance Award

Dr John Bourke, consultant cardiologist, received the national Arrhythmia Alliance Award for Outstanding Individual for his contribution to arrhythmia services. Since joining the Trust in 1985, Dr Bourke has developed major interests in ventricular tachycardia ablation, atrial fibrillation ablation and the cardiological management of muscular dystrophy. His nomination for the award described him as one of the UK's pioneers.

Queen's Nurses

District nurses Jackie Vaughan-Lamb and Tracey Smith were awarded the title Queen's nurse for their commitment and dedication to community nursing.

The honour was given by The Queen's Nursing Institute and the duo join just ten other Queen's Nurses in Newcastle.

Hospital Procurement Award winners

Jen Hopton and Gill Steel - Community nurses

PEAPOD team

Queen's Nurse Award

Foot and ankle team

Arrhythmia Alliance Award

Allison Sykes Winston Churchill Award

Foot and ankle excellence

The foot and ankle research team at the Freeman Hospital received an award for excellence from the International Federation of Foot and Ankle Societies for best internal research paper. It is the second time the team has won the prize – one of the highest honours given by the organisation.

Digital engagement recognition

Research and clinical staff from the Trust and Newcastle University were shortlisted for a NIHR award in the digital engagement category for their work in helping patients with a chronic lung condition.

Talking to patients, the team recognised that patients with bronchiectasis needed more information and support in managing their condition, but couldn't always travel to a specialist clinic. The team subsequently developed a website that has been a big hit with patients.

PEAPOD scholarship

The parental early attachment promoting optimal development (PEAPOD) team were awarded the Sam Richmond Scholarship to roll out their project to explore parents' understanding, attitudes and beliefs about skin to skin contact in the neonatal intensive care and special care baby units.

Green Kitchen Standard

The catering team at the Freeman Hospital was one of the first in the UK to achieve the Green Kitchen Standard for sustainability. The recognition by the Soil Association, in partnership with the Carbon Trust, followed an assessment of the team's environmental management, including the management of water and waste.

NHS Sustainability Award

Our sustainability team picked up the NHS Sustainability Award for Food for its work with the catering team at the Freeman Hospital to improve the sustainability of the department.

Together they worked closely with food suppliers to encourage the use of local, organic, Fairtrade and meat-free meals. The catering department also worked on saving water and reducing the amount of recyclable waste it produces.

We were also shortlisted in the waste management category of the awards.

Advancing Healthcare Award

Jen Hopton, a community nutrition worker, was honoured with an Advancing Healthcare Award from NHS Employers for her role in the improvement and progression of our early years weight management services.

Campaigns and Health Promotion

Our staff care for people at some of the most vulnerable times in their lives, but they are also committed to preventing ill-health. Over the last year we have continued to support a number of health promotion and prevention campaigns, and here is just a snapshot of some of that work:

Our stroke research team give their support to the Act FAST campaign

Sharing information and advice during Dementia Awareness Week

Brian Madden and Craig Jones - Organ Donation Week

Patients and families tell of how their lives have been changed by an organ donation

Rheumatoid Arthritis Week

World Haemophilia Day

Newcastle Haemophilia Centre at the RVI, which is the regional centre of expertise about the disease, marked the world-wide event by raising awareness of the genetic disease that affects more than 6,800 people in the UK.

One of the most common bleeding disorders, haemophilia is caused when there is not enough clotting factor in the blood that helps to control bleeding. Haemophilia is a life-long condition that affects not just patients, but the whole family, and the centre provides support, treatment and advice to adults and children across the whole of the North of England.

Dying Matters Awareness Week

What can you do? was the theme of this year's Dying Matters Awareness Week and staff across the Trust encouraged colleagues, patients and their families to be more active in planning for dying and death, and how to support people in times of grief.

The awareness week aimed to show that talking more openly about dying can help make the most of life and support loved ones.

One of the ways we support relatives who are with patients at the end of their life is through the provision of comfort packs. Members of Heaton Baptist Church in Newcastle originally came up with the idea of donating Kindness of a Stranger Pack, and they were so well received by families that the Trust's charity launched a fund to provide these packs at the Freeman Hospital and RVI. They contain toiletries, a neck pillow and puzzle books, and are often welcomed by families who may spend hours or even days at the bedside of a dying loved one.

Dementia Awareness Week

The NHS is caring for an increasing number of elderly people with complex needs, and as one in six people over the age of 80 have dementia, our staff frequently support people with dementia and their families.

This year our staff used Dementia Awareness Week to share information about a number of diseases that can be described as dementia, and to raise awareness of the work of our dementia team, which won the Trust's Nursing and Midwifery Achievement Award at our annual Nursing and Midwifery Conference.

Rheumatoid Arthritis Week

Members of the North East Volunteer Group of the National Rheumatoid Arthritis Society jumped on board a Routemaster bus in Newcastle to raise awareness of the condition that affects almost 700,000 people in the UK

Newcastle is recognised nationally as a leader in improving the quality of lives for patients living with rheumatoid arthritis, both in terms of expert clinical treatment and trailblazing research. The Freeman Hospital has a dual-purpose Early Arthritis Clinic where patients have rapid access to the experts as well as the latest clinical trials.

Incontinence campaign

As part of Incontinence Week we supported the Urology Foundation's campaign to banish the stigma surrounding the condition and encourage people to seek advice and support from their GP.

Almost a quarter of adults in Newcastle suffer from urinary incontinence, and 10% said they would not seek help because of embarrassment.

Stroke campaign

Our stroke experts gave their support to the regional Act FAST campaign aimed to raise awareness of the signs of stroke and the need to get urgent medical help.

Almost 65,000 people on GP registers in the North East have had a stroke, which is the third most common cause of premature death and a leading cause of disability in the UK.

Organ donation

We have supported a number of patients and their families to tell their stories of how their lives have been changed by an organ donation. Speaking to the local and national media, patients and families have helped to support a national awareness campaign to encourage more donations.

This year the Freeman Hospital celebrated the 30th anniversary of carrying out the first single lung transplant in Europe, and our cardiopulmonary transplant service is now one of the leading centres in Europe

The service performed its first heart transplant in 1985, followed two years later by its first lung transplant in 1987 and the first double lung transplant in Europe in 1990. Since then, the service has performed over 2200 heart and lung transplants, including 342 in children, and 81 combined heart lung transplants.

"My mum was transferred to the critical care unit and the staff have been absolutely amazing. I have stayed there 24/7 and seen first hand what an incredible job everyone does. I can see now why they have such a good reputation and we have had total faith in them all the way. So supportive, professional, skilled and they work so so hard."

Charitable Support

Like many Trusts we have a charity – Newcastle Hospitals NHS Charity – which raises money to support our services, paying for those extras over and above what NHS funding can provide. It has been another wonderful year of fundraising for our charity thanks to the generosity of our supporters who have run, swam, baked, shaved, danced, sang, climbed, cycled and so much more to show their support for the Trust, its services and staff.

The aim of the charity is to improve patient experience and enhance facilities for both patients and staff throughout the Trust. This includes providing extra equipment, supporting staff training and development, and funding new and innovative research projects.

The charity has been overwhelmed by the level of support received over the last 12 months. For many of the fundraisers, there is a very personal reason for their support, which is why the charity is proud to say that every penny raised is spent locally to help patients and their families from across the region and beyond.

Looking forward to 2018 the charity's spotlight is on our Northern Centre for Cancer Care Fund as it marks 40 years since the Charlie Bear for Cancer Care was launched and a decade since the creation of the Bobby Robson Foundation. Having previously worked together to bring stereotactic radiotherapy to the region, both funds remain dedicated to supporting cutting-edge treatment, research and facilities at the centre.

The charity would like to take this opportunity to thank everyone who has given their time, money and fundraising support over the last year, and everyone who is planning on raising money during 2018/19. The charity does not employ professional fundraisers and so relies completely on the enthusiasm and generosity of the public.

Thank you to the fundraisers who have supported the charity over the last year.

There are many ways that people can help the charity and here are just some of them. Anyone interested in fundraising for the charity should contact the Charitable Funds Office before they start to receive a letter of authorisation and also information on how the charity can support fundraising efforts.

Donations

Single or periodic donations are the most common form of support to the charity and cheques should be made payable to The Newcastle Upon Tyne Hospitals NHS Charity (no. 1057213) and sent to the Charity Fund Office, which can also provide standing order forms if required.

Payroll giving

Individuals can choose to make donations to a charity of their choice by having an agreed amount deducted from their salary. The chosen charity receives not only the donation but also the tax that would have been deducted on that amount. Employers can provide further information on payroll giving.

Share giving

Gifts of shares and securities can be transferred to the hospital charity and individuals can also receive tax relief on their donation.

Gift aid

Any donation made to a registered charity can be increased by 25% by using the Gift Aid Scheme. Anyone who pays income tax or capital gains tax can choose to have their donation Gift Aided and this will allow charities to recover from HM Revenue and Customs the tax paid on the contribution.

Legacies

After providing for their relatives, many people choose to make a gift to their local hospital in their will. This can be in recognition of personal treatment, or care provided to a loved one.

Matched giving

Many local businesses support charities by matching any fundraising efforts by their own staff. This doubles any money raised and is a great way of inspiring and increasing charity contributions.

Help and advice

For further information, help and advice on how you can support our charity contact:

Charity Fund Office, Peacock Hall, Royal Victoria Infirmary, Queen Victoria Road, Newcastle upon Tyne, NE1 4LP

Call: *0191 223 1434*

Email: *charity.matters@nuth.nhs.uk*

1. Performance Report

Chief Executive's Statement

On 1 May 2018 I was delighted to take on the role of Chief Executive of the Newcastle upon Tyne Hospitals NHS Foundation Trust. Before I joined the Trust I knew of its outstanding reputation, not only for the high quality services it provides to local people, but also its innovative work that benefits people across the region and in some cases the rest of England.

This annual report is packed with examples of that work, which is a testament to the skills, dedication and commitment of the 14,000 staff that choose to work in this organisation. I am truly fortunate to lead a Trust that has such high calibre staff, and as I get to know the organisation my initial impression of a high performing organisation is being reinforced by the caring attitude towards patients that I have witnessed in all the services I have visited.

Our staff truly do put patients at the heart of everything we do, and that is why our performance in national and local patient experience surveys is consistently high. While we should be proud of the services we provide, we must not be complacent.

Every health and social care organisation in the country is facing a tough challenge to continue to provide the best possible care to local people. We are all seeing an increasing number of people with complex needs who need our care, coupled with tight financial resources, and a national scarcity of staff with the right skills in many services.

I know from experience as a Chief Executive in other Trusts that the key to rising to these challenges is often greater partnership working – organisations with shared goals working alongside each other to tackle common challenges. That's why I was so pleased to hear about the partnership work that we are already doing with other organisations across the region.

Last year's annual report highlighted the joint work we're doing with Gateshead Health NHS Foundation Trust to provide excellent stroke services for local people, and we've further strengthened that relationship with ear, nose and throat services transferring to us from Gateshead and a successful joint bid to run local muscular skeletal services.

In partnership with Northumberland, Tyne and Wear NHS Foundation Trust, local authorities, clinical commissioning groups, Healthwatch and other partner organisations, we've together developed a joint strategy that provides a shared vision for the development of local intermediate care services for the next five years.

In many parts of the country NHS trusts, in partnership with local authorities and other bodies, have been looking at making structural changes to try to encourage greater partnership work. Locally organisations have chosen to look at practical ways they can work together rather than focus on creating new structures and organisations. To emphasise this approach to joint working we were delighted to join other local health and social care organisations in signing up to a Memorandum of Understanding that sets out our joint commitment to continuing to work together for the benefit of local people.

Every day our staff receive thank you letters and cards from grateful patients for the care they receive, and our congenital heart diseases (CHD) services are particularly highly prized by our patients and their families. So we were pleased by NHS England's decision to allow a level 1 congenital heart disease centre to remain in Newcastle after a lengthy national assessment and consultation process.

This recognised our unique position in providing a range of closely interlinked specialist services. The Freeman Hospital, where our CHD services are currently based, is one of only two in the country that carries out heart transplants for children. It is the main hospital for transplanting hearts for adults with CHD, we treat patients with some of the most complex conditions, and our outcomes are amongst the best in the country. As heart transplants were not part of NHS England's work on CHD it agreed that level 1 services could remain in Newcastle at least until March 2021. This allows further time for consideration of the commissioning approach for both the CHD and advanced heart failure and transplant services we provide, and we are continuing to work closely with NHS England on this.

Other great examples of partnership working is the creation of Diagnostics North East, which you can read more about in the Research section of this report and the development of one of three Advanced Therapies Treatment Centres in the country, which you can read more about in the Service Development section.

Partnership working is often a key feature of the research and development work that this Trust has quite rightly built a national and international reputation for. We work closely with universities, other NHS organisations, charities and patients on a wide range of research projects that have, or will potentially, make a huge difference to the care of people with a range of conditions. And it's great to see that for the seventh year running the Trust topped the national league for the number of opportunities patients have had to be involved in research (see page 12 for more information).

In this report you'll find lots more examples of how we're working across the Trust and with other organisations to provide and, where possible, improve services for people locally, regionally and nationally. I wanted to take this opportunity to thank every member of staff for their hard work and commitment to delivering the best possible services during 2017/18.

That commitment was severely tested by the winter as our services were put under considerable strain by a combination of harsh weather and high levels of influenza in the community. This pressure was felt across the NHS and the Department of Health took the unprecedented decision to allow organisations to cancel all but emergency and cancer operations to help improve the flow of patients through many hospitals in England.

Thanks to a combination of the dedication of our staff, excellent planning, and strong partnership arrangements with our colleagues in social services, we did not have to take this drastic step. But the Board of Directors does not underestimate the efforts that everyone in the Trust made to ensure that we continued to provide the care that local people needed at this very difficult time.

As the Trust's accountable officer it is my duty to present an annual review of the year for the organisation, but I cannot claim credit for the outstanding work that is showcased in this report. That is due to all our 14,000 staff under the leadership of the Board of Directors and particularly Louise Robson, Business & Development Director, and Andy Welch, Medical Director, who shared the responsibilities of Chief Executive for the last year. It is thanks to their commitment to maintaining stable leadership of the organisation through an undoubtedly challenging year that I

am in a position that many of my fellow Chief Executives across the country would envy – that of leading an organisation that delivers outstanding care, has a strong reputation for quality, and is tackling the financial challenges it faces with rigour and a commitment to continuing to providing the best possible services.

Looking forward to 2018/19 I hope to build on that firm foundation by continuing to work closely with partner organisations for the benefit of local people, and supporting our staff to achieve their full potential and celebrate their successes.

Dame Jackie Daniel
Chief Executive

25 May 2018

1. Performance Report
A. Overview of Performance

The purpose of this overview is to provide a summary of:
- The Newcastle upon Tyne Hospitals NHS Foundation Trust,
- Its purpose,
- The key risks to the Trust's objectives, and
- How the Trust has performed during the year.

Our Activities

The Newcastle upon Tyne Hospitals NHS Foundation Trust is one of the most successful teaching NHS trusts in the county. We offer the second highest number of specialist services than any other group of hospitals in the UK, have more than 1,500 beds, and more than 1.84 million patient contacts each year.

We provide innovative high quality services, including community and primary care services, locally, regionally and nationally. We deliver services from seven main sites including:

- Freeman Hospital, including the Institute of Transplantation, the Northern Centre for Cancer Care, and Renal Services Centre;

- The Royal Victoria Infirmary, including the Great North Children's Hospital and the Great North Trauma and Emergency Centre;

- Campus for Ageing and Vitality (the former Newcastle General Hospital);

- Newcastle Dental Hospital;

- Newcastle Fertility Centre;

- Northern Genetics Centre, and

- Cramlington Manor Walks.

We are proud of all of the services we provide to the people who need our care, but our flagship services include:

- The Cardiothoracic Centre at The Freeman Hospital – the only centre in the UK to provide complex cardiopulmonary surgery, including heart and lung transplants for children and adults.

- The Great North Children's Hospital – caring for infants, children and young people living as far north as Berwick in the Borders to Cumbria in the west and down to North Yorkshire to the south.

- The major trauma centre at The Royal Victoria Infirmary – serving a population of more than three million people.

- The Newcastle Centre for Cancer Care – providing state-of-the-art cancer care for the people of Newcastle and beyond.

- The Institute of Transplantation – where the first successful heart transplant on a child was carried out. It was also the site for the first single and dual lung transplants in Europe, and continues to have exceptional results.

- The Bubble Unit at The Royal Victoria Hospital – one of just two units in the country where children with severe immune system problems can be treated in an air-tight isolation ward.

During the last year we were commissioned to provide a range of diagnostic, acute, community and primary care services for a population spanning the North East of England, as well as some supra-regional and national services such as organ transplantation.

During the last 12 months we had 26,312 elective inpatient spells, 114,324 day cases, 54,087 emergency inpatient spells, 130,090 non-elective inpatient spells, 201,262 attendances at our accident and emergency department and walk-in centres, 286,850 new outpatient appointments, 682,808 review patient appointments and 291,242 outpatient procedures.
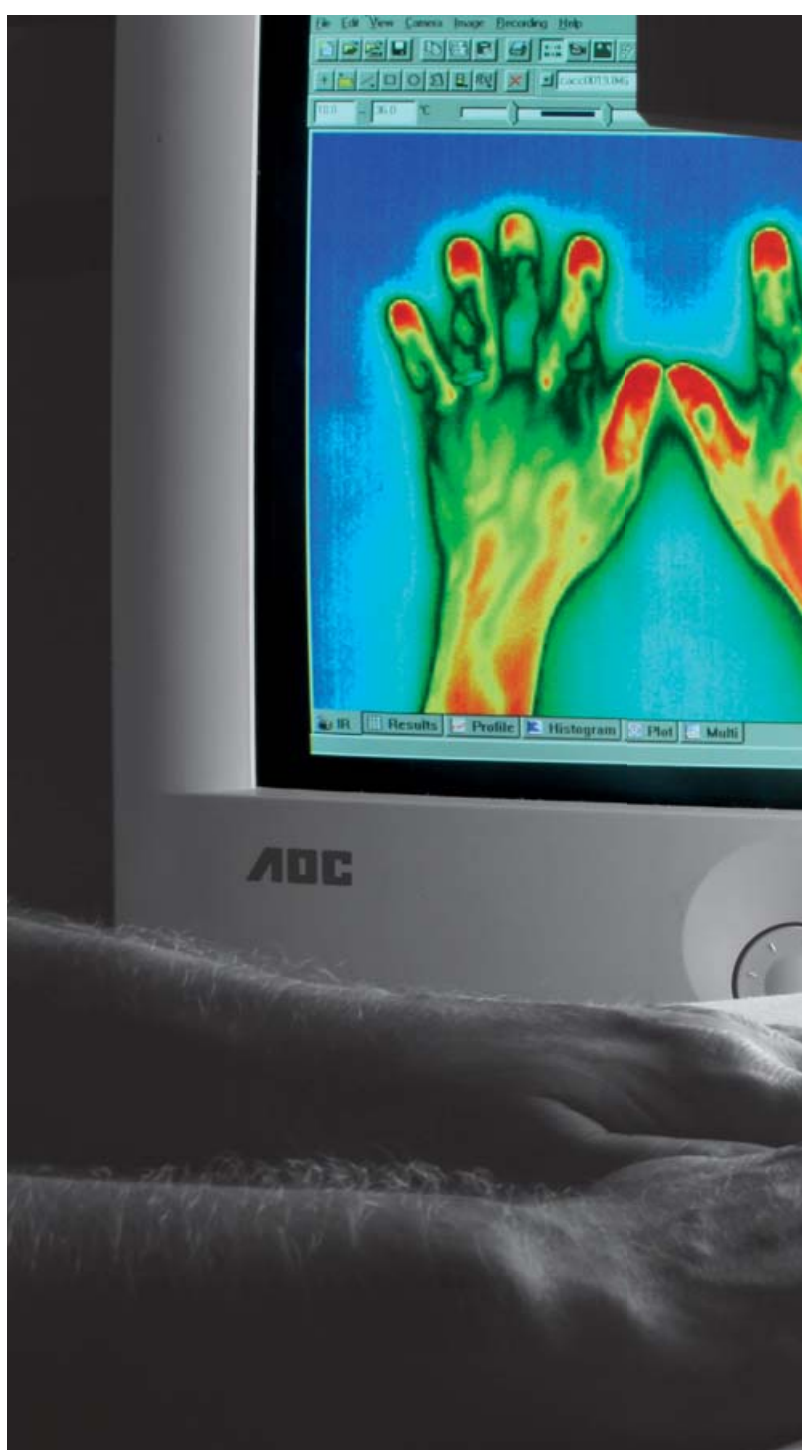
The Trust

The Newcastle upon Tyne Hospitals NHS Foundation Trust was formed on 1 June 2006 under the provisions of the Health and Social Care (Community Care and Standards) Act 2003 (consolidated in the National Health Service Act 2006).

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

Our vision is to be "the health service for greater Newcastle" and a leading national healthcare provider.

Our strategic goals are:

- Putting patients first and providing care of the highest standard, focusing on safety and quality.

- Working in partnership to deliver fully integrated care and promoting healthy lifestyles to the people of Newcastle.

- Being a nationally and internationally respected leader in research and development, underpinning our pioneer services.

- Enhancing our reputation as one of the country's top first class teaching hospitals, promoting a culture of excellence in all that we do.

- Maintaining sound financial management to ensure the ongoing development and success of our organisation.

Our core aim is "putting patients at the heart of everything we do" and our core values area:

- Patients come first;

- People and partnerships are important;

- Professionalism at all times;

- Pioneering services, and

- Pride in what we do.

Key risks to delivering our objectives

It is the view of the Board that the key risks faced during the year related to:

- The challenge to deliver the national cost efficiency demanded without compromising quality through achievement of a £31.7m Cost Improvement Programme.

- Commissioners' ability to fund the growing demand for clinical services.

- Significant workforce shortages across key groups of staff such as consultants and junior doctors, radiographers, theatre and ward nurses.

- Achievement of national performance targets, including the four hour A&E waiting time target, cancer waiting times, the *Clostridium difficile* target and associated financial penalties for breaches, and achievement of the 18 weeks referral to treatment target.

- Increasing emergency activity and intensive care capacity to meet the growing demand for this specialist care, partly compounded by emergency care models in other Trusts and the impact of queuing ambulances.

- Increasing pressure as a consequence of a significant number of medical boarders impacting on surgical specialties and delayed transfers of care (including repatriation delays to other local hospitals).

Going Concern

Throughout the year, and having a mind to the requirement to operate as a going concern, the Board of Directors was advised of the liquidity position, trading activity, compliance with the financial model of the Annual Plan, and achievement of financial targets.

Given the continuing strength of the Trust in terms of liquidity, the trading position, fit with the financial model and achieving the key financial targets, the Board of Directors was content that the Trust was, and is, a going concern, and the Annual Accounts have been prepared on that basis in consequence.

Therefore, after making thorough enquiries, the directors have a reasonable expectation that The Newcastle upon Tyne Hospitals NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Trust continues to adopt the going concern basis in preparing the accounts.

Operating and Financial Performance

1. Financial Performance

The Trust continued to demonstrate financial resilience in the 2017/18 financial year with a deficit of £4.4m (before Sustainability and Transformation Funding (STF) and exceptional items), (2016/17: £7.6m surplus). The Trust received an initial £6.3m STF funding, followed by a further £7.6m STF and with adjustments this resulted in a reported surplus of £9.5m. An overall Financial Risk Rating of 2 was reported, which was better than planned due to an improvement in the Trust debt service ratio (risk ratings run from 1 being the best to 4 being the worst).

Those results ensure that the Trust remains well placed to address the funding challenge facing all public services. In particular, there remains an underlying strength in the Balance Sheet with the opportunity to progress further innovation and, in particular, to derive the benefits from leading edge technologies.

"Looking to the future, we are determined to steer through the downside of the economic climate by sustaining demonstrable efficiency and effective use of public money, and sustaining the excellent ratings that have been accorded to the Trust year on year."

2. Income

The Trust generated total income of £1,043m (2016/17: £1,033.4m), which exceeded the plan set at the beginning of the year by £13.4m.

There was marginal over-performance against general acute contracts set by commissioners due to the growth in the number of patients presenting for emergency and elective care. However, the growth did not materialise at the rate anticipated, in part due to the management of referred activity. The demand for complex and specialist treatment was also lower than expected, though mitigated by over performance in the value of high cost drugs and devices provided by specialist commissioners (NHS England), as well as more distant Clinical Commissioning Groups (CCGs).

It is of note that the international reputation of the Trust has encouraged an increasing number of procedures to be undertaken for overseas patients. There was £4.4m of over performance from complex, specialist treatments provided to non-English patients, primarily overseas Severe Combined Immuno Deficiency (SCID) patients. This is great credit to the reputation of our clinical workforce.

Whilst the overall value of income from research and development reduced on the previous year it exceeded planned expectations for 2017/18 by £304k. Despite the redistribution of training and education funding streams to other healthcare institutions, the Trust generated more income than planned and the research portfolio continues to be strong.

2017/18 continued to see increasing levels of emergency presentation over the winter months, exacerbated by reconfigurations of neighbouring Trusts, and the increasing volumes served to constrain elective capacity.

The Trust did secure a total of £3.986m of additional funding from CCGs to address and prepare for the consequence of winter pressures and that resource was effectively deployed to ensure the Trust could manage extraordinary increased demand over the winter period.

It is to be noted that the level of private patient income was £3.9m, being 0.37% of total patient care income.

It can also be advised that some 95% (2016/17: 93.2%) of total income was received for the provision of NHS services in England, with the balance received from health service commissioners in Scotland, Wales, Northern Ireland and the Republic of Ireland.

What is most notable is that in this economically constrained environment the Trust has been required to increase reliance on non-recurrent income to sustain the 2017/18 financial position and to deliver to the required NHS Improvement Control Total. This cannot be sustained in the longer term.

3. Expenditure

Total expenditure for the year was £1,003.7.m (excluding finance costs and impairments), (2016/17: £989.8m).

The financial position demonstrated sufficient strength to manage the impact of workforce and non-pay cost pressures, which proved to be inflationary for the Trust and placed recurrent pressure on the cost base. Agency costs however, were managed well within the required national limits.

Cost reductions arising from the sustained involvement of healthcare professionals in ensuring the cost effective delivery of services have ensured stability.

"A great deal of thanks is offered to the amazing people who looked after ALL of us."

4. Capital Expenditure Plans

Capital expenditure totalled £22.7m (2016/17: £31m).

Expenditure was primarily for the replacement of medical equipment, including two replacement CT scanners and a further linear accelerator, planned maintenance, and IT and estate infrastructure.

5. Delivering Value for Money in the Public Interest

In 2017/18 the cost efficiency requirement was £31.7m. On closure of the financial year, the efficiency saving delivered by the Trust was £29m. However some of this efficiency was non-recurrent and a shortfall of £6.3m against the recurrent target remains.

For the third year it has not been possible to deliver the recurrent saving requirement. It is a signal of the constant downward financial pressure and unprecedented demands upon the expenditure base.

It is a disappointment that the recurrent saving could not be delivered without compromise to the scope, scale and inherent quality of the service portfolio, but in this period it could not be done without detriment to the interests of the patients.

As we look to the future, the requirement for sustained and demanding efficiencies will continue to challenge all public bodies. Every effort is taken to eliminate waste, to secure savings and deliver productivity gains in areas which do not have a detrimental impact on the direct delivery of patient care and treatment. Savings from on-going tendering and procurement rationalisation, staffing reviews, and a wide range of smaller opportunities delivered at ward and department level continue to be the focus of very detailed attention.

In addition, the Trust continues to review the efficiency of clinical pathways to improve the patient experience and the quality of the services provided while at the same time reducing costs.

Given the economic challenge facing the NHS and the anticipation of minimal growth in real terms, the Trust is recognising that transformational change, cost reduction and productivity gains must provide a much higher proportion of the future savings requirement and the Trust has repeated its investment in 2018/19 to ensure that opportunities are maximised in this regard.

6. The Balance Sheet

The assets of the Trust owned estate were valued at £292.9m on 31 March 2018. In addition the Trust has a further £183.3m of PFI assets.

The Trust has valued its land and buildings on a single, optimal site basis and funded through PFI or PF2 arrangements. Such funding is exempt from VAT.

The closing year end cash balance at 31st March 2018 was £85.7m (2016/17: £103m). While this balance provides strength as the leading healthcare provider in the North East, the Trust continues to operate in an increasingly challenged financial environment and changing business delivery landscape.

7. Operational Future

As we look to the future, the NHS remains exposed to an unavoidable cost improvement requirement if it is to maintain services in the face of a real term cut in tariff and non-tariff income, as well inevitable inflationary cost pressures. The increased reliance on non-recurrent income to balance the 2017/18 financial position is an indication of pressure on the underlying financial position, and this pressure will exacerbate as the Trust will be required to deliver increasing cost efficiencies if it is to continue to deliver to operational and financial targets and sustain financial stability in an increasingly difficult climate.

Financial instability also presents a challenge to an increasing number of local CCGs. While to date commissioners have met commitments in terms of increasing patient volumes this is a concern for the future.

There is an ongoing focus on encouraging engagement with community and local authority partners and the challenge remains to ensure integration and deliverability of the increasing patient throughput by developing effective schemes to ensure patients are treated in the community setting where appropriate. The opportunity for whole service integration continues to be a goal pursued with enthusiasm.

In relation to education and training funding, there is fundamental concern that the revision of training levies has resulted in material income reductions. The move towards a new training and education funding tariff and the further expectation of central departmental cuts presents a further future challenge to that income stream. Managing the consequence of those reductions without detriment to the delivery of best in class medical and non-medical education and training will prove to be a challenge.

In this environment partnerships are crucial to future stability and the Trust remains well positioned through relationships with Newcastle University to encourage and implement innovation and research and is engaged at national level to ensure the appropriate input to influence changes to future tariff mechanisms.

8. Subsidiaries

The Trust is a stakeholder in a number of spin-offs and commercial ventures, of which the most important is Freeman Clinics Limited; that operates three health centres in partnership with local GPs at Ponteland Road, Newcastle; Battle Hill, North Tyneside; and Earsdon, North Tyneside.

The Trust also holds shares in and is represented on the Boards of NewGene Limited, which markets novel genetic tests to other NHS bodies; Pulse Diagnostics Limited, which is seeking to commercialise an invention for the non-invasive detection of Peripheral Vascular Disease; and Limbs Alive Limited, which has been involved in developing advanced games software for therapeutic benefits.

Trust Directors who sit on the Boards of spin-off companies are not remunerated for the latter role.

9. In Summary

The Trust continues to strive to deliver to all financial targets without compromise to its national standing as a safe, effective service provider with a comprehensive service portfolio.

Looking to the future, we are determined to steer through the downside of the economic climate by sustaining demonstrable efficiency and effective use of public money, and sustaining the excellent ratings that have been accorded to the Trust year on year.

The Board of Directors is confident of maintaining the long established record of sound financial management and provision of a service portfolio of both national and international esteem.

1. Performance Report
B. Performance Report

Analysis of Performance

We pride ourselves on consistently striving for excellence in healthcare and we closely monitor performance against key targets to ensure high levels are achieved and maintained across the organisation. Monitoring also flags up unplanned changes or under performance, which are reviewed and escalated, as appropriate. This can sometimes require recovery actions by clinical teams.

Our Performance Management Framework has clear mechanisms for tracking and escalating performance within directorates. The Framework is used by the Board of Directors, senior management, and the whole organisation to drive continuous improvement.

While we continually achieve high performance in comparison to local and national peers, there are significant challenges in meeting nationally mandated performance requirements. This is predominately due to high levels of demand, capacity pressures - including national shortages of suitably trained staff - and commissioner affordability constraints.

Risks to performance compliance are significant in:

- Underperformance in activity and income;
- A&E four hour standard;
- Ambulance handover delays;
- 6 week diagnostic standard; and
- *Clostridium difficile* infection.

As well as the Performance Management Framework all clinical directorates and nominated supporting directorates are subject to regular risk-based assessments via a rolling programme of performance reviews. The reviews incorporate multi-faceted performance data, including finance and Cost Improvement Programme (CIP), activity and income, core operational standards and internal key performance indicators (KPIs), risk register review, human resources, and productivity and efficiency.

The reviews ensure that all directorates are progressing in line with their strategic aims and objectives, including their contribution to the delivery of the Trust's strategy. They also provide an opportunity to address areas of under-performance as well as acknowledge areas of strong performance. They are further complemented by six monthly directorate quality and patient safety reviews chaired by the Medical Director (as outlined in the Quality Assurance Strategic Plan).

2017/18 activity by point of delivery against 2016/17 out turn

Over the last 12 months we saw the number of patients admitted for hospital care drop by 3.8% (7.877 spells) and non-admitted activity also reduced by 2.2% (23,902 spells of care). This has an impact on the financial position of the Trust as it is paid a tariff for each inpatient and outpatient spell of care.

Activity & Income by point of delivery – March 2018 *(Tariff based Outpatients & Inpatients)*

Point of Delivery	Activity					Income					Variance from Month 6 FOT	
	Plan	Actual	Variance			Plan	Actual YTD	Variance			Activity	Income
			Vol	%	16/17 outturn			Vol	%			
Day Case	117,423	113,696	-3,727	-3.2%	-877	£69,456,902	£68,204,096	-£1,252,806	-1.8%		-647	-£558,694
Elective	30,403	26,168	-4,235	-13.9%	-1,706	£102,441,873	£95,207,477	-£7,234,396	-7.1%		-348	-£1,455,686
Emergency	54,240	54,019	-221	-0.4%	-205	£129,128,991	£131,842,629	£2,713,638	2.1%		-23	£3,169,415
Non Elective	4,500	4,806	306	6.8%	155	£20,001,333	£22,734,785	£2,733,452	13.7%		51	£580,188
New Outpatient	254,231	251,738	-2,493	-1.0%	3,028	£46,485,357	£45,156,709	-£1,328,648	-2.9%		-1,878	-£764,442
Review Outpatient	624,874	601,329	-23,545	-3.8%	-7,433	£52,039,906	£50,063,774	-£1,976,132	-3.8%		-3,285	-£485,394
Outpatient Procedures	220,897	223,033	2,136	1.0%	12,204	£29,224,461	£29,718,072	£493,611	1.7%		-2,961	-£240,450
Admitted Total	**206,566**	**198,689**	**-7,877**	**-3.8%**	**-2,633**	**£321,029,099**	**£317,988,986**	**-£3,040,113**	**-0.9%**		**-967**	**£1,735,222**
Outpatient Total	**1,100,002**	**1,076,100**	**-23,902**	**-2.2%**	**7,799**	**£127,749,724**	**£124,938,556**	**-£2,811,168**	**-2.2%**		**-8,124**	**-£1,490,285**
Total	**1,306,568**	**1,274,789**	**-31,779**	**-2.4%**	**5,166**	**£448,778,823**	**£442,927,542**	**-£5,851,281**	**-1.3%**		**-9,091**	**£244,937**

**Red** <0%, **Amber** 0-1%, **Green** >1%   **Red** <2.5%, **Amber** <-2.5% to +2.5%, **Green** >2.5%

Waiting Times

During 2017/18, and despite significant capacity challenges, the Trust achieved the referral to treatment (RTT) 92% incomplete standard. This was contrary to the national picture where, for the first time since August 2012, the number of patients waiting over a year for treatment exceeded 2,000.

Over 36 week waits (All Specialties) Trend
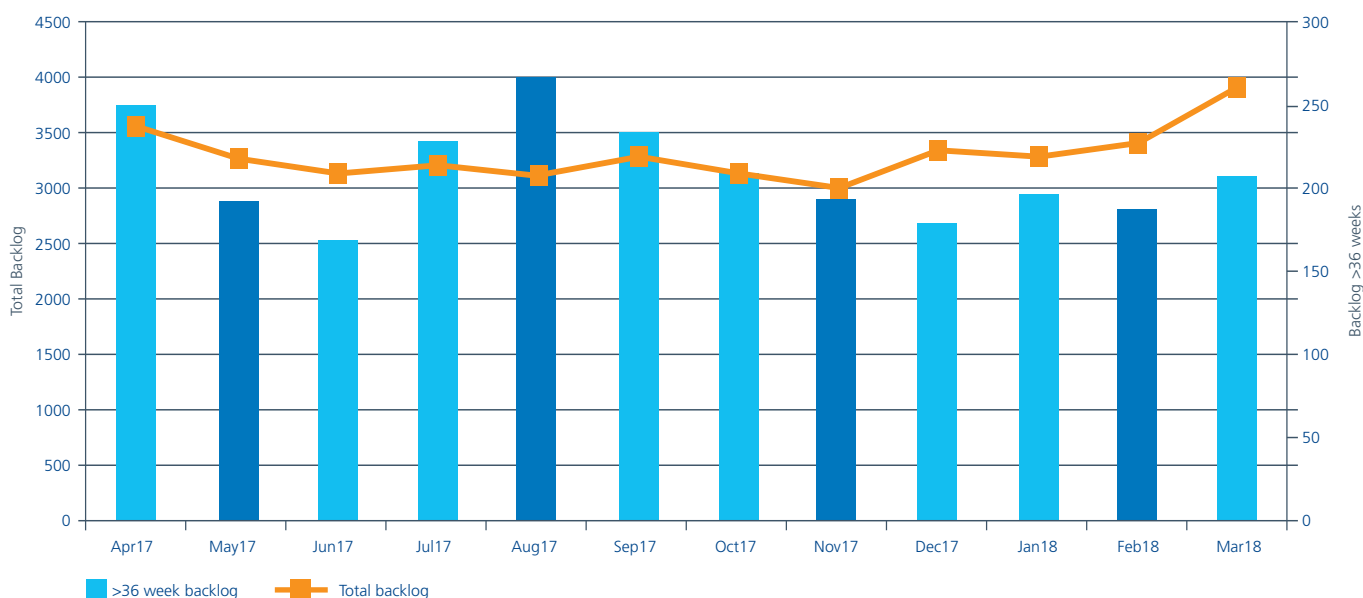
For 2018/19 providers are expected to plan on the basis that their RTT waiting list will be no higher in March 2019 than in March 2018. That will be a challenge for us as we estimate the RTT waiting list will slowly increase over that period in line with the 2.2% increase we saw over the last ten months. The growth is being driven by a number of factors, including services and activity transferring from other providers.

Diagnostic Target

The Trust failed to meet the 99% standard in 2017/18 - achieving 98% - largely due to longstanding staff shortages in radiology. We achieved the target in the previous year with a performance of 99.2%, but predicted that maintaining that level would be a challenge for the organisation.

Cancer Waits

The Trust failed to meet the two-week wait standard for symptomatic breast patients due to patient choice and an unprecedented number of patient cancellations as a result of bad weather, but all other cancer standards were on track to be achieved at the end of March 2018.

Cancer Targets as at February 2018

Cancer Waiting Times	Target	Qtr 2	Qtr 3	Jan 18	Feb 18
All cancers: 2 week wait	93%	96.2%	96.2%	95.8%	97.0%
2 Week Wait for Symptomatic Breast Patients (Cancer Not initially Suspected)	93%	90.8%	96.0%	97.1%	91.3%
All cancers: 1 month diagnosis to first treatment	96%	98.0%	96.6%	94.0%	97.0%
All cancers: 1 month diagnosis to subsequent treatment - surgery	94%	96.4%	94.9%	95.2%	94.5%
All cancers: 1 month diagnosis to subsequent treatment - drug	98%	97.4%	99.3%	97.9%	99.2%
All cancers: 1 month diagnosis to subsequent treatment - radiotherapy	94%	98.7%	99.4%	98.2%	98.8%
All cancers: 2 month urgent referral to treatment	85%	86.7%	83.6%	80.7%	85.0%
Percentage patients referred from cancer screening service treated within 62 days	90%	88.7%	88.0%	90.8%	93.8%

Accident and Emergency Activity

As a result of significant operational pressures we failed to achieve the A&E four hour standard in March 2018 with a performance of 91.7% against the 95% standard. However, this was against the backdrop of national performance against the standard at 84.6% - the lowest level in 15 years - and just three non-specialist acute trusts managed to hit the target.

For 2018/19, providers are expected to improve their A&E performance to above 90% by September 2018 and achieve the 95% target by March 2019.

Emergency (A&E) Indicators

Emergency Indicators	Qtr 1	Qtr 2	Qtr 3	Control Total – Suspension of Penalties		
				Jan-18	Feb-18	Mar-18
A&E 4hr Standard (Target: 95.0%)	94.4% £45.1k	95% £11.4k	94.6% £25.08k	91.8% £65.88k	91.7% £64.44k	91.7% £69.12k
Trolley waits in A&E >12 hours (Target: Nil)	0	0	0	0	0	0
A&E handovers delays >30 minutes (Target: Nil)	92 £18.4k	39 £7.8k	97 £19.4k	56 £11.2k	84 £16.8k	93 £18.6k
Handover breaches >60 minutes (Target: Nil)	0	0	0	0	0	0

Over the winter Trusts across the country were reporting unprecedented levels of demand on A&E services having a knock-on effect on ambulance services, and in March 2018 we reported 93 ambulance handovers of more than 30 minutes. This was largely as the result of administrative delays caused by a new regional ambulance handover process. We are working closely with our colleagues in the ambulance service and other provider organisations to try to improve the process and ensure clinically safe handovers.

As well as national targets for A&E, the Trust also works towards a number of targets agreed locally with commissioners, including unplanned re-attendance and patients leaving the department without being seen. During 2017/18 we achieved both these targets, despite taking a number of diverts from other provider organisations.

Local A&E Indicators

Local A&E Indicators		Apr-17	May-17	Jun-17	Jul-17	Aug-17	Sep-17	Oct-17	Nov-17	Dec-17	Jan-18	Feb-18	Mar-18
Unplanned re-attendance rate (CCG) (Target: <5.0%)	RVI Main ED	3.5%	3.6%	3.1%	3.2%	3.6%	3.1%	3.7%	4.1%	3.9%	3.5%	3.8%	3.5%
	Eye Casualty	0.7%	0.4%	0.4%	0.1%	0.4%	0.0%	0.0%	0.1%	0.4%	0.2%	0.4%	0.4%
Left department without being seen rate (CCG) (Target: <5.0%)	RVI Main ED	4.1%	5.4% £2.6k	4.0%	4.1%	4.0%	4.7%	3.8%	3.0%	4.2%	3.6%	4.6%	3.6%
	Eye Casualty	0.7%	1.1%	0.5%	1.0%	0.6%	0.4%	0.6%	0.9%	1.6%	2.2%	2.3%	3.9%

Delayed Transfers of Care

A target was set to reduce delayed transfers of patient care to the level where they occupied no more than 3.5% of available NHS bed days by September 2017.

In March 2018 we reported 1,729 delayed bed days, a loss of 55.77 bed days compared to the 35.86 target. Some 85% of the delays were attributable to the NHS, but delays due to social care continued to increase mainly due to patient choice and delays in arranging care packages, which were also a feature of the NHS attributed delays.

Delayed Transfers of Care Bed Days
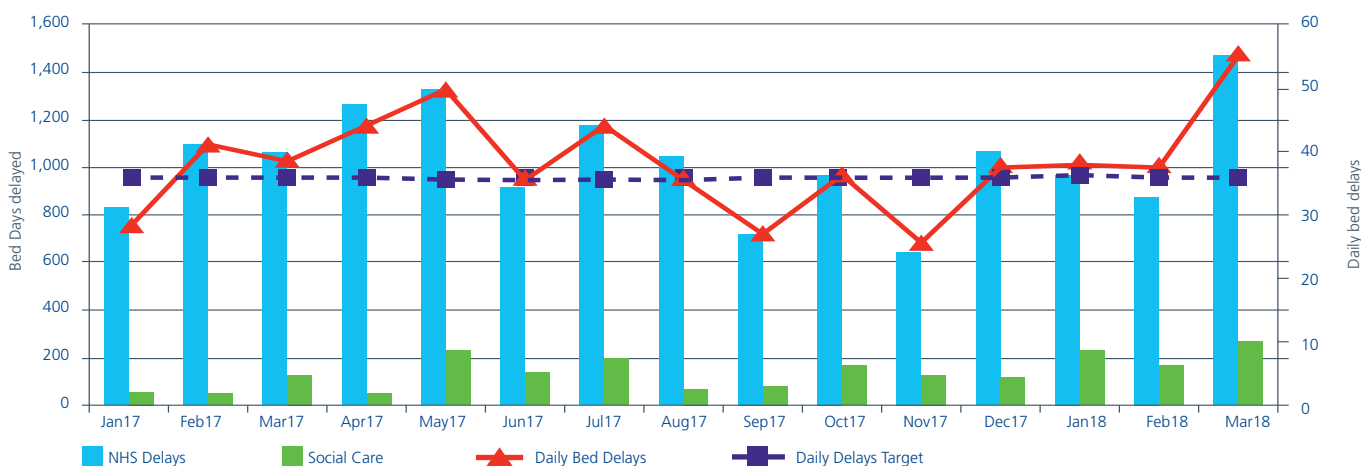
Infection prevention and control

In 2017/18 there were four cases of MRSA, taking into account one successful appeal. This was an improvement on the nine cases reported in 2016/17.

As of 31 March 2018, the Trust reported a total of 82 cases of *clostridium difficile* against a target of 77 and taking into account six successful appeals. There were four appeals still pending, which if successful, would mean that the organisation exceeded its trajectory for the year by one case.

The trajectory for clostridium cases in 2018/19 is 76 cases, one less than the target for 2017/18.

Sustainability

Sustainability means spending public money wisely, the efficient use of natural resources, and contributing to building healthy resilient communities.

We are committed to delivering outstanding healthcare services, improving health now and for future generations. To achieve this commitment to sustainability we recognise that we need to work to:

- Reduce carbon emissions;
- Make the best use of scarce resources;
- Build resilience to a changing climate; and
- Nurture community strengths and assets.

The Board of Directors has previously approved a sustainable healthcare strategy for 2016-20, which outlines how we aim to achieve this.

NHS Trusts are required to report on sustainability and we were awarded a certificate for excellence in sustainability reporting for our 2016/17 annual sustainability report, as well as being ranked first out of 472 NHS providers and CCGs. To hopefully maintain this success we have produced a more detailed sustainability report for 2017/18, which is available on the Trust's website **http://www.newcastle-hospitals.org.uk/about-us/environment-and-sustainability_latest-news.aspx**.

The following is a summary of our key successes over the last 12 months.

Energy

A lot of our work over the last year has been on financial sustainability, agreeing a capped procurement strategy for the next three years. We have also built on our commitment to support renewable energy by not only procuring renewable electricity for our non-acute sites, but also for the grid electricity to our large acute hospital sites for the times when they need more electricity than our energy centres can provide.

Water

Working closely with our Water Safety Group and Director of Infection Prevention and Control, we agreed to reduce the flushing of all outlets from three minutes a day to one minute twice a week to further reduce water consumption but at the same time maintain patient safety.

Waste

We have continued to reduce the amount of hazardous clinical waste we dispose of, and also increased our recycling rate to 50% of non-healthcare waste. Introducing packaged food waste recycling has made a major contribution to this position.

Buildings and Land

We introduced strict sustainability criteria into our new grounds maintenance contract to reduce the environmental impact of our work and enhance the biodiversity of our sites. We will work closely with the chosen contractor over the next few years to further enrich our green spaces for the benefit of patients, staff and wildlife.

Purchasing

The Freeman Hospital's catering team became one of the first organisations in the UK to achieve the Green Kitchen Standard for sustainability. Allied to our existing Soil Association Food for Life Silver Award, we can demonstrate that sustainability is at the core of our food provision for patients, staff and visitors.

Journeys

Our community nursing staff successfully piloted mobile working with the introduction of hand held devices that have reduced travelling time for staff, increased productivity, cut travel costs and local air pollution associated with car travel.

Care

In line with our commitment to moving care closer to home we have introduced a programme of establishing diabetes clinics in schools. This not only helped young people to be more actively involved in the management of their condition, but it also cut the amount of travelling patients previously had to do, and in turn reduced local air pollution.

People

Engaging staff in sustainability initiatives is an integral part of embedding a culture of sustainability in the Trust. Over the last year we ran a number of awareness events including our first Waste Awareness Week, which was hugely successful.

We launched Green Impact - a staff competition to complete sustainability actions in their work area - and a wide variety of clinical and non-clinical teams got involved.

We also gathered feedback from staff on our sustainability efforts, including asking how important they think that the Trust should act sustainably and over 84% said it was very important.

Shine
Sustainable Healthcare in Newcastle

Health & Safety

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

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

- Staff related incidents e.g. trips, slips, falls, violence and aggression;

- Quarterly reports on health and safety compliance audits;

- Quarterly reports on the health and safety inspection programme;

- The slips, trips and falls strategy;

- Needlestick and sharps incidents and training;

- Work to reduce violence and aggression by patients towards staff;

- Arrangements to manage and reduce staff stress, and

- Health and safety training.

During 2017/18 there were 23 incidents that required reporting nationally compared to 21 in 2016/17.

2. Accountability Report

Board of Directors

During 1 April 2017 and 31 March 2018 there were 11 ordinary meetings of the Board of Directors and no extra-ordinary meetings. In compliance with the requirements of the Health and Social Care Act 2012, the Board meets in public every month (except August) and these meetings are followed by a private business section.

The Board has overall responsibility for the strategic direction of the Trust, taking into account the views of the Council of Governors and in particular their views on the Annual Plan. Executive and Non-Executive Directors have an open invitation to attend all meetings of the Council of Governors. During 2017/18 a number of informal meetings of Governors were held with the Board of Directors to gain a fuller understanding of the views of Governors.

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

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

The balance, completeness and appropriateness of the members of the Board is reviewed periodically and when any vacancies arise among Executive or Non-Executive Directors.

Detail of board appointments, their backgrounds and attendance at Board meetings

	Attendance at ordinary meetings
Prof. Sir J Burn, Chairman Appointed 1 December 2017 for three years Former genetics consultant and lead of the regional Genetics Centre	4 of 4
Prof. D Burn, Non-Executive Director Appointed 3 July 2017 for three years Pro-Vice Chancellor of the Faculty of Medical Sciences, Newcastle University	7 of 8
Prof. C Day, Non-Executive Director Appointed 1 April 2008, renewed 1 April 2013. Left 30th June 2017 (term of office up to five years, discretion of Newcastle University) Vice-Chancellor and President Newcastle University	1 of 3
Dame J Daniel, Chief Executive Appointed 1 May 2018 Nurse and Career NHS manager	N/A
Mrs A Dragone, Finance Director Appointed 9 March 2009 Career NHS accountant and finance manager	10 of 11
Sir L Fenwick, Chief Executive Appointed June 2006, started a period of extended leave January 2017, dismissed August 2017 * 4 Board meetings were held during the period in which Sir L Fenwick was on extended leave	0 of 4*
Mr K Godfrey, Non-Executive Director Appointed 27 July 2017 for three years Former consultant in obstetrics and gynaecology and former Medical Director of Gateshead Health NHS Foundation Trust	8 of 8
Mr J Jowett, Non-Executive Director Appointed 1 November 2016 for three years Company Secretary and General Counsel for Greggs PLC	10 of 11
Mrs H Lamont, Nursing and Patient Services Director Appointed 1 April 2009, retired 29 March 2018 Career NHS nurse and manager	10 of 11
Prof. K McCourt, Non-Executive Director Appointed 1 December 2015 for three years Former Executive Dean, Faculty of Health & Life Sciences, Northumbria University	9 of 11

	Attendance at ordinary meetings
Mrs H Parker, Non-Executive Director Appointed 1 June 2006 for two years Appointed 1 June 2008 for three years Appointed 1 June 2011 for three years Appointed 1 June 2014 for final three years Appointment extended until end September 2018 Commercial property lawyer	10 of 11
Mrs L Robson, Business and Development Director/Joint Acting Chief Executive Appointed to Director role 22 October 2012, appointed to Acting Chief Executive role from 8th June 2017 until 30 April 2018 Career NHS manager	11 of 11
Mr K W Smith, Chairman Appointed 1 September 2006, interim Chairman 1 March 2007 Appointed Chairman 19 September 2007 Term extended to 22 September 2011 Appointed 23 September 2013 for three years Appointment extended until September 2017 Appointment extended until November 2017 Former Treasurer and Chief Executive of County Durham Council; advisor to NSK, global Japanese company	6 of 7
Mr D G Stout, Non-Executive Director and Vice Chairman Appointed 1 August 2013 for two years Appointed 1 August 2015 for three years Appointed as Vice Chairman 15 September 2016 Career NHS finance manager	10 of 11
Mr E Weir, Non-Executive Director Appointed 1 October 2010 Appointed 1 October 2011 Appointed 1 October 2012 Appointed 1 October 2013 Appointed 1 October 2014 Appointed 1 October 2015 Appointed 1 October 2016 (term of office annual, discretion of Newcastle City Council) Director of Wellbeing, Care and Learning, Newcastle City Council	6 of 11
Mr A R Welch, Medical Director/Joint Acting Chief Executive Appointed to Director role 1 April 2013, appointed to Acting Chief Executive role from 8th June 2017 until 30 April 2018	10 of 11

In August 2017 Sir Leonard Fenwick was dismissed from his role as Chief Executive of the Trust for gross misconduct after a disciplinary panel found that allegations relating to inappropriate behaviour, use of resources, and a range of governance issues were proven.

Except where identified above the Non-Executive Directors were appointed with effect from 1 June 2006 under the transitional arrangements pursuant to paragraph 19 of Schedule 1 of the Health and Social Care (Community Health and Standards Act 2003) and for a period of 12 months or the unexpired portion of their original term of appointment, whichever is the longer. The Council of Governors has the power to terminate the appointments of the Chairman and other Non-Executive Directors, subject to the approval of 75% of the membership.

The Board has undertaken a periodic review of its activities in terms of its business agenda and the completeness of processes for arriving at, implementing and monitoring its decisions, and those of the standing committees of the Board.

For each individual who was a Director at the time that the Annual Report and Accounts were approved, so far as Directors were aware, there was no relevant audit information of which the Auditors were unaware. The Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Auditors were themselves aware of that information.

The accounts have been prepared in line with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

The Trust has not made any political donations during 2017/18.

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

• Mr E Weir declared an interest in any matters pertaining to Newcastle City Council and left the room during Board discussions on contractual matters between the Trust and Newcastle City Council.

• Professor D Burn declared an interest in any matters pertaining to Newcastle University and left the room during Board discussions on Estates matters between the Trust and Newcastle University.

During 2017/18 members of the Board of Directors claimed a total of £1,707.18 in expenses. This was largely for business travel.

Audit Committee

The Board of Directors has established a formally constituted Audit Committee, comprising of four Non-Executive Directors, and, in attendance, Trust officers, internal and external auditors.

The key purposes of the Audit Committee are to provide the Board with:

- An independent and objective review of financial and organisational controls, and risk management systems and practice;

- Assurance of value for money;

- Compliance with relevant and applicable law;

- Compliance with all applicable guidance, regulations, codes of conduct and good practice; and

- Advice as to the position of the Trust as a "going concern."

In the course of 2017/18 there were no significant issues that the Committee had to consider in relation to the financial statements. During the year the Committee reviewed the following significant risks:

- Management over-ride of control;

- Fraud in revenue and expenditure recognition; and

- Valuation of property, plant and equipment.

These have been considered through the presentation of the external audit plan and discussions with the Trust's external auditors, PricewaterhouseCoopers LLP.

Four ordinary meetings and one extraordinary meeting were held between 1 April 2017 and 31 March 2018 and attendance was as follows:

	Attendance at ordinary meeting	Attendance at extraordinary meeting
Mr D Stout, Non-Executive Director (Committee chair)	4 of 4	1 of 1
Mr J Jowett, Non-Executive Director	3 of 4	1 of 1
Prof. K McCourt, Non-Executive Director	4 of 4	0 of 1
Mrs H Parker, Non-Executive Director	3 of 4	0 of 1

To ensure that the independence of the external auditors is not compromised where work outside the scope of the Audit Code has been produced from the external auditors, the Trust has a policy which requires that no member of the team conducting the external audit may be a member of the team carrying out any additional work and their lines of accountability must be separate.

The Council of Governors has the statutory responsibility for the appointment of the external auditors, and this process is led by a sub-group of public governors supported by Trust officers. On 21 March 2013, following a robust procurement and evaluation process, the Council of Governors endorsed a recommendation of the sub-group that PricewaterhouseCoopers LLP should be appointed as the Trust's external auditors for a period of five years subject to satisfactory annual review.

At the time of writing this report a procurement process had begun, with the full involvement of the Council of Governors, to re-tender this five year contract.

The value of non-audit services provided by PricewaterhouseCoopers LLP in the course of 2017/18 was £9,995 for work related to the Quality Report. A further £3,859 has been included as additional audit fees relating to 2016/17 for additional work on the annual report and accounts resubmission.

Internal Audit

The Audit Committee ensured that there was an effective internal audit function established by management that met mandatory Internal Audit Standards and provided appropriate independent assurance.

The Trust receives its internal audit service from AuditOne. Activity each year is conducted in the context of a three-year rolling strategy and an annual work plan, with an agreed number of days also set aside for ad hoc work at the request of the Trust. The work plan includes reviews of non-financial and financial systems, governance arrangements and IT systems, including security. Assurance has been achieved by:

- Reviewing and approving the Internal Audit Strategy and operational plan and a more detailed programme of work, including regular updates of performance against plan;

- Consideration of the major findings arising from internal audit work and management's responses;

- Receipt of the internal audit Annual Report and Head of Internal Audit Opinion; and

- Monitoring progress with implementation of agreed audit recommendations.

Better Payments Practice Code

The Trust is required to pay trade creditors in accordance with the national Better Payments Practice Code and Government Accounting Rules, which require that:

- Bills are paid within 30 days, unless covered by other agreed payment terms;

- Disputes and complaints are handled by a nominated officer;

- Payment terms are agreed with all traders prior to the commencement of contracts;

- Payment terms are not varied without prior agreements with traders; and

- There is a clear policy of paying bills in accordance with contracts.

Any complaints received from traders regarding payments were recorded, investigated and the appropriate action taken, where necessary.

The Trust paid 91% of non-NHS trade invoices within target (2016/17: 92%) and 77% of NHS trade invoices were paid within target (2016/17: 80%).

Full details of the Trust's performance against the Better Payment Practice Code are included within note 6 of the Annual Accounts.

Quality Governance

We have a Quality Governance Strategy covering the period 2015-18 and key themes of the strategy include:

- Drawing the quality governance streams of work together to help the organisation function more effectively;

- Embedding quality in everything we do and striving for continual improvement;

- Putting patients first and involving them in how their care is delivered and services designed;

- Ensuring patients receive treatment that is safe and clinically effective;

- Developing our workforce so they have the skills, knowledge and behaviours to contribute fully to high quality patient care;

- Developing our leadership capability and capacity, underpinned by the right behaviours and practice, to deliver our strategy; and

- Assuring quality governance and management of our risks is subject to rigorous challenge.

We have a robust quality governance reporting structure in place through the established Clinical Governance and Quality Committee, Risk Management and Assurance Committee, and other committees and groups. Together they provide an overarching quality governance framework within which our services are delivered in line with the Quality Governance Strategy.

The Board of Directors uses NHS Improvement's Quality Governance Framework to evidence that:

- it accurately understands the quality of the care provided by the Trust;

- it is able to assess and mitigate risks to quality; and

- quality is seen as the responsibility of the whole Board.

We are committed to continuous quality improvement and have put in place tools to address any identified areas of under-performance. A detailed Integrated Quality Report, which provides an update on key quality issues, is presented to every public Board meeting and Council of Governors meeting.

Reports on quality are submitted to a number of Board sub-committees related to the priorities agreed in the Quality Account and a six month progress report is also presented to the Board.

Our Assurance Framework is aligned to the organisation's strategic objectives and risks. Responsible Executive Directors regularly update the framework, which is a regular agenda item at both the Audit and Risk Management and Assurance Committees, and is reported to the Board quarterly.

There are no material inconsistencies between the annual governance statement and the information provided by us to NHS Improvement on an in-year, annual and ad-hoc basis in line with the Single Oversight Framework.

The Directors' approach to quality governance is explained in more detail in the Annual Governance Statement and Quality Report.

"We have a robust quality governance reporting structure in place through the established Clinical Governance and Quality Committee, Risk Management and Assurance Committee, and other committees and groups. Together they provide an overarching quality governance framework within which our services are delivered in line with the Quality Governance Strategy."

Income Disclosures

The Trust has complied with Section 43 (2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) which required that the income from the provision of goods and services for the purposes of the health services in England must be greater than its income from the provision of goods and services for any other purposes.

The impact of other income on the Trust is insignificant. The Trust statutory accounts include a detailed breakdown of other income in note 4 of the Accounts and further information is disclosed in the Operating Review section.

Annual Statement on Remuneration from the Chairman

The Trust has an Appointments and Remuneration Committee, which has been in place since the organisation was established. The Committee advises the Board on appropriate remuneration and terms of service for the Chief Executive, Executive Directors and other senior members of staff. During the year the Committee considered arrangements for the appointment of a new Chief Executive and an interim Director of Nursing.

The Committee met six times during 2017/18 and its work included:

- Conducting recruitment processes for the Trust's Chief Executive Officer and an Interim Nursing and Patient Services Director;
- Reviewing and refining the Trust's succession planning process;
- Reviewing and refining the Very Senior Manager Executive Pay and Performance Review process, and Contracts of Employment;
- Agreeing the payment mechanism for the Executive Director on-call rota;
- Reviewing its Terms of Reference and agreement of an Annual Report for the Committee; and
- Approving the Trust's Clinical Excellence Awards.

Senior Managers' Remuneration Policy

The Appointments and Remuneration Committee oversees the remuneration for, and performance of, Executive Directors.

Components of remuneration are:

- Base salary – individual base salaries are reviewed annually and take into account the overall performance of the organisation, any responsibility changes in the context of comparable organisations, and the direction being taken by the NHS overall. For Executive Directors account is taken of the Department of Health guidance on Very Senior Managers Pay.

- Pensions – some, but not all Executive Directors, participate in the NHS Superannuation Scheme. Service as a Non-Executive Director is not pensionable.

Future policy table

Consideration	Salary/fees	Taxable benefits	Annual performance related bonus	Long term related bonus	Pension related benefits
Support for the short and long-term strategic objectives of the Foundation Trust	Ensure the recruitment/ retention of directors of sufficient calibre to deliver the Trust's objectives	None disclosed	Not applicable	Not applicable	Ensure the recruitment/ retention of directors of sufficient calibre to deliver the Trust's objectives
How the component operates	Monthly remuneration	None disclosed	Not applicable	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Framework used to assess performance	Trust appraisal system – see also comments detailed on page 46	None disclosed	Not applicable	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Performance measures	Based on individual objectives agreed with line manager	None disclosed	Not applicable	Not applicable	Not applicable
Performance period	Concurrent with the Trust financial year	None disclosed	Not applicable	Not applicable	Not applicable
Amount paid for minimum level of performance and any further levels of performance	See comments detailed on page 46	None disclosed	See comments detailed on page 46	Not applicable	Contributions are made in accordance with the NHS Pension Scheme
Explanation of whether there are any provisions for recovery of sums paid to directors, or provision for withholding payment	Any sums paid in error may be recovered	None disclosed	Any sums paid in error may be recovered	None paid	Not applicable

All Executive Directors, excluding the Interim Nursing and Patient Services Director, have substantive contracts of employment with agreed notice periods of between three and six months. No termination payments were made in the course of 2017/18.

In reviewing the annual salary of Directors, the Committee takes into consideration a number of factors including the:

- Overall performance of the organisation as an effective and efficient trading entity;

- Delivery of agreed corporate objectives for the year; and

- Pattern of remuneration amongst NHS Foundation Trusts and the wider NHS.

The pay and employment conditions of other employees are also taken into account when determining Directors' remuneration to ensure that levels of responsibility and experience are reflected appropriately. This policy means that there are no components to senior manager salaries other than those disclosed in the single figure total table and the total pension entitlement table on page 49 and there is no component of performance related pay.

The Medical Director's salary is in accordance with the terms and conditions of the NHS Consultant Contract, plus a responsibility allowance payable for the duration of office.

There are no special contractual compensation issues for the early termination of Executive Director contracts. No awards were made to any past members of the Board of Directors and their immediate deputies.

Those Executive Directors who serve as Non-Executive Directors elsewhere i.e. in spin off companies in which the Trust has an equity interest, are not remunerated for that responsibility and do not retain any earnings related to such appointments.

There is a performance related element to Senior Managers' remuneration for those who are not on the Agenda for Change pay spine. Medical staff are eligible for ACEA pay awards, which are on a scale of one to 12 and then from bronze to platinum. Pay awards between one and nine are funded by the Trust, and awards above that point are funded by the Department of Health.

There are no service contract obligations that would give rise to, or impact on, remuneration payments or payments for loss of office. The principle of the Trust's policy on payments for loss of office is to pay only what would be due for the applicable period of notice, plus any sum in compensation for loss of a benefit in kind i.e. use of a lease car. There are no additional components of the remuneration package for senior managers.

The Chairman and Non-Executive Directors received a fee determined by the Council of Governors.

Annual Report on Remuneration

The Appointments and Remuneration Committee is responsible for determining all elements of Executive Director remuneration. The Committee has clear terms of reference that are regularly reviewed.

The Committee considers the prevailing market conditions, benchmarks pay and employment conditions against appropriate national and regional comparators and the Trust workforce, and does not routinely apply annual increases. When considered appropriate, the Committee has commissioned independent external advisors.

The membership of the Committee is made up of the Chairman and four Non-Executive Directors. The Chief Executive, HR Director and Trust Secretary also attend as appropriate.

The Committee met on six occasions during 2017/18.

	Attendance at ordinary meetings
Mr K W Smith (Chairman until November 2017)	2 of 2
Prof. Sir J Burn (Chairman from December 2017)	4 of 4
Mr J Jowett, Non-Executive Director	5 of 6
Mrs H Parker, Non-Executive Director	5 of 6
Prof. K McCourt, Non-Executive Director (joined the Committee in June 17)	6 of 6
Prof. C Day, Non-Executive Director (left the Committee in June 2017)	0 of 1
Prof. D Burn, Non-Executive Director (joined the Committee in July 2017)	3 of 5

None of the Non-Executive Directors has a service contract and there are no special provisions for early termination of contracts.

The remuneration for Non-Executive Directors is determined by the Council of Governors, which last reviewed the fees paid to Non-Executive Directors in October 2014. The level of remuneration for Non-Executive Directors is paid for a minimum of two-and-a-half days per months.

Single Table Figure Table and Total Entitlement Table *(this section is subject to audit)*

Name and title of Senior Manager	2017/18					
	Salary	Expense payments (taxable)	Performance pay & bonuses	Long term performance pay & bonuses	All pension-related benefits	Total
	(bands of £5,000) £000	(total to nearest £100) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Chairman **Mr K W Smith**	35-40	-	-	-	-	35-40
Chairman **Prof J Burn**	15-20	-	-	-	-	15-20
Chief Executive **Sir L R Fenwick (i)**	80-85	-	-	-	-	80-85
Joint Acting Chief Executive **Mrs C L Robson (ii)**	45-50	-	-	-	-	45-50
Joint Acting Chief Executive **Mr A Welch (ii)**	15-20	-	-	-	-	15-20
Finance Director **Mrs A Dragone (ii)**	5-10	-	-	-	-	5-10
Nursing and Patient Services Director **Mrs H Lamont (ii)**	5-10	-	-	-	-	5-10
Finance Director **Mrs A Dragone**	160-165	-	-	-	85-87.5	215 -220
Nursing & Patient Services Director **Mrs H Lamont**	145-150	-	-	-	-	145-150
Medical Director **Mr A Welch (iii)**	240-245	-	-	-	-	240-245
Director of Business & Development **Mrs C L Robson**	165-170	-	-	-	25-27.5	195-200
Non-Executive Director **Prof C P Day (iv)**	0-5	-	-	-	-	0-5
Non-Executive Director **Dr B Dobson (v)**	-	-	-	-	-	-
Non-Executive Director **Mr J Jowett (v)**	15-20	-	-	-	-	15-20
Non-Executive Director **Dr P Kesteven (vii)**	0-5	-	-	-	-	0-5
Non-Executive Director **Prof K McCourt**	15-20	-	-	-	-	15-20
Non-Executive Director **Mrs H A Parker**	15-20	-	-	-	-	15-20
Non-Executive Director **Mr D Stout**	20-25	-	-	-	-	20-25
Non-Executive Director **Mr E Weir**	10-15	-	-	-	-	10-15
Non-Executive Director **Mr K Godfrey (viii)**	10-15	-	-	-	-	10-15
Non-Executive Director **Prof D Burn (ix)**	10-15	-	-	-	-	10-15

Name and title of Senior Manager	2016/17					
	Salary	Expense payments (taxable)	Performance pay & bonuses	Long term performance pay & bonuses	All pension-related benefits	Total
	(bands of £5,000) £000	(total to nearest £100) £000	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Chairman **Mr K W Smith**	50-55	-	-	-	-	50-55
Chairman **Prof J Burn**	-	-	-	-	-	-
Chief Executive **Sir L R Fenwick**	245-250	-	-	-	-	245-250
Joint Acting Chief Executive **Mrs C L Robson**	-	-	-	-	-	-
Joint Acting Chief Executive **Mr A Welch**	-	-	-	-	-	-
Finance Director **Mrs A Dragone**	-	-	-	-	-	-
Nursing and Patient Services Director **Mrs H Lamont**	-	-	-	-	-	-
Finance Director **Mrs A Dragone**	155-160	1.4	-	-	72.5-27	230-235
Nursing & Patient Services Director **Mrs H Lamont**	145-150	-	-	-	-	145-150
Medical Director **Mr A Welch**	240-245	-	-	-	-	240-245
Director of Business & Development **Mrs L Robson**	165-170	-	-	-	62.5-65	230-235
Non-Executive Director **Prof C P Day**	15-20	-	-	-	-	15-20
Non-Executive Director **Dr B Dobson**	5-10	-	-	-	-	5-10
Non-Executive Director **Mr J Jowett**	5-10	-	-	-	-	5-10
Non-Executive Director **Dr P Kesteven**	15-20	-	-	-	-	15-20
Non-Executive Director **Prof K McCourt**	15-20	-	-	-	-	15-20
Non-Executive Director **Mrs H A Parker**	15-20	-	-	-	-	15-20
Non-Executive Director **Mr D Stout**	20-25	-	-	-	-	20-25
Non-Executive Director **Mr E Weir**	-	-	-	-	-	-
Non-Executive Director **Prof D Burn**	-	-	-	-	-	-

(i)   Sir L R Fenwick's employment with the Trust was terminated with effect from 7 June 2017. This was subject to an appeal process which concluded early August 2017.

(ii)   Mrs L Robson and Mr A Welch were appointed as joint Acting Chief Executives with effect from 8 June 2017. Mrs Robson, Mr Welch, Mrs D Dragone and Mrs H Lamont were paid an allowance with effect from 8 June 2017 in recognition of the additional workload they took on following the absence of the Chief Executive.

(iii)   Within the figure reports for Mr Welch's salary and fees are payments of £114k (2016/17 £116k) made in respect of clinical duties.

(iv)   Prof. C P Day resigned as a Non-Executive director with effect from 30 June 2017.

(v)   Dr B Dobson resigned as a Non-Executive director with effect from30 September 2016.

(vi)   Mr J Jowett was appointed as a Non-Executive director with effect from 1 November 2016.

(vii)   Dr P Kesteven resigned as a Non-Executive director with effect from 30 April 2017.

(viii) Mr K Godfrey was appointed as a Non-Executive director with effect from 27 July 2017.

(ix)   Prof. D Burn was appointed as a Non-Executive director with effect from 3 July 2017.

Pension related benefits are calculated as the annual increase in pension entitlement in accordance with the HRMC method. In summary this is as follows:

Increase = ((20 x PE) +LSE) – ((20 x PB) + LSB)

PE is the annual rate of pension that would be payable to a director if they became entitled to it at the end of the financial year.

PB is the annual rate of pension adjusted for inflation that would be payable for the director if they became entitled to it at the beginning of the financial year.

LSE is the amount of lump sum that would be payable to the director if they became entitled to it at the end of the financial year.

LSB is the amount of lump sum adjusted for inflation that would be payable to the director if they became entitled to it at the beginning of the financial year.

A significant proportion of the increase in pension related benefit reported for 2016/17 is due to the reduced inflation rate advice by the Treasury for use in the calculation. The increase in pension is less than 1% and as a result has a negative impact, therefore there is no increase on the pensionable benefit. The inflation rate prescribed for use in 2017/18 is 1%. (2016/17 0%).

Total Pension Entitlement

Name and title	Real increase in pension at pension age (bands of £2,500) £000	Real increase in pension lump sum at pension age (bands of £2,500) £000	Total accrued pension at pension age at 31 March 2018 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2018 (bands of £5,000) £000	Cash Equivalent Transfer Value at 1 April 2017 £000	Real increase in Cash Equivalent Transfer Value £000	Cash Equivalent Transfer Value at 31 March 2018 £000
Finance Director **Mrs A Dragone**	2.5-5	5-7.5	60-65	185-190	1,116	130	1,258
Director of Business & Development **Mrs C L Robson**	0	0	60-65	190-195	1,322	60	1,395

Pension sums for Sir L R Fenwick, Mr A Welch and Mrs H Lamont are not shown as they were drawn and taken in previous years.

The financial information disclosed in the table above is derived from information provided to the NHS Foundation Trust from the NHS Pensions Agency.

While the NHS Foundation Trust accepts responsibility for the values shown, the NHS Foundation Trust is reliant upon the NHS Pensions Agency for the accuracy of the information provided to the NHS Foundation Trust and has no way of auditing these figures. The figures are therefore shown in good faith as an accurate reflection of the directors' pension information.

Fair Pay
(this section is subject to audit)

The Trust is required to disclose the relationship between the remuneration for the highest paid director within the organisation and the median remuneration for the organisation's workforce.

The banded remuneration of the highest paid director in the Trust in 2017/18 was in the band £255-260 (£245,000 - £250,000 in 2016/17). This was 9.30 times (8.76 times in 2016/17) the median remuneration of the workforce, which was £27.6k (£28,800 in 2016/17).

The calculation is based on Trust employees as at 31 March 2018. This number includes locum staff, junior doctors on training rotations employed by County Durham and Darlington NHS Foundation Trust as lead employer trust and the Trust's in-house nurse and clerical staff bank, but excluded external agency staff. Any part-time employees are pro-rated to provide whole time equivalents.

Payments to past managers *(this section is subject to audit)*

The Trust did not make any payments to past senior managers in 2017/18.

Payments for loss of office *(this section is subject to audit)*

The Trust did not make any payments for loss of office in 2017/18.

The Board of Directors include two Non-Executive Directors who are appointed by external bodies and to which the Trust makes the remuneration payment. They are Mr Weir, Non-Executive Director appointed by Newcastle City Council £11,485, and Professor D Burn, Non-Executive Director appointed by Newcastle University £11,415 (from 3rd July 2017). Prior to Professor D Burns' appointment, Professor C Day filled the post and the Trust paid £4,215 to Newcastle University (from 1st April 2017 to 30th June 2017).

Chairman	
Mr K W Smith	Chairman of Pulse Diagnostics (part owned by Trust) (until 30 November 2017)
Professor Sir John Burn	Chair QuantuMDX Group Ltd
	CMO and Shareholder - Global Variome Ltd. Global Variome Ltd is the holding company for the UNESCO register NGO of this name responsible for the Human Variome Project - an international effort to have data on genetic variation of relevance to healthcare - it was recognised as a UK charity in 2017
	Professor of Clinical Genetics, Newcastle University and senior strategic advisor
	Patron of the charity Veteran at Ease
	Cultural ambassador for the Durham County Community Foundation
	Chairman of Pulse Diagnostics (part owned by Trust) (from December 2017)
Non-Executive Directors	
Professor C P Day	Vice Chancellor (Clinical) and President of University of Newcastle upon Tyne
	Fellow of the Academy of Medical Sciences
	Board Member, North East and North Cumbria Academic Health Science Network (Until 7th February 2017)
	Board Member, Helena Biosciences (Until 31 March 2018)
Professor D Burn	Pro-Vice Chancellor and Professor of Movement Disorders Neurology - Faculty of Medical Sciences
	Executive, Medical Schools Council
	Board Member, Northern Health Science Alliance
	Board Member, North East and North Cumbria Academic Health Science Network
	Trustee of Parkinson UK and the Multiple System Atrophy Trust

Dame Jackie Daniel
Chief Executive

25 May 2018

Our Governors

We have a total of 36 Governors – 31 elected by the public and staff and the others appointed by a diverse range of partner organisations. The table on page 54 details the individuals who make up our Council of Governors.

The Council has a number of statutory powers, including the appointment of the Chairman, Non-Executive Directors and the external auditors. During the last year the Council debated a number of key issues for the Trust, including infection prevention and control, patient experience, financial performance, and the Quality Account. Other topics included:

- Trust fire safety;
- The Sustainability and Transformation Partnership for the region;
- Congenital heart disease service standards;
- Falls and pressure damage:
- Results of the NHS Quality Checkers visit to the Trust's A&E department; and
- The Trust's Quality Strategy publication.

The Council of Governors approved the appointment of Dame Jackie Daniel as Trust Chief Executive Officer at a private meeting on 7 March 2018.

The Council of Governors met in alternate months throughout the year and meetings were well attended with wide ranging debate on a number of areas of interest. Debate was facilitated by the presentation of regular reports from each of the Council's Working Groups, each with distinct terms of reference:

- Business Development;
- Communication Engagement and Membership; and
- Quality of Patient Experience.

Each of the working groups is aligned to specific Directors, reflecting their spheres of interest. In particular, the Business Development Group was given the responsibility to provide input to the annual planning process on behalf of the Council of Governors. Other Governors have an open invitation to take part in the process and some did. Where possible, Governors sought to canvass the views of members of their constituency. None of the appointed Governors took part in the planning process.

Governors were co-opted onto the membership of several standing Trust committees and groups, including the Complaints Panel and Clinical Governance and Quality Committee and the Patient, Carer and Public Involvement Committee.

Governors also continued a programme of unannounced visits to clinical and support services to learn about how they work and the challenges they face. Governors reported back to the Council on the visits and asked Executive Directors to follow up on any issues highlighted. Some of the areas visited included the:

- Paediatric Intensive Care Unit (Freeman Hospital);
- Infectious Diseases Unit (RVI);
- Teenage Cancer Unit (RVI);
- Musculoskeletal Unit (Freeman Hospital); and
- Bobby Robson Centre.

The Patients Food Tasting Panel continued to visit patient areas in our hospitals, sampling food at the point of delivery, examining the quality of the services and making recommendations for further improvement.

The Board of Directors maintains a close working relationship with the Governors and wider membership in a number of ways. All Directors have an open invitation to attend all Council of Governors meetings and there is governor engagement in a number of Trust committees and working groups.

On key strategic issues the Board engages with the membership through mass emails or mail shots when required, and we also produce a newsletter to help keep members up-to-date with all the latest developments in the organisation. A series of open members' events are held each year where members can learn more about our services and different health conditions. These meetings regularly attract around 100 members and subjects covered over the last 12 months include:

- Newcastle's Amputation Service;
- Knee replacement procedures;
- Congenital heart disease;
- Warm preservation techniques for donor organs;
- Dementia; and
- Radiosurgery.

As set out in NHS Improvement's Code of Governance for NHS Foundation Trusts, there is a requirement for a mechanism to be in place to resolve disagreements between the Board of Directors and Council of Governors. In the first instance, it is the responsibility of the Chairman, as leader of both forums, to try to reach a consensus. Failing that the next formal step would be for the Chairman to receive formal representation from the designated Lead Governor to try to reach a mutually acceptable position. The Trust did not need to use this resolution process in 2017/18 and there were no conflicts of interest declared by Governors during the year.

During 2017/18 Governors claimed a total of £3,544.33 in expenses, mainly for business travel.

Governor Elections

There was an election process planned to take place in May 2017 but due to purdah arrangements around the General Election this process was delayed until June 2017.

Below is a chart setting out Governors' attendance at Council of Governors meeting during 2017/18:

Constituency	Governor	Meeting attendance	Comments
Public - 1	Dr Amit Aggarwal	2 of 3	Resigned November 2017
Appointed	Mr Derrick Bailey	6 of 7	
Public - 3	Mr John Bedlington	6 of 7	
Public - 2	Mr Graham Blacker	7 of 7	
Public - 3	Mr Paul Briggs	6 of 6	
Public - 1	Mr Adam Chaffer	6 of 7	
Staff	Ms Elaine Coghill	5 of 7	
Public - 2	Mr Terence Coleman	5 of 6	
Public - 2	Mr Steven Cranston	4 of 6	
Public - 1	Miss Ruth Draper	3 of 6	
Public - 2	Mrs Carole Errington	5 of 7	
Appointed	Professor Andrew Fisher	3 of 7	
Staff	Mrs Barbara Goodfellow	3 of 6	
Staff	Mr Richard Fleming	0 of 1	Did not stand for re-election in June 2017
Staff	Mrs Eleanor Houliston	6 of 7	
Public - 1	Mr Bill Ions	7 of 7	
Public - 3	Dr Alan Johnson	0 of 7	
Public - 1	Miss Gwyneth Jones	1 of 1	Not re-elected in July 2017
Staff	Dr Phil Laws	5 of 7	
Public - 2	Dr Helen Lucraft	5 of 7	
Public - 1	Mrs Jean McCalman	4 of 7	
Public - 2	Dr Duncan McKinnon	0 of 7	
Staff	Mrs Victoria Mitchinson	1 of 7	
Public - 1	Mrs Susan Nelson	6 of 7	
Public - 2	Mrs Carole Perfitt	6 of 6	
Public - 2	Mr Peter Ramsden	7 of 7	
Staff	Mr Wayne Reed	0 of 3	Resigned October 2017
Public - 1	Mrs Elsie Richardson	0 of 3	Resigned October 2017
Public - 2	Mr Paul Richardson	2 of 7	
Public - 3	Dr Michael Saunders	4 of 7	
Public - 2	Mr Adam Shanley	0 of 1	Did not stand for re-election in June 2017
Staff	Mrs Jacqui Springthorpe	1 of 1	Did not stand for re-election in June 2017
Public - 1	Mr David Stewart-David	7 of 7	
Appointed	Councillor Jane Streather	4 of 7	
Public - 2	Mr Derek Thompson	4 of 7	
Public - 1	Mr Eric Valentine	4 of 6	
Public - 2	Mr Christopher Venables	1 of 1	Did not stand for re-election in June 2017
Appointed	Professor Andrew Wathey	0 of 7	
Public - 2	Mr Fred Wyres	5 of 7	
Appointed	Vacancy (Charity)	0 of 7	
Staff	Vacancy (Ancillary and Estates)s	0 of 7	

Key: 1 – *Newcastle-upon-Tyne* **2** – *Northumberland, Tyne and Wear* **3** – *County Durham, Tees Valley, Cumbria and beyond*

Nominations Committee

The Council of Governors set up a formally constituted Nominations Committee to identify, interview and recommend candidates for the appointment of the Chairman and Non-Executive Directors.

During 2017/18 the Committee membership was changed as part of Terms of Reference review exercise.

Up until 16 November 2017, membership consisted of four public governors, the Chief Executive, and the Finance Director. The Newcastle University appointed NED was a non-voting member of the Committee. They were supported by Trust officers, as appropriate; the Senior Independent Director, the Chairman, and the Trust Secretary.

From 16 November 2017, membership consisted of four public governors, the Finance Director (or a nominated Executive Director in their absence) and the Trust Senior Independent Director (or a nominated Non-Executive Director in their absence). The Newcastle University appointed NED was a non-voting member of the Committee. They were supported by Trust officers as appropriate, the Trust Chairman, Trust Vice Chairman and the Trust Secretary.

There were five meetings of the Committee in the period from 1 April 2017 to 31 March 2018. During the year the Committee agreed and led the processes to recruit a new Chairman and Non-Executive Directors, making recommendations to the Council of Governors on the most suitable candidates to appoint.

The Committee is also responsible for the annual appraisal of all Non-Executive Directors, including the Chairman, using formal objectives that were previously set and agreed.

Attendance of the Committee membership is set out below:

	Number of meetings attended
Dr Michael Saunders, Committee Chair	5 of 5
Mr Peter Ramsden, Committee Member	5 of 5
Mr Fred Wyres, Committee Member	4 of 5
Mr David Stewart-David, Committee Member	5 of 5
Mrs Angela Dragone, Finance Director and Committee Member	3 of 5
Sir Leonard Fenwick, Chief Executive and Committee Member (until August 2017)	0 of 3*
Professor Chris Day, Non-voting Committee Member (until June 2017)	0 of 2
Professor David Burn, Non-voting Committee Member (from July 2017)	2 of 3
Mrs Hilary Parker, Committee member from November 2017	1 of 1

*Sir Leonard Fenwick was on a period of extended leave when the Committee meetings were held.

"Every health and social care organisation in the country is facing a tough challenge to continue to provide the best possible care to local people."

Membership

The public and our staff are invited to become members of the Trust. Membership has a number of benefits, including being able to stand for and vote in the election of Governors. As the Trust continues to develop, members can also expect to be invited to help shape services.

We have three public constituencies and anyone over 18 and living in those constituency areas can become a member. The public constituencies are:

• Newcastle upon Tyne;

• Northumberland, Tyne and Wear (excluding Newcastle); and

• County Durham, Tees Valley, Cumbria, and beyond.

There are six staff constituencies:

• Admin, clerical, managerial and hospital chaplains;

• Ancillary and estates;

• Health Professions Council staff;

• Medical and dental;

• Nursing and midwifery; and

• Volunteers.

The target for membership recruitment for the year was to maintain a membership of 8,000 with a view to developing a membership strategy to increase membership to 9,000.

Membership Report, 1st April 2017- 31st March 2018

Membership size and movements	
Public constituency	**2017/18**
At year start (April 1)	5,802
New Members	98
Members leaving	344
At year end (31 March)	5,556

Staff Constituency	**2017/18**
At year start (April 1)	2,706
New Members	116
Members leaving	72
At year end (31 March)	2,750

Patient Constituency	The Trust does not have a separate Patient Constituency

Analysis of current membership		
Public constituency	**Number of members**	**Eligible membership**
Age (years):		
0-16	N/A – minimum age of 18	-
17-21	16	92,672
22+	5,130	1,088,929
Ethnicity:		
White	5,164	1,343,747
Mixed	29	12,447
Asian or Asian British	185	47,965
Black or Black British	36	9,006
Other	2	7,688
Socio-economic groupings*:		
AB	1,557	79,024
C1	1,585	140,614
C2	1,130	94,912
DE	1,249	140,140
Gender analysis		
Male	2,315	711,673
Female	3,197	735,100

The analysis section of this report excludes:

- 410 public members with no dates of birth, 140 members with no stated ethnicity and 44 members with no gender

To ensure the membership of the Trust represents the population make-up of the geographic area we serve, a membership strategy has been drafted to address identified gaps and will be considered by the Council of Governors' Community and Engagement Membership Working Group.

All new members receive a welcome letter and membership certificate when they sign up. They are then eligible for all benefits of membership, including receiving a regular membership newsletter and invitations to attend membership events.

Membership application forms are available at public locations across the Trust, are included with outpatient appointment letters, and are also on-line on the Trust's website at **https://www.nhs-membership.co.uk**

Members who want to contact a Governor can do so through the Trust Secretary or the Contact a Governor page on the Trust's website. Most Governors have a Trust email address and staff members can also email their representatives of the Council of Governors by email **staff.governors@nuth.nhs.uk**

Staff Report

Workforce Information

Workforce Demographics	As at March 2017		As at March 2018	
	FTE	% of Total FTE	FTE	% of Total FTE
Staff Group				
Additional Technical Scientific and Technical	527.83046	4.36%	541.50086	4.45%
Additional Clinical Services	2163.23931	17.89%	2154.56466	17.71%
Administrative and Clerical	1964.77124	16.25%	1909.81782	15.69%
Allied Health Professionals	705.91829	5.84%	723.56548	5.95%
Estates and Ancillary	1007.80413	8.33%	985.83752	8.10%
Healthcare Scientists	570.69361	4.72%	594.77896	4.89%
Medical and Dental	1080.27602	8.93%	1095.73464	9.00%
Nursing and Midwifery Registered	4072.11831	33.67%	4162.52882	34.21%
Grand Total	**12092.65137**		**12168.32876**	
Full Time/Part Time				
Full Time	8981.00	74.01%	9080.00	73.70%
Part Time	3153.46	25.99%	3240.16	26.30%
Gender				
Female	9304.40	76.68%	9446.54	76.68%
Male	2830.06	23.32%	2873.61	23.32%
Disabled				
No	7988.97	65.84%	8496.98	68.97%
Not recorded	3864.99	31.85%	3529.03	28.64%
Yes	280.50	2.31%	294.14	2.39%
Ethnic Group				
BME	1004.86	8.28%	1088.25	8.83%
Not recorded	261.29	2.15%	259.95	2.11%
White	10868.31	89.57%	10971.96	89.06%
Age				
16-25	833.16	6.87%	1132.26	9.19%
26-35	2919.36	24.06%	2983.23	24.21%
36-45	2797.19	23.05%	2814.32	22.84%
46-55	3481.59	28.69%	3476.62	28.22%
56-65	1987.38	16.38%	1819.64	14.77%
66+	115.77	0.95%	94.08	0.76%

Turnover	Apr 16 - Mar 17	Apr 17 - Mar 18
	9.35	9.78

Staff Sickness Absence	Apr 16 - Mar 17 No.	Apr 17 - Mar 18 No.
Total days lost	111,090	115,173
Total staff years	12,119	12,299
Average working days lost (per WTE)	**9**	**9**

Staff Costs *(subject to audit)*

	Total	Permanently employed total	Business with other WGA bodies (permanently employed)	Business with bodies external to Government (permanently employed)	Other total	Business with NHS FTs	Business with NHS Trusts (other)	Business with CCGs and NHS England (other)	Business with Local Authorities (other)	Business with bodies external to Government (other)
	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18	2017/18
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	488,824	420,229		420,229	68,595	1,086	73	12	726	66,698
Social security costs	41,254	41,254	41,254		0					
Apprenticeship levy	2,156	2,156	2,156		0					
Pension cost - employer contributions to NHS pension scheme	53,796	53,796	53,796		0					
Pension cost - other	43	43		43	0					
Other post employment benefits	0	0			0					
Other employment benefits	0	0			0					
Termination benefits	0	0			0					
Temporary staff - external bank	0				0					
Temporary staff - agency/contract staff	3,822				3,822					3,822
Total Gross Staff costs	**589,895**	**517,478**	**92,206**	**420,272**	**72,417**	**1,086**	**73**	**12**	**726**	**70,520**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(4,144)	(4,144)		(4,144)	0					
Recoveries from other bodies in respect of staff cost netted off expenditure	(3,093)	(3,093)		(3,093)	0					
Total Staff costs	**582,658**	**510,241**	**97,206**	**413,035**	**72,417**	**1,086**	**73**	**12**	**726**	**70,520**

"Off-payroll" Engagements *(subject to audit)*

For all off-payroll engagements as of 31 March 2018, for more than £245 per day and that last for longer than six months.

Number of existing engagements as of 31 March 2018	14
Of which:	
Number that have existed for less than one year at the time of reporting	5
Number that have existed for between one and two years at the time of reporting	8
Number that have existed for between two and three years at the time of reporting	0
Number that have existed for between three and four years at the time of reporting	0
Number that have existed for four or more years at the time of reporting	1

	Total	Permanently employed total	Business with other WGA bodies (permanently employed)	Business with bodies external to Government (permanently employed)	Other total	Business with NHS FTs	Business with NHS Trusts (other)	Business with CCGs and NHS England (other)	Business with Local Authorities (other)	Business with bodies external to Government (other)
	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17	2016/17
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	475,861	408,220		408,220	67,641	969	73	4	646	65,949
Social security costs	40,068	40,068	40,068		0					
Apprenticeship levy	0	0			0					
Pension cost - employer contributions to NHS pension scheme	52,690	52,690	52,690		0					
Pension cost - other	32	32		32	0					
Other post employment benefits	0	0			0					
Other employment benefits	0	0			0					
Termination benefits	0	0			0					
Temporary staff - external bank	0				0					
Temporary staff - agency/contract staff	4,613				4,613					4,613
Total Gross Staff costs	**573,264**	**501,010**	**92,758**	**408,252**	**72,254**	**969**	**73**	**4**	**646**	**70,562**
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(4,026)	(4,026)		(4,026)	0					
Recoveries from other bodies in respect of staff cost netted off expenditure	(2,735)	(2,735)		(2,735)	0					
Total Staff costs	**566,503**	**494,249**	**92,758**	**401,491**	**72,254**	**969**	**73**	**4**	**646**	**70,562**

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018, for more than £245 per day and that last for longer than six months.

Number of new engagements, or those that reached six months in duration between 1 April 2017 and 31 March 2018	11
Of which:	
Number assessed as within the scope of IR35	10
Number assessed as not within the scope of IR35	1
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	1
Number of engagements that saw a change to IR35 status following the consistency review	0

The Trust is cognisant of NHS Improvement's guidance on pay for very senior managers in NHS foundation trusts, and the expectation that they should be appointed on payroll. Such appointments are considered by the Appointments and Remuneration Committee, which would assure itself that proposed pay is commensurate with market conditions by referencing relevant benchmarking data regarding market pay, the requirements of the role, and that the Trust is receiving value-for-money. Where appropriate, any proposal would be referred to NHS Improvement and the HM Treasury for approval for new appointments.

Exit Packages *(subject to audit)*

Exit package cost band	Total number of exit packages 2017/18 Number	Total cost of exit packages 2017/18 £000	Total number of exit package 2016/17 Number	Total cost of exit packages 2016/17 £000
£10,000 - £25,000	1	15	0	0
£100,001 - £150,000	1	136	0	0

There were two compulsory redundancies made during 2017/18 as detailed above.
There were no compulsory redundancies made during 2016/17.

There were no non-compulsory departure payments during 2017/18 or 2016/17.

The Trust spent £269,000 on consultancy fees in 2017/18 (£564,000 2016/17).

Senior Staff Gender Breakdown	Male	Female
Executive Directors	1	3
Non-Executive Directors	5	2
Other Senior Employees	5	5

Human Resources Indicators at March 2018

Directorate	Training >95%	Appraisals >80%	Sickness <3%	Turnover <8%
Business & Development	95.71%	79.07%	3.06%	16.00%
Cancer Services/ Clinical Haematology	92.35%	79.43%	3.94%	10.02%
Cardiothoracic	90.17%	74.88%	4.64%	9.02%
Chief Executive	100.00%	100.00%	6.65%	20.00%
Children's Services	88.44%	67.72%	4.49%	8.11%
Clinical Research Facility	95.59%	74.56%	5.78%	9.70%
Community Services	91.29%	74.48%	5.67%	12.30%
Dental Services	89.77%	66.18%	3.26%	7.18%
ENT, Plastics, Ophthalmology & Dermatology	89.99%	74.96%	4.25%	8.45%
Estates	96.15%	72.85%	3.20%	9.43%
Finance	98.22%	65.05%	4.19%	10.53%
Human Resources	98.63%	75.16%	3.99%	18.13%
Information Management & Technology	97.85%	87.50%	4.19%	15.45%
Integrated Laboratory Medicine	94.94%	76.08%	3.01%	7.83%
Internal Medicine - General	85.27%	60.16%	5.57%	7.59%
Internal Medicine - Urgent Care	85.41%	66.53%	4.59%	8.75%
Medical Director	93.51%	76.64%	2.43%	11.57%
Medical Physics	86.25%	91.18%	1.53%	10.17%
Musculoskeletal Services	91.69%	79.40%	4.60%	8.09%
Neurosciences	90.18%	85.24%	2.95%	6.44%
Patient Services	93.51%	86.36%	4.40%	11.51%
Peri-operative & Critical Care - FH	92.92%	83.07%	4.47%	8.38%
Peri-operative & Critical Care - RVI	93.24%	88.78%	4.16%	9.30%
Pharmacy	97.70%	76.61%	1.98%	15.23%
Radiology	88.28%	75.59%	3.00%	5.10%
Regional Drugs & Therapeutics	93.40%	71.88%	1.61%	5.71%
Supplies	98.71%	84.13%	4.31%	7.79%
Surgical Services	91.22%	82.01%	3.53%	8.05%
Trust Secretariat	61.98%	81.82%	0.64%	30.77%
Urology & Renal Services	91.74%	81.47%	4.37%	8.73%
Women's Services	91.59%	80.31%	4.82%	6.01%

% Appraisal Compliance by Staff Group	
Staff Group	**%**
Additional Professional Scientific and Technical	78.12%
Additional Clinical Services	77.03%
Administrative and Clerical	78.44%
Allied Health Professionals	77.96%
Estates and Ancillary	88.81%
Healthcare Scientists	83.04%
Managers (Band 8c and above)	73.84%
Medical and Dental	73.27%
Nursing and Midwifery Registered	75.88%
Total	78.08%

"We aim to be recognised as a preferred NHS employer and a key element of that aim is to use information and feedback to shape our efforts to learn, develop and enhance the staff experience."

Enhancing the Staff Experience - staff engagement and information

The Trust's staff engagement policy sets out our commitment to building on current practices and helps foster increased levels of staff engagement. It is an integral part of the Trust's Workforce Strategy, which is committed to enhancing the workplace culture and promoting the "employee" voice. We acknowledge the strong link between how people feel they are being managed and the patient experience.

We aim to be recognised as a preferred NHS employer and a key element of that aim is to use information and feedback to shape our efforts to learn, develop and enhance the staff experience.

We are committed to engaging with all staff at all levels and have various forums and groups, including the Trust Consultative Group, the Employees Partnership Forum, Policies and Procedures Group, Medical Advisory Group, Equality and Diversity network groups, as well as regional networking groups. These groups have management and staff side membership, and discuss strategic and other Trust matters.

The Employees Partnership Forum and Trust Consultative Group are the primary forums through which the Board seeks the views of staff - via their representatives - when making decisions likely to affect their interests and through which the involvement of staff in the performance of the Trust is encouraged. Priorities for improving staff feedback, whether identified through the national staff survey or not, are agreed through the forum, which also monitors implementation of agreed actions.

Following the introduction of the new junior doctor contract last year, a Junior Doctor Forum was established to support engagement and advise the Guardian of Safe Working Hours and Director of Medical Education in overseeing the working hours and educational opportunities of junior doctors in training. The Guardian has been building collaborative relationships across the region to support and share learning. In the coming year, the priority will be to reinvigorate the forum to build the membership base, and to encourage and support proactive engagement.

For senior staff there is a bi-monthly corporate communications meeting that heads of departments, senior managers and Clinical Directors are invited to attend. Notes from these meetings are available for all staff via the Trust's intranet and cascaded through department heads to enable staff in all directorates and departments to have access to key messages.

We have extensive intranet and internet sites providing information on a range of subjects including all trust policies, procedures and guidelines. We participate in the NHS Staff Survey on an annual basis and the NHS Staff Family and Friends test, which provides a more frequent snapshot of feedback.

The growing use of social media has successfully enabled the Trust to engage more directly with both prospective and current employees, support the recruitment and retention strategy as well as build a platform from which to promote the staff experience 'brand'. This has been particularly evident in promoting our bi-annual 'Careers Events', which provides the opportunity for staff to share their experience and inspire the next generation to consider employment in the NHS. They also contribute to our support for the armed forces and our reservists

There are a range of networks to ensure the involvement and engagement of our professional nursing, midwifery and allied health professional staff. Led by the Nursing and Patient Services Director and senior nursing team, these include regular monthly meetings with Matrons, Sisters and Charge Nurses across the organisation to update them on relevant local and national issues, and to provide an opportunity for discussion and engagement.

Schwartz Rounds continue to be well attended and evaluate well as a forum in which multi-disciplinary staff can share and reflect on a range of experiences; the quarterly Administration and Clerical Forum established last year has been sustained, and the Safeguarding Communication Forum and Staff Survey Groups, continue to facilitate a wide range of discussion with a cross section of staff.

A number of annual events are well established to both celebrate the contribution of staff, and support sharing of best practice and networking, and include the Nursing and Midwifery Conference, the Medical Education Conference, the Personal Touch Awards Celebrations, Long Service Awards and the Celebration of Success events to mark the achievement of educational skills. The Trust's Innovation Strategy continues to positively encourage all staff to identify and submit ideas for improvement and to enhance patient care and those ideas are celebrated and recognised at the Annual Innovation Recognition event.

We are very proud of our volunteer workforce which is over 300 people strong, and they provide support to a number of different wards and departments across the Trust in a range of volunteer roles. There has been a particular emphasis on encouraging young people to volunteer, which we have found supports them in building confidence and experience to make informed career choices.

Employee Health and Wellbeing

A stated objective within the Workforce Strategy is to improve employee health and wellbeing, particularly to increase staff availability.

We have participated in the 'Better Health at Work Awards' scheme which recognises the efforts of employers in the North East and Cumbria in addressing health issues within the workplace. In December 2017 we achieved the Gold Award, and will continue to the next stage of this award scheme 'Continuing Excellence' with an action plan in place to support this. There are over 80 trained Health Champions within the organisation, led by the Better Health at Work Coordinator, who have translated their passion for this programme into a wide range of activity and support for their peers

We are signing up to the Mental Wellbeing 'Time to Change' Pledge to demonstrate our commitment to tackling stigma and ensuring staff who are facing mental health issues feel supported. There are now a number of Mental Health First Aiders in place and we have established a Suicide Prevention Group that will look at crisis support measures for staff.

Our Early Access Advice Project is a collaboration between HR, Occupational Health and managers to reduce sickness absence and promote wellbeing. It is being piloted within facilities management where the overall sickness rate has reduced by an average of 0.25% in 12 months. In addition, health and wellbeing groups are being set up to identify barriers and enablers to improve attendance at work. Risk assessments are being used to assist in developing and implementing an action plan to address the key issues.

The 'Call for Action on Bullying and Harassment' invites NHS organisations to achieve the overarching leadership and cultural change to tackle bullying, support staff to respectfully challenge problem behaviours, and publish their plans and progress. Analysis and triangulation of Trust data from a number of areas, including complaints, exit questionnaires, employee relations activity, Freedom to Speak-up, Datix, Annual Staff Survey and the Workforce Race Equality Standard have been completed to better understand the issues and themes, and to help inform an action plan.

Equality and Inclusion

As further evidence of our wish to be acknowledged as 'the NHS Employer of Choice', we continue to be highly committed to playing a key role in delivering a health service where, equality, diversity and human rights are embraced and communicated in the everyday work of staff.

We remain committed to the employment and career development of disabled people, continuing to be a disabled confident employer working towards Disability Confident Leader status. Reasonable adjustments are made at each stage of the recruitment and selection process to ensure equality of opportunity for all applicants.

We value the commitment of our staff and make every effort to ensure employees who become disabled during employment are supported and their skills retained, whether through redeployment, retraining or alteration of working arrangements.

We continue to actively engage with our disabled staff by promoting our Disability Staff Network and are preparing for the implementation of the Workforce Disability Standard. Working in partnership we continue to ensure staff develop the appropriate level of disability awareness needed to ensure the achievement of the Trust's commitments, through regular engagement stands, awareness training and sharing of information.

We have developed a further two Staff Networks, representing BAME and LGBT staff. A network of allies - Equality Champions - has also been formed to support and embed our equality agenda. A number of key events are recognised and celebrated each year, including (but not limited to) LGBT History Month, Black History Month, Disability History Month and NHS Equality and Diversity Week where associated skills based workshops are developed and offered to all staff Trust-wide.

Our use of rainbow lanyards; both the colours of the LGBT flag and the Trust's equality and diversity branding colours, visibly demonstrate to all staff, patients and visitors, our commitment to a diverse and inclusive workforce.

Our commitment to equality and inclusion mean that we remain an exemplar organisation within the Shelford Group of NHS Trusts.

2017 NHS Staff Survey Results

Our staff engagement policy sets out our commitment to building on current practices and help foster increased levels of staff engagement. It is an integral part of our Workforce Strategy, which is committed to enhancing the workplace culture and promoting the 'employee' voice, and we acknowledge the strong link between how people feel they are being managed and the patient experience.

We aim to be recognised as a preferred NHS employer and a key element of that aim is how feedback shapes our efforts to learn, develop and improve the staff experience.

We benchmark our performance in the annual NHS Staff Survey against regional and Shelford Group NHS organisations. The results of our performance in the 2017 survey are summarised here:

- Over 4,500 staff responded to the survey. This was a marginal increase in the number that took part in 2016 (approximately 4,400).

- We scored fourth highest in the country against other combined acute and community Trusts for staff recommending the organisation as a place to work or receive care.

- 92% agreed that their role made a difference to patients compared to the national average of 90%; 88% said patient care was the Trust's top priority (75% national average), and 89% said they were happy with the standard of care provided by the Trust to a relative or friend (69% national average).

- 20 of the 32 key findings were above the sector average.

Areas where there are particular opportunities for further improvement include staff feeling able to report near misses of incidents when they happen, and the Trust providing feedback on actions taken following these. The results also show that reporting of experiences of harassment, bullying or abuse at work, and feeling able to contribute to improvements at work need greater effort and support.

Response Rate

2016 (previous year)	2017 (current year)	2017 (current year)	Trust improvement or deterioration
Trust	Trust	Benchmarking group	
32%	33%	Unavailable	Improvement

Top 5 Ranking Scores

	2016 (previous year)	2017 (current year)	2017 (current year)	Trust improvement or deterioration
	Trust	Trust	Benchmarking group	
KF23 % of staff experiencing physical violence from staff in the last 12 months	1%	1%	2%	No change
KF20 % of staff experiencing discrimination at work in the last 12 months	7%	8%	11%	Deterioration
KF3 % of staff agreeing that their role makes a difference to patients	92%	92%	91%	No change
KF21 % of staff believing the Trust provides equal opportunities for career progression or promotion	92%	91%	86%	Deterioration
KF11 % of staff appraised in the last 12 months	89%	90%	86%	Improvement

Bottom 5 Ranking Scores

	2016 (previous year)	2017 (current year)	2017 (current year)	Trust improvement or deterioration
	Trust	Trust	Benchmarking group	
KF16 % of staff working extra hours	71%	70%	71%	Improvement
KF6 % of staff reporting good communication between senior managers and staff	40%	38%	35%	Deterioration
KF15 % of staff satisfied with the opportunities for flexible working patterns	42%	41%	51%	Deterioration
KF27 % of staff reporting most recent experience of harassment, bullying or abuse	44%	44%	48%	No change
KF18 % of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	47%	49%	52%	Deterioration

A number of key priority areas have been identified:

- Providing feedback about the results using "You Said, We Did" reflective evaluation on how results are informing change;

- All directors to receive their own breakdown reports to create local and relevant action plans;

- Continued development of well-structured appraisals;

- Refreshed leadership education and development to underpin good people management practices;

- Sustained investment in Better Health at Work initiatives;

- Pinpointing where there may be specific themes that require further understanding; and

- Correlating data from other sources, including Datix, Friends and Family Test, and Employee Relations activity.

Employment of disabled people

As part of our Workforce Strategy, and our ambition to be the NHS Employer of Choice, we are aware of our responsibility to contribute to our local community and to identify how to attract, recruit and retain people to work in the NHS. We also recognise the need to ensure that our workforce becomes more diverse, reflecting the populations we serve.

We remain committed to the employment and career development of disabled people. The Trust is a Disabled Confident Employer, having given a commitment to offer a guaranteed interview to all disabled applicants who meet the minimum criteria and consider applicants solely on their abilities. Reasonable adjustments are made at each stage of the recruitment and selection process to ensure equality of opportunity for all applicants.

We value the commitment of our staff and make every effort to ensure employees who become disabled during employment are supported and their skills retained, whether through redeployment, retraining or alteration of working arrangements. Our redeployment policy set out these steps. All of our policies and procedures are subject to a thorough equality analysis where the needs of disabled applicants and/or staff are considered.

We continue to actively engage with our disabled staff by promoting our Disability Staff Network. Working in partnership we continue to ensure staff develop the appropriate level of disability awareness needed to ensure the achievement of the Trust's commitments, through regular engagement stands, awareness training and sharing of information.

As further evidence of our wish to be acknowledged as the NHS Employer of Choice, the Trust continues to be highly committed to playing a key role in delivering a health service where, equality, diversity and human rights are embraced and communicated in the everyday work of staff.

Through Project Choice, the Trust offers young Newcastle adults with learning difficulties, disabilities or autism, opportunities to support them to become positive role models, and enable them to actively contribute and feel valued for what they achieve. This project equips students with work-based transferable skills enabling them to be work ready after completion of an academic year and also provides a recognised qualification in employability skills.

We continue to recognise that positive action can help remove barriers to employment and pro-actively address the under-representation of disabled staff in employment. Now in its sixth year the project has had fantastic results.

The project is delivered in partnership and supports the Trust as a leading employer in:

- The promotion of equality and diversity;

- Challenging discrimination; and

- Promoting equality in employment.

We are regularly asked to attend NHS events and other regional employer events to highlight good practice and promote the business impact of the project, which include:

- An increased overall awareness across the organisation of the skills and value that people with learning disabilities, disabilities and autism can offer;

- Increasing the diversity of our workforce by creating employment opportunities;

- Staff developing specialist mentoring skills and increased staff engagement through involvement in the project, and a sense of pride and achievement; and demonstrating an ongoing commitment to promote access to work to those with learning disabilities.

Occupational health

Our occupational health service aims to improve employees' health and wellbeing to ensure they can deliver the best quality patient care.

In 2017/18 the service was awarded the Safe, Effective, Quality Occupational Health Service (SEQOHS) accreditation for the fourth consecutive year. This is a nationally recognised standard for quality.

The service has continued to work with human resources colleagues and managers to deliver a service that is valued by staff. The review of the year's survey results showed that more than 85% of staff would recommend the service to a friend or colleague.

There has been an increase in early referral for both mental and physical health support over the last year. Referrals also increased by 658 to a total of 6,070. The service's commitment to continuous service provision has seen waiting times from referral to first appointment reduce from ten to eight days on average.

Other key achievements in-year include:

- Regional work as part of the national streamlining agenda for recruitment resulted in an agreed standard for occupational health clearance for new recruits, as well as a process for sharing occupational health data between trusts. This has helped to reduce unnecessary testing and provide a better more timely process for employees moving between NHS organisations.

- The service welcomed its first mental health nurse to strengthen support to staff to improve their mental wellbeing.

- Continued partnership working with Lloyds Pharmacy has helped to repeat the success of last year's flu campaign, with 10,497 immunised against flu over the winter period. This is a 24% increase on the previous year and we were shortlisted for a national flu fighter award for our efforts.

- Dr Kiera McDowall, occupational health speciality trainee, was awarded the Society of Occupational Medicine Award for the best research project for her work on evaluating the self-reported impact of shift work in nurses on sleep quality.

"The service has continued to work with human resources colleagues and managers to deliver a service that is valued by staff. The review of the year's survey results showed that more than 85% of staff would recommend the service to a friend or colleague."

Partnership with the Armed Forces

We signed the Armed Forces Community Covenant in 2017 but during the last year we enhanced our pledge by developing our own covenant. As one of the largest employers in the North East, we recognise the importance that healthcare plays in supporting the country's defence and security, and so we are committed to supporting the UK's Armed Forces community, from cadet adult volunteers to reservists, veterans and their families.

We have demonstrated this commitment not only by developing our own covenant, but also by achieving the Silver Defence Employer Recognition Scheme Award and signing up to the Veterans Covenant Hospital Alliance.

There is significant support from the Board of Directors for this work as well as a management champion, clinical champion and human resources who work together to promote the Forces and ensure both staff and patients are supported and not disadvantaged.

Some of the ways staff are supported include:

- Dedicated reserve forces training and mobilisation policy;

- Guaranteed interviews for service leavers, veterans and reservists who meet the essential criteria for roles;

- An additional ten days paid annual leave for reservists and cadet adult volunteers to attend their annual camps;

- Supporting reserves and their managers with mobilisation and demobilisation; and

- Working alongside the Carers Transition Partnership (CTP) to develop rotational work placements for service leavers to help ease their transition back to civvy street.

The core values of the Trust and the Armed Forces are closely aligned, with a focus on people and partnerships, pioneering services and staff pride in what they do. As a result, we strive to ease the path for service leavers to work in healthcare and offer an internal mentor on an ad hoc basis, where appropriate or necessary while working alongside CTP. We also have strong working relationships and partnerships with Forward Assist, The Officers Association, Royal British Legion, and Employ.

We currently employ 33 reservists, 20 veterans and one cadet force volunteer. However we may employ more as veterans do not have to make their status known to the organisation.

Staff Social Club

As part of the employment package and to extend the benefits of employment with the Trust, a very well supported 'Staff Social Club' aims to provide social and recreational facilities for staff. Signing up as a member gives staff the benefits of being including in a monthly lottery with a top prize of £1,000, as well as the opportunity to buy subsidised tickets for a range of events including cultural, musical and sporting events. They are also eligible to join the RVI and Freeman Fitness Centres.

Over the last year 889 staff signed up as new members, taking total membership to 7,074. As a result of the growing membership, the club was able to increase the amount of prize money given away in the monthly lottery, as well as the number of winners.

During 2017/18 members had access to 38 events, which were attended by 5,118 people. These included family days out to Kielder Observatory and Beamish Open Air Museum, shopping trips, escorted bike rides, HIIT and Fitcamp sessions. Theatre trips were particularly popular with almost 2,500 tickets sold by the club, and one of the most popular events was the Christmas party with 1,200 tickets sold in just four minutes. As a result of this popularity the club will be running two parties in 2018 with 2,000 places available.

More information about the club is available at **www.benefitseveryone.co.uk/staff-social-club/**

Support to Speak Up

The Public Interest Disclosure Act protects workers from detrimental treatment or victimisation by their employer if they, in the public interest, "blow the whistle" on wrongdoing.

For a member of staff to be protected they must reasonably believe that their disclosures show that one or more of the following matters is happening, has taken place, or is likely to happen in the future:

- A criminal offence;

- Breach of a legal obligation;

- A miscarriage of justice;

- A danger to the health and safety of an individual;

- Damage to the environment; or

- Deliberate concealment of information tending to show any of the above.

Under the Act a member of staff will be protected if they:

- Make the disclosure in good faith;

- Reasonably believe that the relevant failure relates to "the proper administration of charities and funds given, or held, or charitable purposes"; or

- Reasonably believe that the information disclosed and any allegation contained in it are substantially true.

We take our responsibilities under the Act very seriously and the Trust was one of the first in the country to appoint a truly independent Freedom to Speak Up Guardian – Sokhjinder Morgan. When she stepped down from the role in May 2017 it was taken over by Caroline Parnell, another independent appointment.

The independent post demonstrates that the Board of Directors genuinely want to hear about patient safety concerns and any wrongdoing that is in the public interest. During the last year Mrs Parnell has presented two reports to the Board on her work as Freedom to Speak Up Guardian outlining the key themes from the 23 cases she has handled since May 2017, as well as recommendations from the National Freedom to Speak Up office on developing the role.

Countering Fraud

The Trust takes a proactive and robust stance against fraud, bribery and corruption. This includes the professional investigation of suspicions of wrong doing and by protecting anyone who raises concerns of this kind. This approach has seen a continual increase in referrals to the fraud team and demonstrable positive outcomes in terms of criminal sanctions, disciplinary sanctions and pursuing financial redress.

Code of Governance

We apply the main and supporting principles of NHS Improvement's Code of Governance for NHS Foundation Trusts on a comply or explain basis. The Code, most recently revised in July 2014, is based on principles of the UK Corporate Governance Code issued in 2012.

During 2017/18 the Board reviewed and considered the Code and considered that it complied with all recommended practice, including the identification of a Senior Independent Director. This role has been filled by Mrs H Parker, Non-Executive Director, since 2015.

The Board conducted a review of the effectiveness of our system of internal, control and the details are set out in the Annual Governance Statement.

The Board of Directors provides effective and proactive leadership within a framework which enables risk to be assessed and managed appropriately (see Annual Governance Statement). The Board ensures compliance with the Terms of Authorisation, the constitution, mandatory guidance, relevant statutory requirements and contractual obligations. It sets the strategic aims of the Trust, taking into account the views of the Council of Governors, and ensures that the necessary resources are in place to meet priorities and objectives. There is periodic review of progress and management performance.

Principles and standards of clinical and corporate governance are set and overseen by standing committees of the Board. Directors have overall responsibility for the effective, efficient and economical discharge of the functions of the Trust, taking joint responsibility for every decision of the Board, notwithstanding the particular responsibilities of the Chief Executive as Accounting Officer. Specific mechanisms are in place for the appointment, terms of service and removal of Executive Directors.

Non-Executive Directors are in the majority on the Board and are independent. They challenge and scrutinise the performance of the Executive Directors to satisfy themselves of the integrity of the financial, clinical and other information they receive, and to ensure that risk management and governance arrangements are robust and effective. There is a formal Scheme of Delegation and Reservation of Powers that defines which functions are reserved for the Board and which are delegated to committees and officers.

Members of the Board have an open invitation to attend all meetings of the Council of Governors. The constitution sets out the statutory responsibilities of Governors in relation to the appointment and removal of the Chairman and Non-Executive Directors, the appointment and removal of external auditors, approval of the appointment of the Chief Executive, receiving the annual Audit Letter, and providing input to the Annual Plan and its strategies. The Board determines which of its standing committees and panels may have Governors as members or in attendance.

Single Oversight Framework

NHS Improvement's Single Oversight Framework provides a process for overseeing NHS provider organisations and identifying potential support needs.

The framework looks at five themes:

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

Based on information from these themes, provider organisations are segmented into four categories from 1 to 4, where 4 is for providers receiving the most support and 1 for those with maximum autonomy. An NHS Foundation Trust will only be in segments 3 or 4 where it has found to be in breach, or suspected of breaching, its licence.

The Trust was placed in segment 1 and this was the Trust's position as at 31st March 2018.

The finance and use of resources theme is based on the scoring of five of 67 measures on a scale of 1 to 4, where 1 reflects the strongest performance. These scores are weighted to give an overall score. Given that finance and use of resources is only one of five themes in the Single Oversight Framework, the segmentation of the Trust may not be the same as the overall financial score.

Area	Metric	2017/18 Q1 score	2017/18 Q2 score	2017/18 Q3 score	2017/18 Q4 score
Financial sustainability	Capital service capacity	4	4	4	3
	Liquidity	1	1	1	1
Financial efficiency	I&E margin	2	3	3	2
Financial controls	Distance from financial plan	2	2	1	1
	Agency spend	1	1	1	1
Overall scoring		**3**	**3**	**3**	**2**

"Brilliant teamwork - If I had paid privately it could not have been improved. All staff, surgeons, doctors, nurses, nursing health care assistants were beyond expectation and need. A truly positive experience."

Statement of Accounting Officer's Responsibilities

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 include the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, as set out in the NHS Foundation Trust Accounting Memorandum issued by NHS Improvement.

Under the NHS Act 2006, NHS Improvement has directed the Trust to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the 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 HM Treasury Financial Reporting 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 HM Treasury Financial Reporting 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.

- 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 outlines 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.

It is the responsibility of the Directors to prepare the annual report and accounts. The Directors consider the annual report and accounts, taken as a whole, are fair, balanced and understandable, and provide the information necessary for patients, regulators and stakeholders to assess the NHS Foundation Trust's performance, business model, and strategy.

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

Dame Jackie Daniel
Chief Executive

25 May 2018

Annual Governance Statement

Scope of responsibility

As Accounting Officer I have responsibility for maintaining a sound system of internal control that supports the achievement of the NHS Foundation Trust's policies, aims and objectives, while safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

I am also responsible for ensuring that the NHS Foundation Trust 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

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

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of policies, aims and objectives of the Newcastle upon Tyne Hospitals NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Newcastle upon Tyne Hospitals NHS Foundation Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

a. Leadership

Overall decisions in relation to the prioritisation of corporate risk issues and resource allocation are taken by the Board of Directors, with delegation of decisions relating to specific risks to sub-committees and panels or the Executive Team, as appropriate.

This decision making process is underpinned by information and advice from the Risk Management and Assurance Committee, regular reports on the Trust's Risk Register, and an annual review of progress against the Risk Management Strategy.

The approach to business risks is supported by the work of the Executive Team, which has a specific role in relation to the assessment of the financial and corporate risks arising from business cases for specific developments and from the annual business plan.

The remit of the Audit Committee also includes scrutiny of risk management processes. With regard to financial and associated risks, the Investment Committee has a remit to ensure that business cases for significant developments are robust, explicitly address key risks, and deliver a satisfactory rate of return on investment.

The roles and responsibilities of Executive Directors have been developed to cover all aspects of risk. These arrangements are reflected in job descriptions and performance is monitored through the individual development review process.

Corporate performance is routinely scrutinised by the Performance Management Group, which is comprised of Executive Directors (except the Chief Executive) and supported by specialists in performance review and analysis. The group presents key findings to the Executive Team, when required, and any significant issues are raised with the Board of Directors, as appropriate.

As Accounting Officer I delegate particular aspects of my role to Executive Directors. These arrangements are reflected in job descriptions and performance review mechanisms. The Chief Executive role is directly accountable to the Board of Directors, has overall responsibility and accountability for all aspects of the Risk Management Policy, and delegates this responsibility to the senior managers of the Trust as detailed in the Risk Management Strategy.

Specific responsibilities delegated to members of the Executive Team are:

- The Medical Director is responsible for risk management and ensuring that the Risk Management Strategy, structure and systems are in place and working effectively. This includes monitoring of the former Standard for Better Health and oversight of the Care Quality Commission (CQC) registration requirements. The Trust Secretary is the responsible person for CQC registration purposes. In that context, the Medical Director is responsible for the implementation and continuing development of the clinical aspects of the Risk Management as an integral part of clinical governance,

- The Finance Director is responsible for the management of risk in relation to finance issues.

- The Trust Secretary is responsible for non-clinical governance matters, including information governance in their role as Senior Information Risk Owner.

- The Estates Director, in liaison with the Medical Director, is responsible for the implementation and further development of risk management in relation to business continuity. Fire, security and related operational and organisational issues remain under the direction of the Estates Director, in liaison with the Chief Executive.

The Quality and Effectiveness Director is responsible for the implementation and further development of the Health and Safety Strategy for the Trust. The Health and Safety Committee is chaired by a Non-Executive Director. The Quality and Effectiveness Director is also accountable to the Medical Director for supporting the overall co-ordination and integration of risk management activity. This includes the key inputs to the Risk Management and Assurance Committee and overseeing and co-ordinating activities within the risk management working groups.

b. Training

Training is informed by risk management priorities identified through internal system and an annual training needs analysis. Training includes:

- Mandatory sessions of the Trust induction programme for all new staff and via departmental induction programmes focuses on key local issues, including health and safety;

- Various presentations and workshops through the clinical governance lecture programme;

- External education and training, where appropriate; and

- Information on the Trust's intranet.

Wherever possible, opportunities are taken to learn lessons from adverse incidents and near misses. Communication forums and education sessions are used to share information on lessons learned with staff throughout the organisation. As a result of this focus on risk management training there is an increasing awareness of risk amongst staff, and a more active involvement at all levels of the organisation in the identification and reduction of risk.

The Risk and Control Framework

a. 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.

b. Quality Report

The Directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. NHS Improvement issues guidance to NHS Foundation Trust Boards on the form and content of annual Quality Reports, which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Quality Account represents a balanced view and there are appropriate controls in place to ensure the accuracy of the data.

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:

- Management and reporting of accidents and incidents
- Concerns and complaints policy
- Clinical records policies
- Data quality policy
- Standards of Business Conduct policy

The core principles of the Trust's Data Quality Policy is to improve and maintain the quality of patient related data and this is underpinned by a range of regular audit reports and initiatives such as regular validation of clinical and administrative data, in particular inpatient and outpatient waiting lists and the production of regular data quality reports to identify and collect missing data items and errors. Furthermore, the Trust's Referral to Treatment (RTT) team liaise with Directorate management teams and outpatient managers in routine validation of patients waiting for treatment.

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.

In terms of governance and leadership, the Trust has a robust Performance Management Framework (PMF) to define the structure and process for effectively managing performance throughout the Trust, with processes, roles and responsibilities defined at all levels of the organisation. The Framework is firmly integrated into management structures so that Directorate/ Department level processes and systems feed into and support the high level organisational objectives, whilst also taking direct ownership of performance targets and objectives.

A key component of the PMF is the Directorate Quality and Performance Reviews (QPRs) which focus on performance at a Directorate level (across a range of metrics). The purpose of Performance Reviews is to ensure that Trust Directorates and Departments are progressing in line with their strategic aims and objectives, as well as focussing on any outliers in performance metrics.

The Directorates operate within a devolved clinical structure remaining directly accountable for the quality of services delivered to patients within an agreed financial budget.

Services to patients are delivered by highly qualified, motivated and skilled individuals. Our 2017 NHS Staff Survey provides some excellent results however we will continue to focus on areas for improvement.

We have robust policies for the recruitment and the development of staff. In addition mandatory and statutory training of staff is a key performance indicator and this is also reported to the Board of Directors at quarterly intervals.

To assure the data used in the Quality Report and Quality Account, the Trust has a Digital Governance Steering Group that meets bi-monthly. Chaired by the Chief Information Officer, the group reviews data quality and associated workflows to ensure that NHS data standards are adhered to. This provides assurance to the Board that data is regularly validated and reviewed.

The work of the group is evidenced through regular data quality reports that are shared with directorates and departments for review and data correction. The Information Team continues to support and train system users and suppliers to improve real time validation.

c. Risk Management Strategy

The Risk Management Strategy sets out the structures and processes for the identification, evaluation and control of risk, as well as the system of internal control. Delivery of this strategy is overseen by the Risk Management and Assurance Committee with individual officers having specific delegated responsibilities.

Risk appetite is tested at the Risk Management and Assurance Committee, Audit Committee and Board of Directors as required by the perceived scale and potential impact of any risk. A central risk register is maintained, which records when a risk has been identified, its' owners, likelihood of occurrence, potential impact and mitigating action.

Effective risk management requires the involvement of staff at all levels in the organisation. Directorate managers, Clinical Directors and Heads of Departments are responsible for ensuring effective risk management in their areas, in line with the Trust's strategy and policies. This includes primary responsibility for the identification, investigation and follow-up of all risk issues as defined in job descriptions and objectives. A key element of this approach is the maintenance of a robust risk register.

Where initial assessment indicates a high level of risk or the requirement to report an issue to an external body, then Directorate Managers, Clinical Directors and Heads of Department are responsible for reporting the issue to a Director to agree the process for the management of the risk.

The key elements of the Risk Management Strategy are:

- A clear framework for the accountability and delegated responsibility for the management of risk;
- An integrated strategy that sets out the overall purpose and processes, as well as an associated annual plan;
- A clearly defined committee structure that supports robust and timely decision making around key organisations risks;
- Robust systems for the identification, analysis, prioritisation and actions in relation to risks affecting all areas of Trust activity;
- Risk management processes that are integrated and embedded into the day-to-day activities of the Trust;
- A Clinical Governance and Risk Department to support risk control processes;
- A tailored training programme to address key risk areas;
- Comprehensive communication processes for governance and risk management policies and procedures, and the dissemination of learning from lessons learned.

Decision making about risk management priorities in the Risk Management and Assurance Committee was informed by:

- A prioritised risk register;
- Reports from incidents, complaints and claims;
- Issues highlighted in directorate and departmental risk reviews, leadership walkabouts and ad hoc feedback;

- Reports from risk management sub-groups and other working groups; and

- Feedback from external stakeholders, the Patient Advice and Liaison Service, and patient groups.

Priorities identified by the Committee are included in the corporate risk register and fed into the risk management plan and assurance framework, where appropriate. This helps to support decision making on the prioritisation and allocation of resources. The Committee also communicates directly with the Board of Directors, Audit Committee and Clinical Governance and Quality Committee on specific risk areas.

The Trust is required to make decisions on acceptable and unacceptable levels of risk in relation to specific issues. These are guided by the financial capacity of the organisation, the need to maintain service provision, an assessment of potential harm to patients, staff or the public, coupled with the Trust's obligations to meet external regulations, standards and targets.

Decision making is supported and informed by the use of objective risk assessment processes. These tools include a standardised risk assessment matrix, the assurance framework and corporate risk register, and are designed to enable the organisation to adopt a systematic approach to:

- Identifying key risks in all aspects of Trust activity;

- Ensuring clear Executive Director accountability for all key issues;

- Linking and monitoring risk issues related to NHS policy targets;

- Prioritising risks in relation to their likelihood of occurrence and impact;

- Identifying that appropriate management arrangements are in place;

- Ensuring all key topics are subject to the appropriate level of Board scrutiny;

- Information resource allocation decisions; and

- Ensuring appropriate external assurance in relation to all high risk areas.

The assurance framework provides a high level analysis of risk in relation to the Trust's key objectives, and risks are identified that may affect the organisation's ability to achieve its objectives. For each risk the framework provides an assessment of the controls in place to ensure the effective management of risks, and the processes and evidence to give the Board assurance that the risk management and control measures are effective. Gaps in control or assurance are identified so they can be addressed.

Individual members of staff have personal responsibility to take part in risk management processes to identify and address adverse events or potential risks. This includes responsibility for:

- Maintaining awareness of relevant policies and procedures and for ensuring they comply with those and the requirements of their professional bodies; and

- Reporting any incidents, accidents or near misses as set out in the relevant policy.

d. Quality Governance Arrangements

The Trust has a quality governance framework, which describes how the quality of performance information is assessed and assurance is obtained with regard to compliance with CQC registration requirements. The Board of Directors receives regular reports on these areas.

There is also a patient safety and quality review process in place to act as a quality assurance mechanism by which directorates' performance against patient safety and quality metrics are monitored.

Current patient safety and quality data is routinely available to Directors and attendance at a Patient Safety and Quality Review Panel, chaired by the Medical Director, provides an opportunity to escalate any areas of under-performance. The panel reports to the Clinical Governance and Quality Committee.

Principal risks to compliance with NHS Foundation Trust governance

The Board of Directors, Audit Committee and Risk Management and Assurance Committee all play a role in ensuring the Trust has robust and effective governance structures. The constitution and terms of reference for all standing committees of the Board are reviewed periodically and any proposed amendments are subject to Board endorsement. The minutes of all committees are presented to the Board as standing agenda items.

The responsibilities of Directors and sub-committees are clarified in the Trust's governance structure, which includes reporting lines and the accountabilities of committees and individuals.

Systems are in placed to ensure the Trust complies with its duty to operate efficiently, effectively and economically, with timely and effective scrutiny and oversight by the Board, including securing compliance with healthcare standards as specified by the Secretary of State for Health, the Care Quality Commission, NHS England, NHS Improvement, and statutory regulators of healthcare professions.

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

The Newcastle upon Tyne Hospitals 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.

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations within the scheme's regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with scheme rules, and members' 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 Trust's obligations under equality, diversity and human rights legislation are complied with. Equality Impact Assessments are conducted for each policy as it is reviewed or renewed.

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

Overall, the organisation has a high level of confidence with regards to the management of key risk issues. The following areas of internal audit work result in a limited assurance outcome:

- **Consultant Job Planning (Draft) -** The internal audit report identified that the operation of a previous control regarding the monthly validation of medical staff details and allowances continued regularly during the year and that the Trust requirement for job plan reviews was not consistent with NHS Improvement guidance.

  Actions have been agreed to mitigate the risks which include re-instigation of the monitoring report, communications to improve clarity over responsibilities regarding the monitoring report, implementation of e-job planning, collation of data at Directorate level and development of guidance for Directorates.

- **Clinical Audit -** The internal audit report identified that the Trust policy required updating to ensure comprehensive guidance was in place regarding directorate management of clinical audit activity, evidence of progress monitoring required improvement and the process for forward programme production required strengthening. In addition the need to review overdue and re-audit performance was identified.

  Actions have been agreed to mitigate the risks which include development and monitoring of Forward Programmes for each Directorate, enhanced reporting arrangements for 'abandoned' projects, development of action plans for areas for improvement, enhancing the Annual Reports for the Clinical Effectiveness, Audit and Guidelines Committee.

- **Data Quality:** Cancelled Operations (Draft) - The internal audit report identified some data inaccuracies in the reported breaches data.

  Actions are being identified in order to mitigate the risks identified in the report.

- **Catering -** Order & Receipt of Goods & Services (Draft) - The internal audit report identified that improvements were required in stock records and in ensuring clarity over what purchases could be made via petty cash.

  Actions are being identified in order to mitigate the risks identified in the report.

The above four areas have been considered and have not been identified as significant control issues for the following reasons:

- None of the issues would prejudice achievement of the Trust's key priorities.

- None of the issues were deemed to undermine the integrity or reputation of the NHS.

- The Audit Committee have reviewed the detailed internal audit reports and are comfortable with the actions outlined within the reports.

- None of the issues could have a material impact on the Trust financial accounts.

- None of the issues could impact on national data security or integrity.

The Trust failed to meet the A&E 4 hour waiting target for the financial year 2017/18, achieving 91.7% in March 2018. The Trust is part of the regional A&E Improvement Programme Board and actions to improve performance are in place.

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

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

During the year the Audit Committee receives a series of internal audit reports in line with an agreed work plan that aims to test the economy, efficiency and effectiveness of Trust systems and processes, including financial management and control. The audit plan is reviewed and agreed by the Committee in April each year.

Any report which offers limited assurance results in the development of a management action plan with an agreed timescale for improvement, and progress is monitored by the Audit Committee. Serious issues are escalated to the Board of Directors.

The external auditors, through their audit of the Annual Report and Accounts, also provide a degree of assurance to the Audit Committee and Board that financial control systems are robust.

Effective financial decision making, management and control includes having appropriate systems and processes in place to ensure the Trust can continue as a going concern. Measures are also in place to provide accurate, comprehensive, timely and current information for Board and committee decision making, including the identification of material risks.

The Board monitors business plans and their implementation on a monthly basis and this is underpinned by quarterly performance reviews and scrutiny by the Investment Committee.

There is periodic assessment of Board level capability to provide effective organisational leadership on the quality of care, planning and decision making processes. The Board receives monthly reports on quality and other care related issues, and takes part in regular walkabouts of services as part of the quality assurance processes.

Patients, staff and other stakeholders are engaged through a number of forums including the Patient, Carer and Public Involvement Committee, Community Advisory Panel, and Council of Governors, as well as members' events.

With regard to the annual Governance Statement to NHS Improvement, the Board satisfies itself about compliance through assessment of quarterly returns, including the declaration on continuity of service and governance, and through consideration of the annual operational plan and related Board declarations.

Information governance

Cyber security

The threat to digital services through cyber-attack is recognised and the Trust is progressing with the National Cyber Security Centre's (NCSC) ten steps to cyber security with the IT Security team continuing with a programme to promote cyber awareness throughout the Trust, as well as ensuring the organisation complies with the Government White paper, Review of Data Security, Consent and Opt-out which includes the NHS Data Security Standards and the General Data Protection Regulations (GDPR).

Score for 2017/18 for Information Quality and Records Management, assessed using the Information Governance Toolkit

The Newcastle upon Tyne Hospitals NHS Foundation Trust Information Governance Toolkit submission version 14.1 for 2017/18 is 92% and was graded Green (satisfactory). The Information Governance Committee oversees the Trust's compliance with the broader Information Governance agenda.

In April 2018, the current Information Governance Toolkit is going to be replaced by the Data Security and Protection Toolkit. This will be based on the NHS Data Security Standards as established by Dame Fiona Caldicott (National Data Guardian) and will be more focussed on ensuring the Trust remains compliant with laws concerning personal information handling and sharing, along with remaining resilient to current and future cyber threats.

Summary of serious incidents involving personal data as reported to the Information Commissioners' Office (ICO) in 2017/18 (level 2)

Nature of incident	No. of data subjects potential affected	Action
Report sent to 5 recipients – 2 NHS suppliers and 3 Trust recipients – patient identifiable information not removed	19,466	ICO took no action – confident Trust processes in place to secure data during transfer
Letter for one patient attached to letter for another patient.	1	Investigation carried out – awaiting response from ICO
Audit data sent to Public Health England – patient identifiable information not removed	491	Awaiting investigation report

Level 1 data breaches reported 2017/18

Category	Breach Type	Total
A	Corruption or inability to recover electronic data	2
B	Disclosed in error	121
C	Lost in transit	9
D	Lost or stolen hardware	0
E	Lost or stolen paperwork	7
F	Non-secure disposal – hardware	0
G	Non-secure disposal – paperwork	0
H	Uploaded to website in error	0
I	Technical security failing (including hacking)	0
J	Unauthorised access/disclosure	3
K	Other (failure to secure information)	26
	Total	**168**

Summary of cyber security breaches in 2017/18

Hacking	0
Denial of service	0
Phishing emails	0
Social media platforms – disclosure by organisation staff through social media channels	0
Web side defacement	0
Malicious internal damage	0
Spoof website	0

Review of effectiveness of internal control

As Accounting Officer I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit, and the executive managers and clinical leads within the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to this Annual Report and other performance information available to me.

My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, and Risk Management and Assurance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the assurance framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion for the financial year 2017/18 provided good assurance that there is a sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

Executive managers within the organisation, who have responsibility for the development and maintenance of the system of internal control, provide me with assurance. The assurance framework itself provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principle objectives have been reviewed.

My review is also informed by the programme of reviews undertaken by internal and external auditors, monitoring of actions related to previous controls assurance assessments, the clinical audit programme, Care Quality Commission monitoring of clinical governance development, risk management assessments aligned to the standards originally set in the Clinical Negligence Scheme for Trusts, external benchmarking processes, and a range of inspections by professional bodies and agencies.

The effectiveness of the system of internal control has been maintained and reviewed by the Board of Directors via its sub-committees and individual management responsibilities at Director and senior manager level. I am satisfied that this annual governance statement describes a system and approach which remained robust for the period from 1 April 2017 to 31 March 2018, and up to the date of approval of the Annual Report and Accounts, that supports preparation for the Annual Accounts on an ongoing basis.

Regular reports have been reviewed from sub-committees and individual officers in relation to all key risks. Annual reports have been received by the Board of Directors in relation to all important areas of activity, as well as ad hoc report as required.

Clinical governance and processes to ensure quality of patient care are overseen by the Clinical Governance and Quality Committee under the leadership of the Medical Director. Minutes of this Committee were received by the Board of Directors together with ad hoc reports, as required, and an annual report summarises the most significant issues in this area.

The Medical Director has delegated lead responsibility for risk management across the Trust. Practical support and co-ordination is provided by the Clinical Governance and Risk Department. Individual Directors and senior manager are empowered to assess and manage risks within their own areas of responsibility, linking closely with wider Trust processes. Significant support was provided via training, advice and guidance documentation to enable senior staff to effectively fulfil their functions.

An analysis of controls and assurance in relation to key organisational risks has been undertaken via the assurance framework. Underpinning this, the corporate risk register has been further developed to provide a detailed assessment of specific risk for all departments and key functions. The Risk Management and Assurance Committee scrutinised these processes and advised the Board of Directors in relation to the most significant risk and control issues arising from the assurance framework and risk register. Regular reports from the Committee have highlighted emerging and developing risks.

In addition, the Complaints Panel maintains an overview of the management of complaints and monitors action in response to specific risks identified through the Complaints Panel. The Risk Management and Assurance Committee provide oversight of incidents to ensure the integration of analysis of incidents and learning lessons from those incidents with other risk assessment and mitigation processes.

The Committee is responsible for the implementation and further development of the Risk Management Strategy, and for ensuring systems are in place to identify and address key risks. This role is complemented by the Audit Committee, which is responsible via internal audit for verifying that the system of internal control was effective in managing risks in the manner approved by the Board of Directors.

To support further development the Trust has taken advantage of opportunities to benchmark performance against national and international best practice. This included participation in formal and informal external processes including those supported by the Shelford Group of Trusts, the Department of Health, the National Patient Safety Agency, Care Quality Commission, and National Audit Office.

Conclusion

I can conclude that no significant control issues have been identified.

Dame Jackie Daniel
Chief Executive

25 May 2018

3. Annual Quality Report 2017/18
Unconditionally registered with the CQC since April 2010

Contents

Part 1
Statement on quality from the Chief Executive

We are pleased to introduce The Newcastle upon Tyne Hospitals NHS Foundation Trust Quality Account for 2017/18. This demonstrates how we have continued to deliver high quality, effective care for patients and sets out our key quality and patient safety priorities for 2018/19. Throughout the Quality Account for 2017/18 you will find examples of the delivery of high quality care which demonstrates our commitment to driving quality and putting patients first.

"Delivering outstanding local care and continuing to be a national and international provider remains our long standing commitment. Throughout 2017/18 we cared for more patients than ever before whilst continuing to deliver safe, high quality care in first class facilities."

2017/18 has again been an extremely challenging year where we have encountered a difficult economic climate and rising demand for services. In spite of this, as one of the largest and most successful teaching hospitals in England, we continue to provide a world class, high quality service delivered in our 12th year as an NHS Foundation Trust. Our excellence in healthcare has again been recognised nationally. Some of our successes include Bowel Cancer experts being recognised as having one of the lowest mortality rates of all major hospitals in the UK for Bowel Cancer, Immunology Services maintaining national accreditation by the Royal College of Physicians and the Trust being announced as the winner of the Festival of Learning Employer Award in the Northern Region for their exceptional commitment to staff development and lifelong learning.

Delivering outstanding local care and continuing to be a national and international provider remains our long standing commitment. Throughout 2017/18 we cared for more patients than ever before whilst continuing to deliver safe, high quality care in first class facilities. This can be seen in our outstanding performance in the 2017 Annual National Surveys and the consistently excellent recommendation rates in the NHS Friends and Family Test.

We continue to deliver cutting edge, pioneering healthcare and some exciting developments in the previous year have included the launch of a pioneering European research project coordinated in Newcastle aimed at developing new diagnostic tests to assess patients with non-alcoholic fatty liver disease and identify those most at risk of developing problems, the purchase of new radiotherapy equipment to deliver cutting-edge treatment for cancer patients at the Freeman Hospital and the pioneering new breast cancer treatment that our breast surgeons have become the first in the UK to offer. As well as new innovations we continue to provide world class transplantation services and this year marks the Trust's 50th anniversary of delivering heart transplantation. Respiratory experts at the Great North Children's Hospital (GNCH) in Newcastle have also launched a new website to help improve asthma care for children and young people in the North East. The 'Beat Asthma' website provides information and education to help families, schools and health professionals to work together to ensure children and young people living with asthma receive the best care and support.

In March 2018, the Trust celebrated the success of the 'Sign up to Safety' three year Campaign. This campaign consisted of a number of key safety and quality improvement projects which have had a significant impact on patient care. Completed projects focused on deteriorating patients, medication safety, sepsis, surgical safety and obstetrics and more information is provided in this Quality Account.

Research remains central to the delivery of specialist healthcare at The Newcastle Hospitals. Successes in this area have included stroke services being praised as a national leader for recruiting patients into research, Newcastle researchers being awarded £1.7 million to investigate heart attack treatments for patients over 75 years and the opening of a new, dedicated paediatric area in the Clinical Research Facility. In collaboration with the Academic Health Sciences Network and Newcastle University, the Trust has launched Diagnostics North East which will essentially streamline the process of 'research to patient treatment' in the most innovative and effective way.

The Trust recognises and highly commends the performance and excellence of its loyal and dedicated staff and throughout this Quality Account some of the achievements of individuals and teams across the organisation are highlighted.

In healthcare we have traditionally focused on errors in an effort to learn from our mistakes and avoid further harm. Whilst this is important it fails to recognise that the vast majority of what we do on a daily basis is good; indeed much of it is excellent. By focusing only on what has gone wrong the opportunity to learn from excellent practice is missed. So last year we joined a growing movement aimed to redress the balance by studying excellence and in doing so improve care, morale and resilience. This we have promoted by asking our staff to report good practice/areas of excellence and how they did it – this we call "Greatix" Learning From Excellence. Engagement has been strong, demonstrating an appetite amongst teams to recognise and celebrate excellence. More work is planned to capitalise on this excellent initiative and share best practice across the organisation.

In 2015 we launched our first Quality Strategy which outlined our commitment to prioritise quality above all else. With the second strategy (2018), we are able to build on the progress made so far and bring our plans in line with the National Quality Board's Shared Commitment to Quality. This new strategy also outlines our aim to create a culture of continuous improvement to increase and sustain the quality of our services for the people of Newcastle and beyond.

Quality Improvement (QI) will become an integral part of everyone's daily work. Learning, improving and innovation have always been the Newcastle way. We are embracing a new culture which encourages innovation, risk assessed experimentation and change that empowers staff to give improvement a go and to learn from what works and what does not without fear of failure. Improvement and innovation invariably arises from those at the cutting edge of clinical practice irrespective of their role or depth of experience.

We recognise that ALL staff are capable of influencing change, either by offering suggestions for improvement or participating in initiatives to enhance services. Our leadership style is one of enablement not prescription and QI will become a consistent part of our culture as we move forward as a Trust innovation from 'Ward to Board'.

This Quality Account for 2017/18 confirms that the Trust remains in a strong position to move forwards, despite the challenges facing the NHS. Our total priority and commitment will always be unconditionally to the welfare and wellbeing of our patients.

Dame Jackie Daniel
Chief Executive
The Newcastle upon Tyne Hospitals NHS Foundation Trust

The information contained within this document is, to the best of our knowledge, an accurate record of outcome and achievement.

Part 2
Review of Quality Performance 2017/18

The information presented in this Quality Account represents information which has been monitored over the last 12 months by the Trust Board, Council of Governors, Clinical Governance and Quality Committee and the Clinical Policy Group. The majority of the Account represents information from all 16 Clinical Directorates presented as total figures for the Trust. The indicators to be presented and monitored were selected following discussions with the Trust Board. They were agreed by the Executive Team and have been developed over the last 12 months following guidance from senior clinical staff. The quality priorities for improvement have been discussed and agreed by the Trust Board and representatives from the Council of Governors.
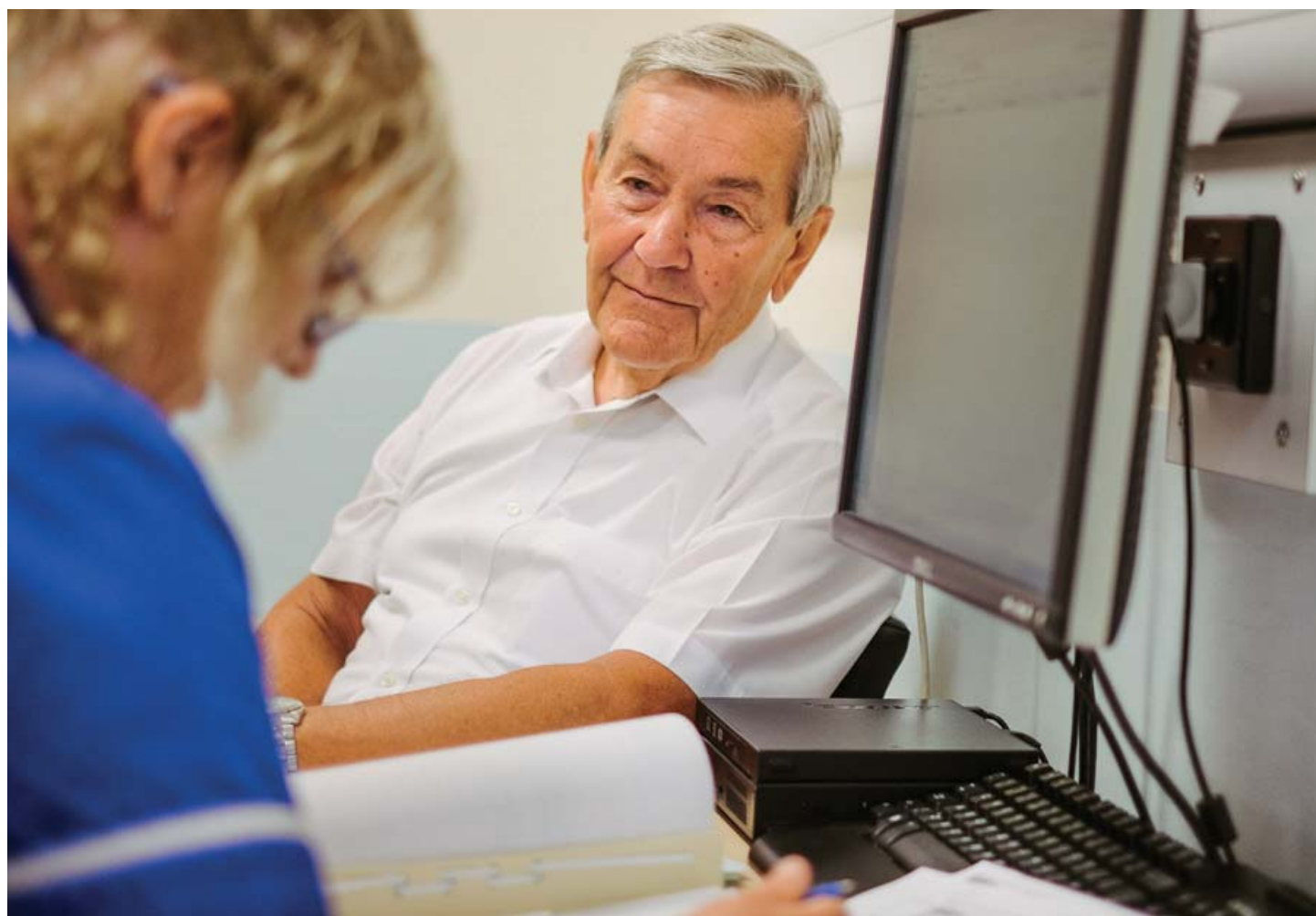
The Trust has consulted widely with members of the public and local committees to ensure that the indicators presented in this document are what the public expect to be reported. Comments have been requested from Newcastle Health Scrutiny Committee, Newcastle Clinical Commissioning Group (CCGs) and the Newcastle and the Northumberland Healthwatch teams. Amendments will be made in line with this feedback.

Patient Safety

Priority 1 - To reduce all forms of healthcare associated infection (HCAI) we will quantify our success in this by:

- Aiming for the annual number of Methicillin Resistant *Staphylococcus Aureus* (MRSA) bacteraemia cases to be no more than zero

- Reducing hospital acquired infections related to *Clostridium difficile* (*C. difficile*) to be no more than 77 cases in the next year and to have no lapses in care on *C. difficile* cases.

As well as MRSA and *C. difficile*, the Trust monitors rates of Methicillin-Sensitive *Staphylococcus Aureus* (MSSA) and *E. coli* bacteraemia. From April 2018 Pseudomonas and Klebsiella bacteraemias will also be monitored. We are required to achieve 50% reduction in Gram Negative Blood Stream Infections (GNBSI) by 2021.

The definition of MRSA is:

Staphylococcus Aureus (S. aureus) is a bacterium that commonly colonises human skin and mucosa (e.g. inside the nose) without causing any problems. Although most healthy people are unaffected by it, it can cause disease, particularly if the bacteria enters the body, for example through broken skin or a medical procedure. MRSA is a form of S. aureus that has developed resistance to more commonly used antibiotics. MRSA bacteraemia is a blood stream infection that can lead to life threatening sepsis which can be fatal if not diagnosed early and treated effectively.

The definition of *C. difficile* infection (CDI) is:

C. difficile diarrhoea is a type of infectious diarrhoea caused by the bacteria *Clostridium difficile*, a species of gram-positive spore-forming bacteria. While it can be a minor part of normal colonic flora, the bacterium causes disease when competing bacteria in the gut have been reduced by antibiotic treatment.

The definition of MSSA is:

As stated above for MSSA the only difference between MRSA and MSSA is their degree of antibiotic resistance: other than that there is no real difference between them.

The definition of *E. coli* is:

Escherichia coli (*E. coli*) bacteria are frequently found in the intestines of humans and animals. There are many different types of *E. coli*, and while some live in the intestine quite harmlessly, others may cause a variety of diseases. The bacterium is found in faeces and can survive in the environment. *E. coli* bacteria can cause a range of infections including urinary tract infection, cystitis (infection of the bladder), and intestinal infection. *E. coli* bacteraemia (blood stream infection) may be caused by primary infections spreading to the blood.

During the period from April 2017 to March 2018, there were

- Four MRSA bacteraemia cases finally assigned to the Trust. This compares with nine at the end of March 2017. There is a 'zero tolerance' approach to MRSA infections.

- 78 cases of hospital acquired *C. difficile* (16.86 per 100,000 bed days), against an annual target of 77 cases (88 cases were reported but 10 were successfully appealed and were therefore not counted towards the target. There are potentially a couple of further appeals pending a microbiology review which may be able to go forward to the appeals process. Therefore the final number of cases counted against the contract may decrease further. This compares with 57 at the end of March 2017 (77 cases were reported but 17 successfully appealed and were therefore not counted towards the target).

- 96 cases of MSSA bacteraemia, compared with 93 at the end of March 2017.

- 173 cases of *E. coli* bacteraemia, compared with 206 at the end of March 2017.

The graphs below indicate the position of the Trust as at the end of March 2018 and the progress made over time in respect of reducing the incidences of these hospital acquired infections. The figures are reported to the Trust Board and Public Health England (PHE) on a monthly basis.

Yearly C. difficile Rates (minus appeals) 2007/08 to 2017/18
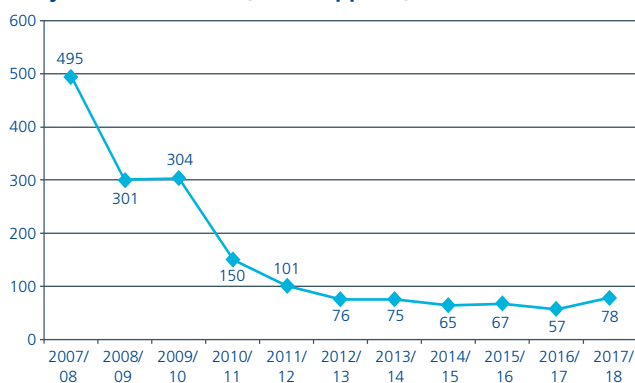
MRSA bacteraemia - 2007/08 to 2017/18 (minus Third Party Assignment)
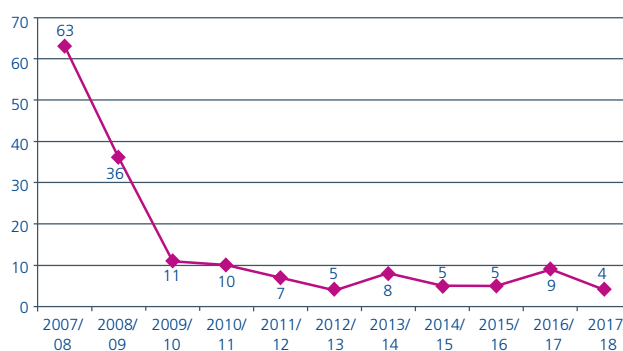
Yearly MSSA Rates 2011/12 to 2017/18

Yearly *E. coli* Numbers (post-48 hours) 2011/12 to 2017/18

There are a number of strategies that the Trust has implemented to monitor and reduce the number of HCAIs, some new and some ongoing, which include:

- Ongoing review of the Infection Prevention & Control Operational Plan by the IPC Operational Group; this plan informs the Infection Prevention Control Committee (IPCC) agenda where progress is monitored. HCAI continues to be a standing agenda item at the Trust main forums and Directorate level communication and governance meetings.
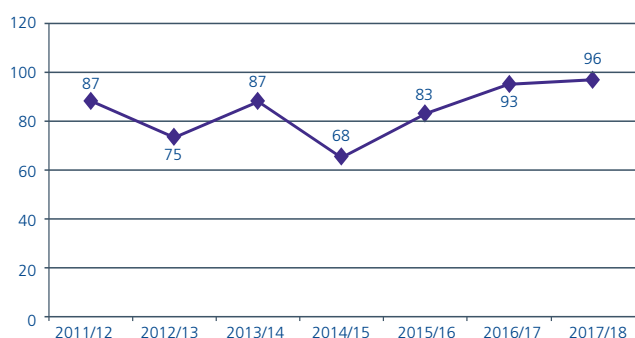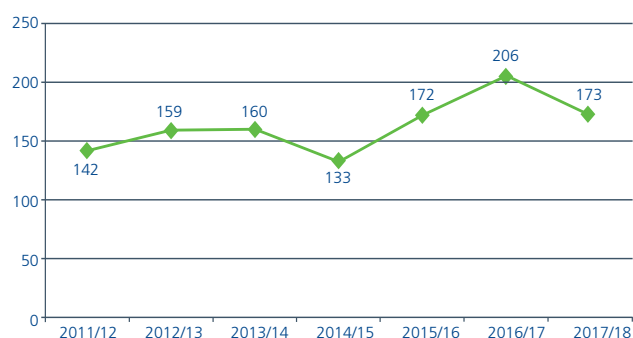
- Following each case of MRSA bacteraemia, a Post Infection Review (PIR) Toolkit is completed, with the findings submitted to Public Health England (PHE). This information is collated in a quarterly report, which facilitates the sharing of lessons learned and best practice Trust-wide.

- Following each *C. difficile* case attributed to the Trust, a root cause analysis (RCA) form is completed and the results compiled in a database. This information contributes to the production of the quarterly report. A period of increased incidence (two or more cases on a ward within 28 days) leads to a Muti-Disciplinary Team (MDT) review to discuss the cases.

- The Trust has focused on areas where patients are identified at a higher risk of MSSA. The use of daily antiseptic washes is being extended to encompass a greater number of patients throughout the Trust - and for the duration of their admission - following extensive scoping work, Octenisan is replacing Chlorhexidine, which was previously used. RCAs are held to assess the source and contributory factors of MSSA in the Trust and to help identify themes and lessons to disseminate. There is also a focus on Aseptic Non Touch Technique (ANTT) to improve practice around insertion and care of invasive devices and thereby reduce the number of line-related MSSA bacteraemia. ANTT will be part of mandatory training from April 2018.

- Serious Infection Review Meetings (SIRM) now focus on reviewing actions identified by RCA to prevent HCAI. Each Directorate has a focused meeting every few months (at an agreed interval) and provides a progress update on what has been put in place in response to RCA findings. This new format enables a wider discussion with the Directorate on other IPC-related issues. Additional individual meetings are held to discuss cases of MRSA bacteraemia, MSSA and *C. difficile* deaths and other specific IPC issues; on an ad-hoc basis.

- Antibiotic stewardship continues to be a standing agenda item at IPCC and a policy underpinning the core principles is now in place. Antibiotic leads have been appointed in the majority of medical specialties to lead audit work. Pharmacy undertake quarterly ward usage audits to demonstrate trends and completed a Trust-wide prevalence audit. As part of a CQUIN, we have achieved the target of reduction in Tazocin and Carbapenems use; however, we have not achieved the target reduction in overall antibiotic prescribing.

- A new piece of collaborate work is underway with the CCG to reduce the number of Gram-negative bloodstream infections (e.g. *E. coli*). This includes a Quality Premium for the CCG to achieve a 10% reduction in *E. coli* bacteraemia in 2017/18. The Trust is also required to report the number of Klebsiella and Pseudomonas bacteraemia to PHE.

- A new Infection Improvement Clinical Group has been convened involving senior clinical staff with a focus on improving practice related to HCAI reduction across the Trust.

- HCAI continues to be a regular agenda item at monthly Site Safety Briefings.

Priority 2 - Sign up to Safety (Su2S)

In 2015 the Trust signed up to the three year National 'Sign up to Safety' Campaign which aimed to save 6000 lives and reduce avoidable harm by 50% by 2018. By 'signing up to safety' the Trust pledged to undertake work in relation to five patient safety priorities. Progress in each of the priority areas has been made over three years and a summary is detailed below.

Safety Culture

The promotion of an open learning culture has been a central component of the 'Sign up to Safety' Campaign. Staff safety culture surveys were undertaken and the results from 2012 and 2016 were compared to assess changes over time and demonstrated significant improvements. Of the 42 questions within the survey, 28 had improved significantly (statically tested using the Chi-squared test) some of the main improvements are listed below:

Overall perception of safety

"Please give your department an overall grade on patient safety"

73.4% Excellent/Very Good
(67.5% in 2012)

"Actions from Trust management show patient safety is a top priority"

70.8% agree
(58% in 2012)

Safety top priority

Feedback & communication about errors

"We are given feedback about changes put into place based on incident reports"

65.6% agree
(52.3% in 2012)

"Trust management provide a work climate that promotes patient safety"

77.7% agree
(66% in 2012)

Support for Patient Safety

Human Factors

The importance of human factors has been promoted throughout the campaign. It is recognised that human factors training has the potential to reduce risk, improve the investigation process when things do go wrong, and develop a culture where staff are confident to speak up when they have concerns. Human factors training can enhance clinical performance through an understanding of the effects of teamwork, tasks, equipment, workspace, culture and organisation on human behaviour and abilities and application of that knowledge in clinical settings.

A human factors programme has been introduced and delivered by experts within the Trust. This programme was developed to increase awareness and understanding of human factors across the organisation. Eight awareness sessions have been held which were open to all staff. Attendees were asked to complete an online survey and feedback from these sessions is informing the structure and delivery of in-depth team based training for Directorates to improve the incident investigation process. Further training is planned for the Board on the importance of human factors in service delivery and safety.

Quality Improvement

Quality improvement methods have been promoted and used within all the 'Sign up to Safety' programmes of work. This supports a culture which encourages innovation, experimentation and change and empowers staff to give improvement a go; to try it, take a risk, learn from what does and doesn't work.

We have strengthened our approach to recognising and sharing quality by building a network of staff throughout the Trust based on The Health Foundation's Q initiative. The 'Q' initiative aims to connect people with improvement expertise and foster continuous and sustainable improvement in health and care. We are replicating this model within the Trust and opportunities have been organised for staff to come together as an improvement community to enhance their improvement skills, share ideas, and collaborate. Currently there are 23 staff who are members of 'Q' forming a core quality improvement collaborative. This collaborative aims to contribute to enhancing and promoting quality improvement across the Trust. A 'Tools for Change Workbook' has been produced and will be available in spring 2018. This provides a step-by-step guide to goal setting, project planning, evaluation and sustainability.

Incident Reporting

Many strategies to increase incident reporting rates have been used, with the aim of learning from incidents and preventing incidents from re-occurring. The strategies include:

- Monthly patient safety briefings.

- Increased data-sharing, including summaries of incident data and comparisons between directorates.

- Workshops for directorate management and clinical leaders focusing on incident investigation quality, learning from incidents, and the importance of considering human factors.

- Pro-actively encouraging a culture of openness and candour where staff feel confident in raising concerns or discussing incidents and errors without fear of punitive consequences. Trust policies have been adapted to support this approach.

- Construction of a medication investigation tool, focussing on identifying all contributory factors and learning, rather than a person-centered model which could be perceived to attribute blame.

- Learning from incidents and mistakes promoted to a standing agenda item on many meeting agendas across the Trust.

Staff Survey

The 2017 staff survey results showed that the Trust scored well on the questions around errors and incidents in comparison to the national average, in particular:

- Staff witnessing potentially harmful errors, near misses or incidents' (scores better than other comparable Trusts).

- Staff agreeing to fairness and effectiveness of procedures for reporting errors, near misses and incidents (scores better than other comparable Trusts).

- Staff confidence and security in reporting unsafe clinical practice (scores significantly better than other comparable Trusts).

The five patient safety priorities

1. Deteriorating patient:

- To reduce avoidable harm and death associated with missed opportunities to detect/instigate initial management of the deteriorating patient by 50% by 2018 (*Adults*).

- To reduce the number of episodes of avoidable deterioration leading to PICU admission and/or activation of the resuscitation teams and/or death by 50% in the North East North Cumbria Region by 2018 (*Paediatrics*).

The eRescue project

All 69 inpatient wards in the scope of the eRescue project were surveyed for existing contents of their handwritten boards. Our IT team developed the software for a bespoke electronic whiteboard system, which automatically pulled the existing information from the IT system to the boards. The initial evaluation of the whiteboards with an industry standard assessment tool, SUS score, was 79% which is outstanding comparable to the reference level of Apple® products. This validated the design approach which required the whiteboards to have an intuitive feel that necessitated minimal education and support. Eighty 55 inch touchscreen electronic Apple® whiteboards were installed across the Trust as a platform to start to facilitate the interface of IT with the ward healthcare environment and drive improvements in patient care. There have been several subsequent rounds of further developments to meet the needs of the wards and enhance the systems and interfaces.

The next phase involved the writing of software for a digital solution to replace handwritten observation charts. A design that incorporates positive patient identification with barcode scanning of the patients Identification (ID) bracelet has been developed and is currently in trial. A Trust-wide audit established an enormous variety of observation devices for taking blood pressure, saturations and temperature. Many of the devices were old and often in need of updating. Agreement was gained to purchase a standard device for the Trust which reduced the risk of unfamiliarity of staff with variable devices, reduced the burden on the Electronics & Medical Engineering (EME) department of servicing old stock and enabled the wards to monitor patients with new, reliable devices. Over 350 new devices (Figure 1) have been purchased and are currently being delivered with training to the wards. These tablets allow staff to input the patients' observations and allow immediate review of the patient chart at the bedside with automated recommendations based on the observations. The system immediately updates the electronic whiteboards to provide a continuously visible risk score and time to next observations to help staff prioritise tasks. It is also fully embedded into the electronic patient record allowing a review of the patients' observations from any linked computer. The system has required minimal training and support in the initial deployment and has been extremely well received particularly the benefit of visually identifying the potentially higher risk patients on a ward at a glance of the electronic whiteboards.

The electronic whiteboards have also significantly improved the accuracy of the named consultant in the electronic record which is supporting the seven day working project with accurate patient lists for consultants to work from. The visible presence of Estimated Date of Discharge on the boards has rapidly increased the utilisation of this key marker in the SAFER workflow metric, with the established association of increased adoption reducing length of stay.

Over 80% of the wards have fully adopted the whiteboards, replacing the handwritten boards. Due to the limitation of data that currently does not exist in the IT system (which will be addressed with the GDE project) a minority of wards have both handwritten and electronic boards to facilitate the ongoing smooth operating of their service.

Figure 1 New devices with a barcode scanner and a Wi-Fi enabled touchscreen tablet

The sepsis alert identified the challenges of interfacing technology with real world workflows in a complex healthcare system. This is being redesigned to meet its requirements to facilitate driving compliance with the need to get early antibiotics to septic patients to improve outcomes.

The first week of the electronic observations trial generated approximately 1,000 observation sets which can now be reviewed as part of the ongoing electronic patient record. During the project we have established run charts for unplanned local adult intensive care admissions. This established an average mortality of 25% and numbers of 80-90 per month, validating the need to focus resources on such a high-risk group. This will be an ongoing measure of Trust performance as the electronic observations are rolled out.

Education work stream

In parallel to the electronic work stream, an education work stream has made significant progress. We have established the organisation as a training centre for the Acute Illness Management Course. The first courses have a training base of over 30 instructors locally from which we can target ward training for nursing and medical staff. This course helps embed the link between the observations triggering concern and the initial assessment and management of deteriorating patients, emphasising the critical importance of human factors have in the system.

Recognition of the sick child - Paediatric Early Warning System (PEWS)

Development and implementation of a paediatric early warning system was based on the literature, critical evaluation of selected current paper based PEWS charts available in UK and Ireland, the local organisational situation, and iterative feedback from frontline staff and young people.

Key design elements were parental and nursing concern, colour coded escalation and physiology cut-off points based on age appropriate distribution. Escalation is through a structured communication sequence (ISBARD).

Development and implementation of a separate paediatric cardiac PEWS was designed in recognition of the different physiology in this patient group. Attention was given to both cyanotic and non-cyanotic heart conditions. This is a first for the UK and a learning package has also been developed and shared to help implememnt and sustain use of the PEWS system. Currently, approximately half of the Acute Trusts in the region have adopted the PEWS charts, placing us ahead of other regions nationally.
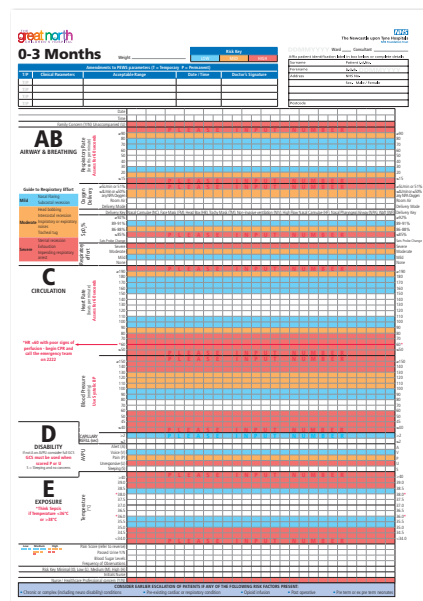
Front and back of new PEWS chart and escalation for 0-3 month age group
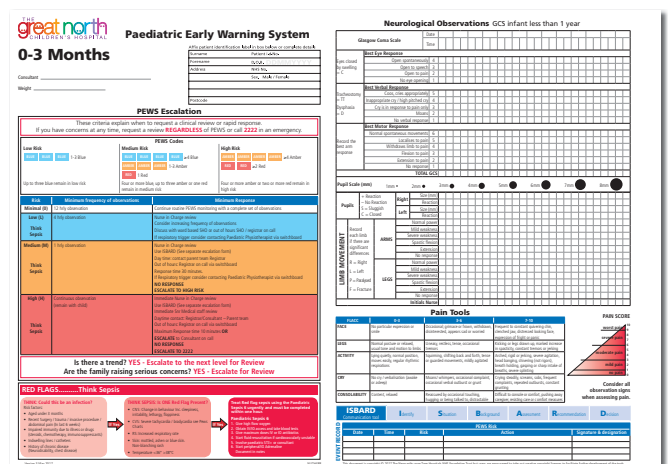
2. Medication safety:
To reduce avoidable harm and death from medication errors by 50%.

The objectives for medication safety were to:

- Increase reporting of medication errors by 10%.

- Increase reporting of medication errors to national average.

- Implement Trust-wide robust investigation and learning systems.

- Reduce avoidable harm from high risk medicines.

Increase reporting of medication errors

To increase reporting and learning, the following interventions have been implemented:

- Regular publication of a Medication Safety Bulletin circulated to all Trust staff by e-mail.

- Attendance at various Trust meetings to promote medication safety work, including Clinical Risk Group, Matrons' and Clinical Leaders' Forums, Clinical Pharmacists' meetings.

- Development of medication safety teaching for junior doctors and all preceptors.

- Presentation about medication safety incidents at the Trust Patient Safety Briefings.

- Presentation of data cleansing work and impact on reported harm at the Annual Trust Audit / Quality Improvement Prize event.

- Addition of the 'Did you use the medication toolkit' prompt in the Datix® investigation fields as a mandatory question to encourage investigators to consider its use.

Medication incident reporting data is published every six months by the NHS National Reporting and Learning System (NRLS). The graphs below show that medication incident reporting rates have increased and harm is decreasing. In the last six months of 2017, only 19% of incidents caused some degree of patient harm (graded minor or above) compared to 56% in the first six months of 2015. This data was obtained from Datix®. The dotted line represents incidents that have been reported but have not yet been fully investigated and allocated a final grading.

NRLS Medication Reporting Rate / 1000 Bed days
NuTH Vs Peer Group mean & median (October 2013 - March 2017)
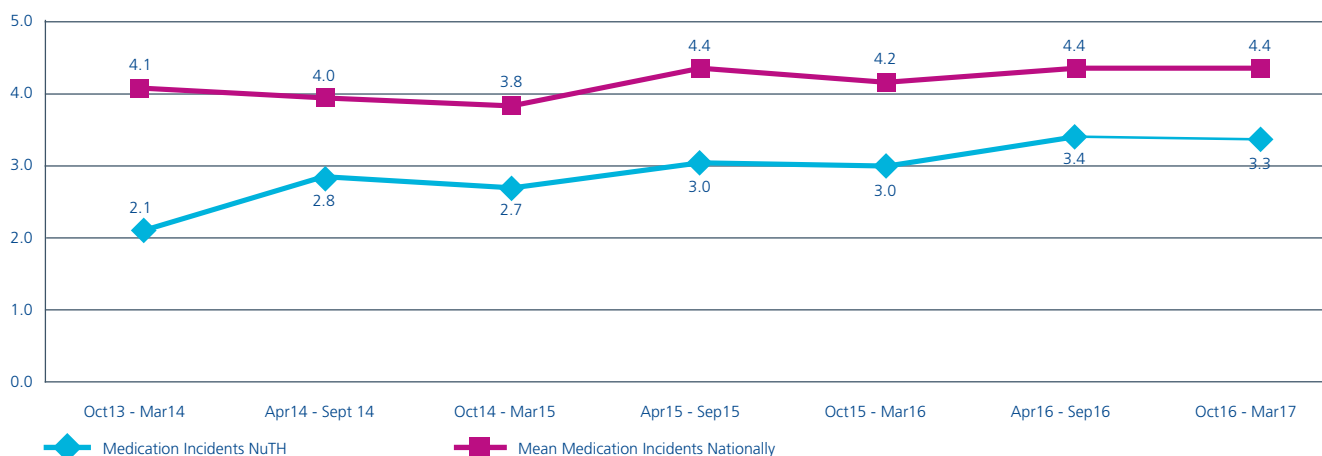
Trend of NuTH medication incident reports & harm
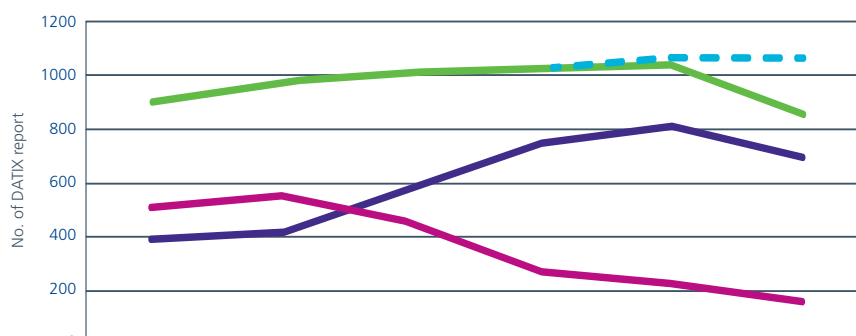
	Jan - Jun 2015	Jul - Dec 2015	Jan - Jun 2016	Jul - Dec 2016	Jan - Jun 2017	Jul - Dec 2017
Insignificant (no harm)	395	417	563	751	807	698
Harm: Minor & Above (on finally approved DATIX)	509	556	450	270	230	164
Grand Total medication reports in DATIX system	904	973	1013	1021	1037	862
Total ALL DATIX reports			1021	1023	1066	1062

Implement Trust-wide robust investigation & learning systems

A consistent, Trust-wide approach to medication incident investigation and learning has included the following:

- **Development of a reflective report and medication incident investigation tool.** The tool was based on the Yorkshire Contributory Factors Framework, adapted specifically with a medication focus. It guides investigators through the investigation process by ensuring they consider all factors that may have contributed to the incident. It also references to the National Patient Safety Agency (NPSA) decision tree which is helpful in determining whether the error is due to the system or some other factors that may need further review. By using the reflective report for those individuals involved in the incident rather than a formal statement, the focus is very much on reflection and learning rather than blame and disciplinary procedures.

- Widespread roll-out of the tool to all directorates through directorate meetings, Trust meetings and work with investigators, in particular matrons.

A Medication Safety Bulletin has been published several times a year with an aim to share learning from medication incidents across the Trust. The usual format is to:

- Give details of incidents that have occurred within the Trust to inform readers of the improvements that have been put in place in an attempt to prevent recurrence. It is hoped that this approach will encourage Trust staff to report incidents and recognise that these incidents are reviewed, learning is identified and measures are put in place to mitigate against recurrence. An example of a Medication Safety Bulletin is shown to the right. Bulletins are distributed to all staff who have a Trust e-mail account.

	Mar 15	Oct 15	Mar 16	Oct 16	Mar 17	Oct 17
No of finally approved Datix®	34	38	53	30	37	29
Interval between investigation completion and final approval	Average 23.1 days	Average 26.3 days	Average 20 days	Average 11.3 days	Average 11.5 days	Average 8.8 days
Interval between actual incident and final Datix® approval	Average 93 days	Average 77 days	Average 88 days	Average 52 days	Average 61 days	Average 44 days

The table below shows how the process of incident investigation has changed over the three years of the project. Samples of data were retrieved from the Trust Datix® system for the first week of each of the sample months indicated in the table. It appears that the introduction of the medication incident investigation tool and a more consistent approach to incident investigation has resulted in timelier investigation of incidents.

- Average interval between investigation and final approval has reduced by over 60%

- Average interval between incident occurring and final approval has reduced by over 50%

Three months after the Trust roll-out of the tool, all matrons, who make up the largest group of investigators, were asked to share their initial thoughts about the tool as part of a survey. In total 14 responses (from 35 questionnaires) were received. The results of this survey are shown below.

Question	Yes	No	Neither
I found the tool easy to use	92%		8%
I feel that the tool is too detailed	8%	84%	8%
I feel that the tool takes too long to complete	8%	92%	
The tool helps me to identify root causes easily	100%		
The tool helped me to identify more root causes than I may have without it	100%		
Using the tool has improved the incident investigation process	91%		9%
Using the decision tree helped me to decide what action to take next	75%		25%
I would recommend the tool to other investigators	100%		

Reduce avoidable harm from high risk medicines

The following interventions have been implemented to reduce avoidable harm from high risk medicines.

- Regular publication of a Medication Safety Bulletin with high risk medicine themes.

- Development of guidelines for use of anticoagulants.

- Education and training for junior doctors and pharmacists about anticoagulants

- Ward-based insulin training and the development of charts to aid identification of insulins on admission.

- Development of new hyperkalaemia guidelines and audit of their use.

- E-record changes e.g. interaction alerts, improved order sets for these drugs.

Through the use of many different approaches and interventions the number of incidents related to these medicines and the associated harm has been reduced. The graphs below have been created, using data from Datix® to demonstrate this.

High Risk Medication: INSULIN profile of finally approved DATIX reports

Legend: Insignificant (no harm) — Harm: Minor & Above — Grand Total
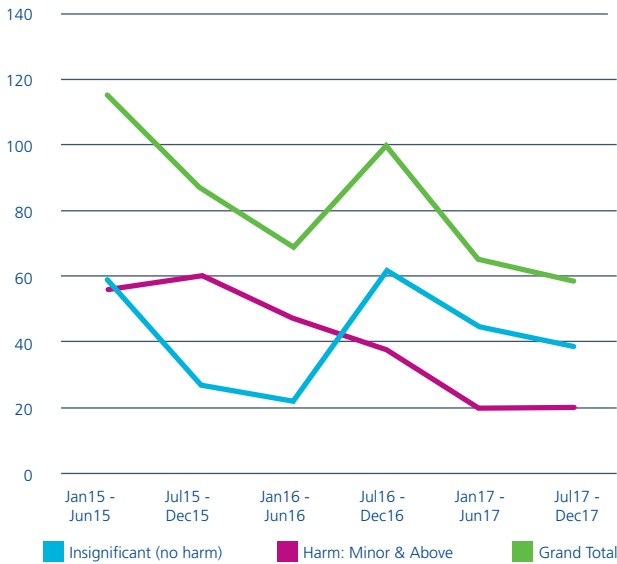
High Risk Medication: WARFARIN profile of finally approved DATIX reports

Legend: Insignificant (no harm) — Harm: Minor & Above — Grand Total
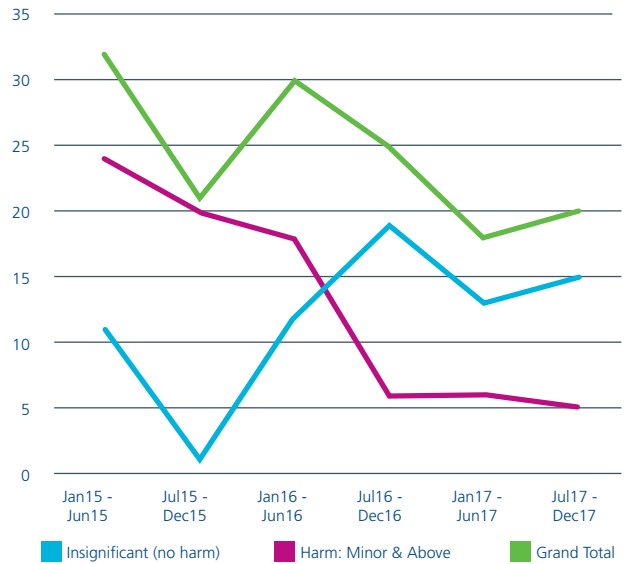
High Risk Medication: DOACs profile of finally approved DATIX reports

Legend: Insignificant (no harm) — Minor — Grand Total
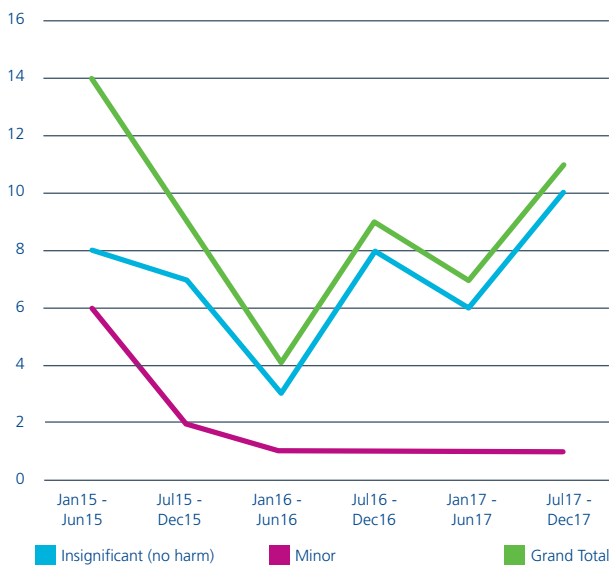
3. Sepsis:

To improve early detection and initial management of the severely septic/septic shocked patient by 50% by 2018 (*Adults*).

To reduce the numbers of children treated inappropriately for sepsis by 50% by 2018. (*Paediatrics*).

The objectives for Sepsis were to:

- Improve monitoring
- Improve recognition
- Improve communication
- Improve time critical response

A multidisciplinary, multiple specialty Sepsis Steering Group was established and met on a monthly basis with a range of interventions put into place, including:

- Education delivered to all members of nursing staff and to junior and senior doctors within directorates.
- A Sepsis educational video on the Trust intranet and YouTube channel.
- A Sepsis timeline for education purposes (Figure 1).
- Sepsis posters in all clinical areas which we developed in partnership with Medisense, a medical education company managed by junior doctors (Figure 2).

Figure 1

Figure 2

A Sepsis screening tool and pathway to facilitate the delivery of the Sepsis 6 treatment pathway

INFECTION AND SEPSIS SCREENING TOOL (ADULT)

Mottled skin?
Non blanching rash?
New onset confusion?
Lactate >2mmol/1

Red Flag present?
NEWS of 5 or more or
NEWS of 3 in any category?

Acutely unwell or deteriorating patient
(Especially if recent surgery / immunosuppressed)

DO YOU SUSPECT AN INFECTION?
(If no, the patient is still sick and needs review and management)

SUSPECT SEPSIS AND MANAGE AS AN EMERGENCY
COMPLETE A SEPSIS SIX BUNDLE

4000 Sepsis prompt cards for staff lanyards

National presentation of our data at Sepsis and Quality Improvement conferences

Development of a patient information leaflet about Sepsis and take home cards for patients discharged from ED

Patients with sepsis receiving antibiotics within 1 hour of diagnosis
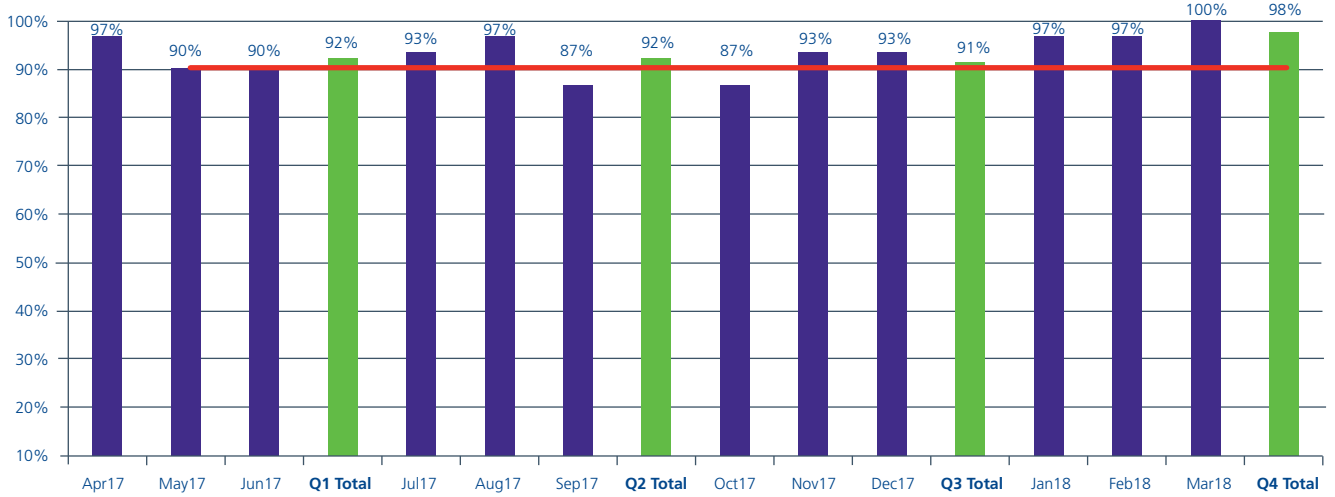
Antibiotic administration within one hour of a patient receiving a sepsis diagnosis has increased by 1% from 97% to 98%.
This based on a sample of patients audited.

ED Screening compliance
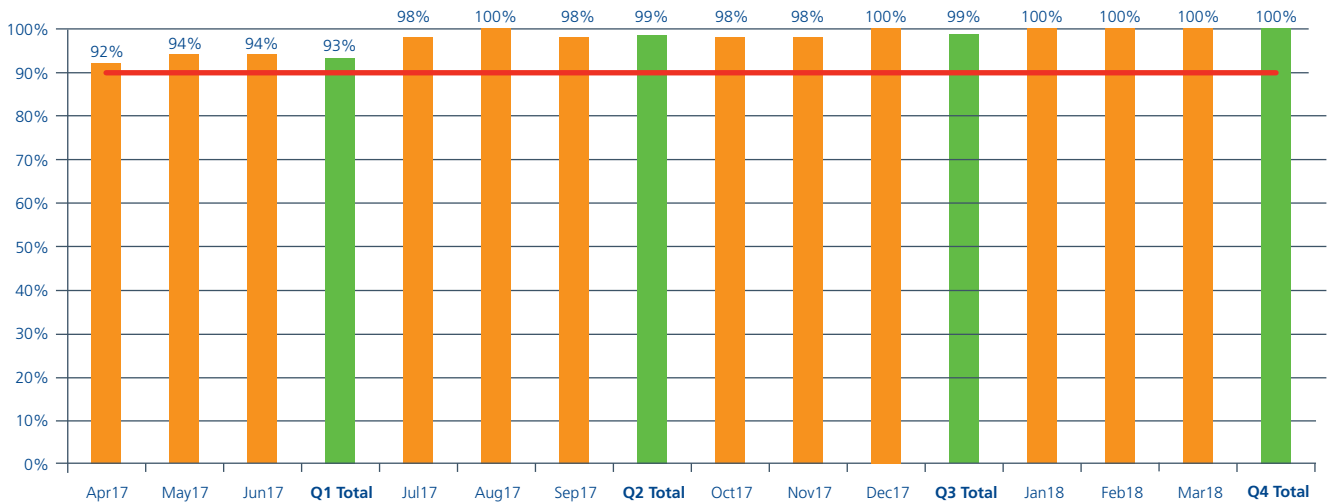
Screening for Sepsis in ED has increased by 9% from 92% to 100%.

Inpatient Screening compliance
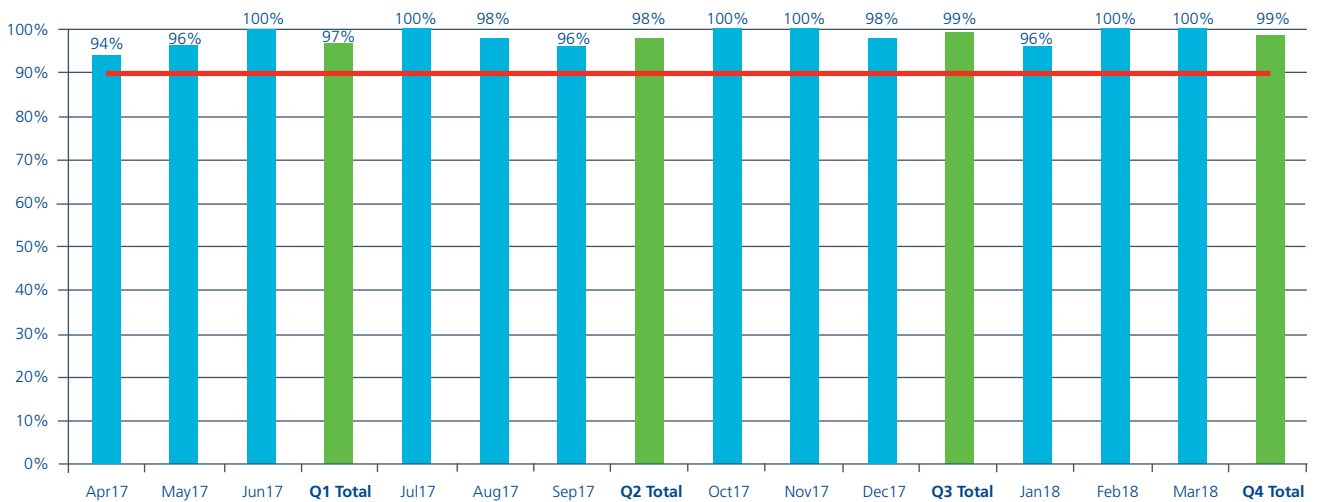
Screening for Sepsis in an inpatient setting has increased by 5% from 94% to 99%.

An Audit of the effect of education delivered to nursing staff following an education package showed a significant improvement and was presented at the Intensive Care Society's Annual meeting

Improved compliance of the Sepsis e-Record order set

"A multidisciplinary, multiple specialty sepsis Steering Group was established and met on a monthly basis with a range of interventions put into place."

Paediatric Sepsis

In addition to the overall Sepsis work a number of specific paediatric developments have been implemented, including the development and sharing of a sepsis triage tool:

Development of an A&E Sepsis screening tool

The A&E sepsis triage tools have been streamlined according to local practice. Several iterations have been trialled as well as promoting stickers in the assessment process. An eRecord paediatric sepsis package was developed and implemented.

The current focus is on appropriate embedding in the 'front of house' workstream.

A safety-netting leaflet has been co-designed with parents, based on the SAM leaflet designed in Cornwall and evaluated by our colla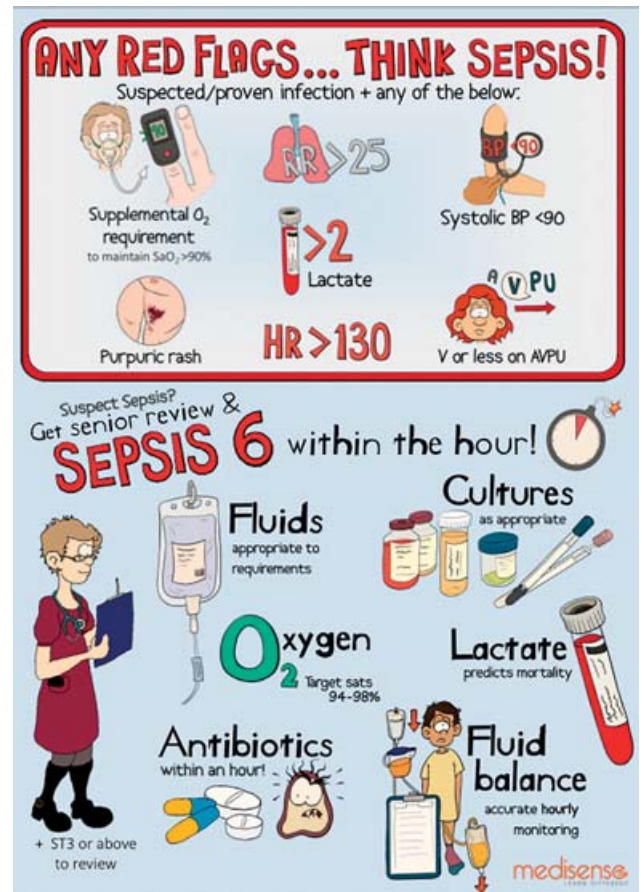borator Prof Jos Latour from Plymouth University. Dr Lim and Dr Emonts are co-applicants on an NIHR grant that has incorporated a workstream on safety netting (submitted March 2018).

Education material

- A website was developed and hosted by Northern Paediatrics, with a film suite of seven films produced. Five films were co-produced with parents. The films are available on vimeo and the northern paediatric sepsis website.

  http://northernpaediatrics.com/info/sepsis-project/

- Development and delivery of sepsis & deteriorating child education days in collaboration with NECTAR.

4. Surgical Safety:

The objectives for surgical safety were:

- To minimise surgical never events through learning and sharing.

- To reduce harm associated with post-operative care of patients undergoing spinal surgery by 50% by 2018.

- To reduce spinal surgery infection rates to match the national average by 2018.

- To reduce adverse incidents associated with elective surgery in the diabetic patient by 50% by 2018.

Thousands of invasive procedures are performed in the Trust, both within and outside operating theatres, by multiple clinicians and specialist practitioners. A number of safety solutions have been developed to reduce the number of patient safety incidents.

Surgical Consent

An easy to read best practice consent flowchart for elective admissions was developed and published to raise staff awareness of the minimum requirements relating to the content of consent conversations, the provision of relevant information and documentation of consent discussions. This Best Practice Guide was inserted into the Trust Consent Policy as an appendix and launched by the Clinical Risk Group which has senior representation from all Directorates. Directorate leads were asked to cascade the Best Practice Guide within their respective Directorates.
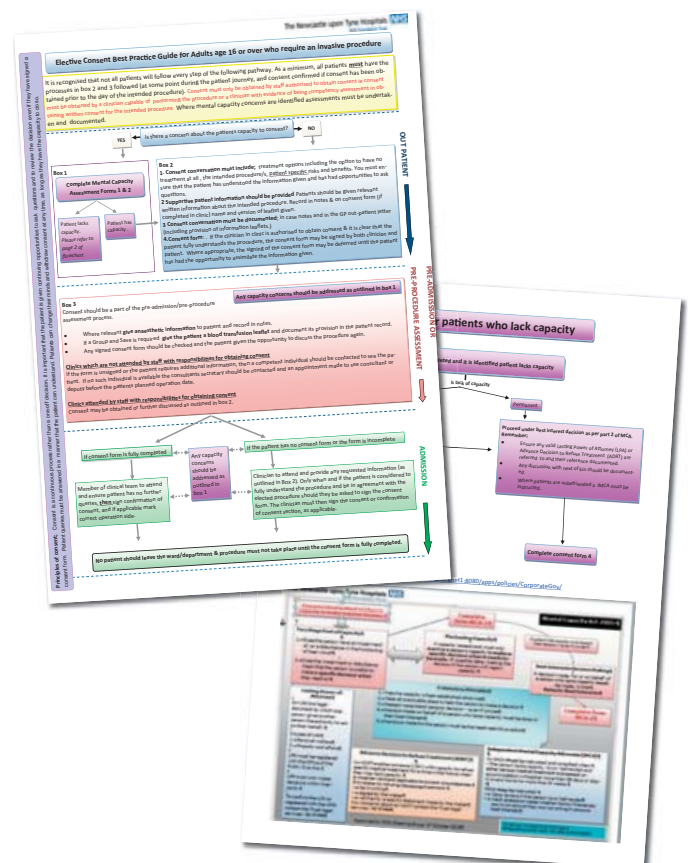
A staff education video 'Keeping you out of trouble: Key principles underpinning consent' was developed and published to provide a best practice guide regarding consent conversations with competent adults. The video aimed to improve staff knowledge of the consent process and outlined the professional behaviours we would expect to see when clinicians obtain consent from patients. The video was launched through the Clinical Risk Group and widely advertised and made available to all staff. Two further videos outlining best practice are also being developed. One of these videos relates to consent if there is a concern about a patient's capacity to give consent and the other relates to obtaining consent from children. The video relating to patients where there is a concern about their capacity to give consent will be made available to all frontline staff in Spring 2018.

The 'Keeping you out of trouble: Key principles underpinning consent' has been formally evaluated by 58 clinicians, 40% of whom were consultants. 84% of respondents strongly agreed or agreed that the video was useful and informative. 66% of respondents indicated that the video had prompted them to examine their own consent practice and training. 62% of respondents had given them some advice on how they could improve the way they obtain consent from patients.

A review of patient information for the most frequently undertaken procedures was successfully trialled within the Musculoskeletal Directorate. The review has now been extended to all clinical directorates who are reviewing patient information leaflets with a view to ensuring leaflets which are based on best practice are available for the most frequently performed procedures.

An audit of risks being discussed and documented for patients undergoing spinal surgery was performed in 2015 and re-audited in 2017. Considerable improvements were demonstrated in the 2017 re-audit. In particular statistically significant improvements were noted against the following risks; increased pain, neurological deterioration, bleeding, Deep Vein Thrombosis (DVT), Pulmonary Embolism (PE) and death. An extremely statistically significant improvement in the recording of the risk of infection was noted with 100% of patient records containing evidence of discussions. The following table illustrates the results of the 2015 audit compared with the 2017 audit.

Topic	2015 Audit	2017 Audit	Trend
Failure to Improve	29/53 (54.7%)	39/61 (63.9%)	Normal variation
Increased pain	18/53 (34%)	34/61 (55.7%)	Statistically significant
Neurological deterioration (any mention of nerve damage)	39/53 (73.6%)	55/61 (90.2%)	Statistically significant
- Paralysis	28/53 (52.8%)	35/61 (57.4%)	Normal variation
- Bladder	18/55 (34%)	26/61 (42.6%)	Normal variation
- Bowels	18/53 (34%)	27/61 (44.3%)	Normal variation
- Sexual function	11/53 (20.8%)	11/61 (18%)	Normal variation
Bleeding	33/53 (62.3%)	51/61 (83.6%)	Statistically significant
Deep Vein Thrombosis (DVT)	7/53 (13.2%)	19/61 (31.1%)	Statistically significant
Pulmonary Embolism (PE)	8/53 (15.1%)	19/61 (31.1%)	Statistically significant
Infection	44/53 (83%)	61/61 (100%)	Extremely statistically significant
Cerebrospinal Fluid leak (CSF)	32/53 (60.4%)	45/61 (73.8%)	Normal variation
Requiring future surgery	16/53 (30.2%)	20/61 (32.8%)	Normal variation
Death	12/53 (22.6%)	22/61 (36.1%)	Statistically significant
Swallowing problems (cervical surgery only)	11/19 (57.9%)	17/30 (56.7%)	Normal variation
Speech problems (cervical surgery only)	11/19 (57.9%)	17/30 (56.7%)	Normal variation

A Trust-wide audit of consent form completion demonstrated statistically significant improvements in the completion of the intended site or side of surgery and the provision of a copy of the consent form to the patient. Whilst many of the results were not significantly different in terms of improvement, a number of results remained consistently high, for example; recording of patient details, procedure details (with the exception of the procedure name being abbreviation free), the recording of patient signatures, completion of the confirmation of consent section.

Intra-operative Surgical Safety

A new WHO behavioural observational Quality Improvement (QI) tool

Work has continued to focus on maintaining compliance with the World Health Organisation (WHO) Surgical Checklist. An existing tool was adapted, pilot tested and revised, then developed for the Trust's operating theatre staff to use in order to observe both good team practice and areas for improvement. We used a multi-disciplinary approach involving key stakeholders including theatre matrons and sisters, consultant anaesthetists and consultant surgeons. The tool incorporates human factors, communication within the team, behaviour, team working and promotion of patient safety. This QI tool was used in all specialities across both main hospital sites. Changes were made after pilot testing and the finished QI tool was launched and shared at a Human Factors Event for cross site Theatre staff. An annual Trust-wide rolling programme to use the tool across each operating speciality has been put in place to embed the reflection and learning.

The number of behaviour observations undertaken in 2017/8 were:

- RVI- 79 sessions, 19 theatres and 15 specialties
- Freeman Hospital (FH) - 20 sessions, 20 theatres and 8 specialties

A Surgical Safety Staff Learning Event

An event was held in September 2017 for Theatre MDT staff from across the Trust. The aim of the event was to refresh enthusiasm for the 5 Steps to Safer Surgery and WHO Checklist, with a focus on describing what 'good' looks like for theatre teams. The WHO behavioural observation QI tool was also launched at this event.

Revision of the Operation Note

After wide consultation, the existing 'Operating Note' was revised to be a more effective handover document to communicate more surgical safety prompts to staff from both theatres and the receiving wards. We consulted widely when developing this documentation and also carried out a staff survey across the Trust to ensure all staff groups had the opportunity to comment on how the existing operation note could be improved. The finished version is to be rolled out to all areas in spring 2018.

Development of Local Safety Standards for Invasive Procedures (LocSSIPS)

A Trust-wide review of interventional procedures was initiated to identify the priority areas for LocSSIPs. Standards were developed and agreed for the main operating theatres and this was shared widely as an example for other departments to use as a guide. LocSSIPs have been developed for a number of higher risk areas such as pleural drain insertion, plastics, dermatology and dental.

Spinal Surgical infections

The incidence of spinal surgical infection is voluntarily reported externally to Public Health England on a quarterly basis as part of the national Surgical Site Infection Surveillance Service (see graph below). The Trust incidence is 0.4% and while this is lower than the national average (1.4%), positive outcome work continues to minimise infections.

Spinal SSI Infection rates (National and NuTH)
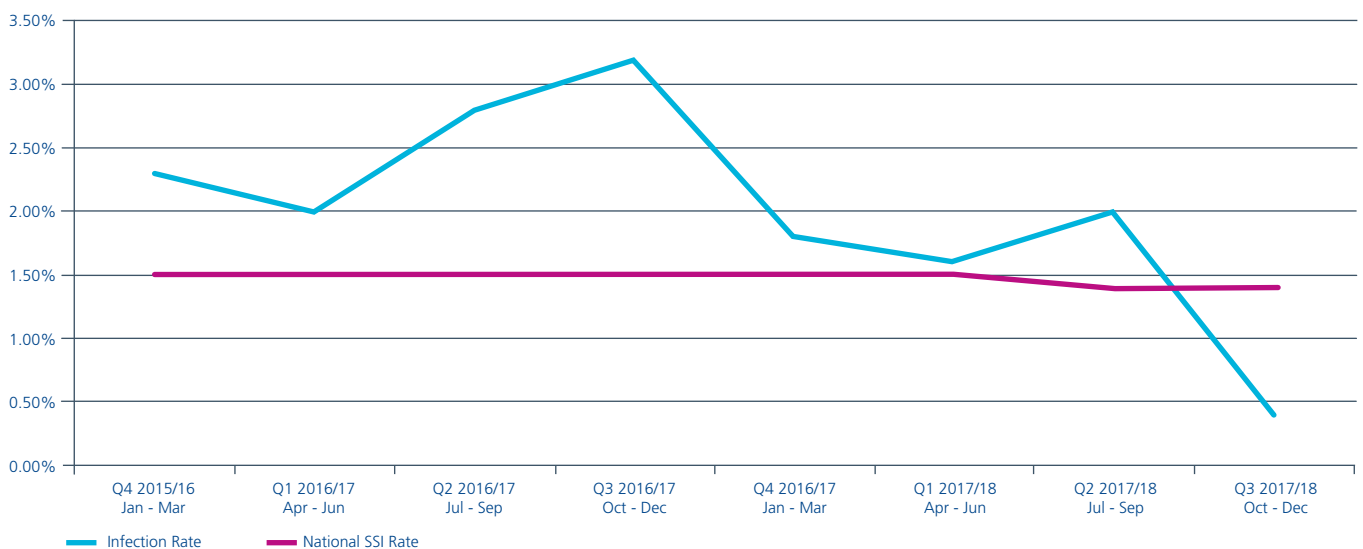
A variety of interventions have been implemented to reduce infections, including: Rigorous Root Cause Analysis (RCA) for each infection case and regular feedback to staff of the RCA leading to raised awareness of the issues. In addition, a thorough review of the full surgical pathway from pre-assessment to post discharge was undertaken by the multidisciplinary team involving surgeons, microbiologists, the infection prevention and control team, tissue viability, ward and theatre staff and changes to practice were agreed and implemented.

Spinal Surgery infection prevention bundle

Pre-Operative Infection Preventative Bundle

- Assessment of patients at risk
- Antiseptic washes pre-operatively with attention to back
- Patient information on importance of Infection, prevention and control (IPC)

Intra-Operative Infection Prevention Bundle

- Antibiotics prior to incision
- Maintain temperature, glucose levels, oxygen levels
- Skin preparation and hand hygiene
- Application of surgical dressing

Post-Operative Infection Prevention Bundle

- Maintain temperature
- Non disturbance of the surgical dressing for 48 hours
- Hand hygiene
- Antibiotics guidelines for infection
- Aseptic non-touch technique
- New wound care plan
- Patient information post discharge

In addition to consistent practice as per these bundles of care, attention has been given to a number of quality improvement interventions:

1. Trust investment to provide a 'Day of Surgery Arrival' area within ward 42 to facilitate pre-operative skin washes and separation from the main inpatient area to maximise infection prevention and control standards.

2. Robust engagement by the whole theatre team with the operating department 'team briefing' at the start of every list and the WHO checklist. This is to enable all members of the team to be fully aware of any issues and improve team working.

3. Strict adherence to theatre dress code, minimisation of theatre traffic and no ward beds to be taken into theatre (unless there is a patient safety issue).

4. Recruitment and retention of theatre staff to provide a stable skilled workforce.

5. Regular meetings of the multidisciplinary team to review real time audit of spinal surgical infections cases and a continual review of the surgical pathway.

6. Learning from Root Cause Analysis of infections will be themed and communicated to all clinical staff in the department.

7. Behavioural audits of theatre team working will be undertaken on a six monthly basis.

Making Surgery Safer for Patients with Diabetes

High quality diabetes care throughout the surgical pathway from preadmission planning of surgery though to discharge was essential. This involved many steps, a diverse group of health care professionals and the need for seamless transfer of the plan from one team to another.

Surgical outpatients   **Hospital admission**   **Theatre and recovery**   **Discharge**

Primary care referral   **Pre-operative assessment**   **Post-operative care**
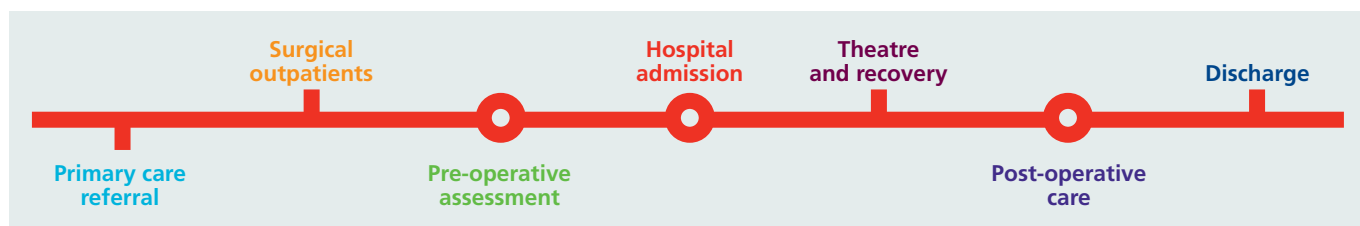
Development and dissemination of the peri-operative guidelines

Once the pathway was finalised, an electronic copy was published in the Trust inpatient diabetes handbook and easily identifiable paper charts with surgical yellow borders were printed. A standardised short teaching presentation was put together to be shared with each clinical area provided. A frequently asked questions (FAQs) section was included which is updated as new questions or scenarios arise.

The peri-operative guidelines were launched in May 2016 supported by education of nursing staff. Clinical educators and clinical leads were engaged to carry out cascade training. A consultant surgeon provided teaching to junior surgical staff, regular feedback was given at Trust level meetings to engage clinical directors and clinical governance leads and learning was shared with frontline staff at Patient Safety Briefings.

"We continue to deliver cutting edge, pioneering healthcare..."

Pre-Operative Assessment clinic (POAC)

Draft guidelines were circulated amongst all nurses and consultant anaesthetists to gain feedback about their content and usability. A series of educational seminars were held for the staff to discuss how the guidelines could be implemented within the timeframe of the patients' clinic appointment and to see if it could be nurse-led.

A flowchart and a diabetes medicines management guide were produced to help direct the clinicians on the appropriate management of the patients' diabetes in relation to the timing and nature of their surgery. This includes referral back to the GP for pre-optimisation (for non-urgent surgery), receiving advice or input from the diabetes specialist nurses, prescribing the GKI protocol for an inpatient admission or providing individualised medical management instructions for the day of surgery (eg. altering dose of insulin and fasting instructions).

Customised advice, using an information sheet, is provided to the patient and a copy filed in the notes. The 'diabetes status' is highlighted to the waiting list officer so that the patient can be listed early on the operating list. If a patient with poorly controlled diabetes is identified who requires non-urgent surgery, a standardised letter is sent to their GP to request their support in optimising blood glucose control prior to surgery.

Improvement in pre-operative Diabetes care planning with the patient

Prior to implementation of the guidelines, the baseline audit (2015) showed that only 39% of patients had a documented plan of their perioperative diabetes management. This rate increased to and was sustained at 78% in 2017. National guidance suggested that diabetic patients should be managed in the first third of the scheduled list. We aimed to improve the surgical listing of patients with diabetes and to also encourage anaesthetising the patient earlier in the day wherever possible. It was recognised that diabetes is not the only condition influencing the list order but despite this 55% were listed appropriately in 2015, and this increased to 63% in 2017.

Hospital Admission

Patients who required GKIs needed the infusion to be started early on admission so the guidelines were amended so that GKIs were prescribed in POAC by an anaesthetic consultant in preparation for admission.

Engaging day case unit staff

Training was provided by the inpatient Diabetic Specialist Nursing Team to increase knowledge and confidence with the new guidelines and pathway. Each patient would attend, either on the day of surgery or on the night before, with a clear written plan on their diabetes medication management. Since the new pathway was introduced, the mode of admission (day before surgery, day case, day of surgery Day of Surgical Admission (DOSA) is determined after the individualised POAC review. This has significantly reduced unnecessary admissions on the night prior to surgery.

Figure1: Increase in day of surgery admission for patients with diabetes after introduction of the perioperative diabetes pathway

	2015 (n)	2016 (n)	2017 (n)
Day before Surgery admission	36	12	13
Daycase	24	17	28
Day of Surgical Admission (DOSA)	41	47	47

2015

2016

2017
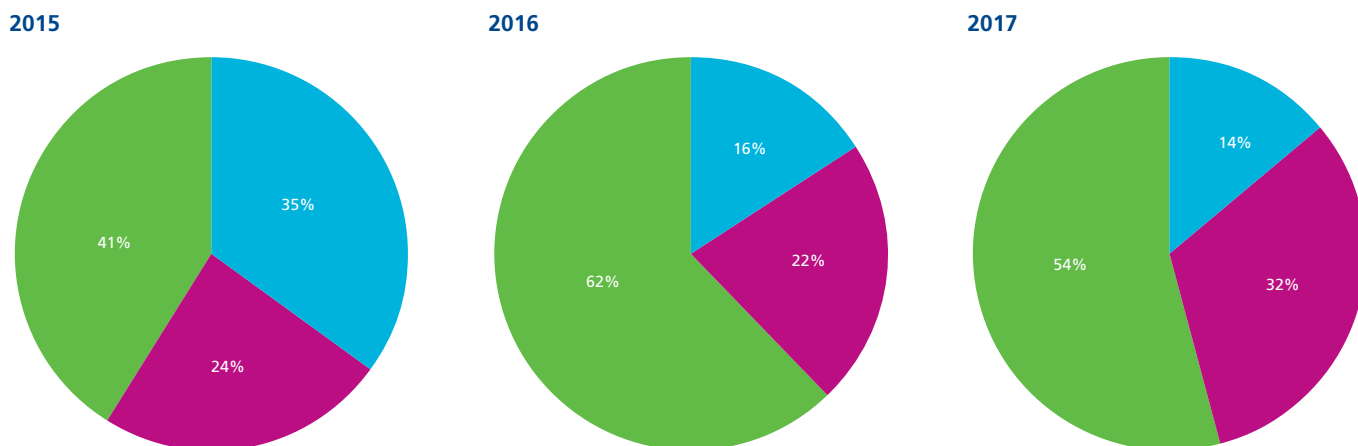
Repeat audits carried out over the following two years demonstrated a significant reduction in the number of patients with hypoglycaemia and hyperglycaemia (Blood glucose >12 mmol/l) and more patients achieving target blood glucose of 4-12 mmol/l prior to surgery. After the introduction of the pathway no patients in the repeat audit had experienced blood glucose levels < 4 mmol/l.

Pre-operative Blood glucose levels before (2015) and after introduction of the perioperative diabetes pathway
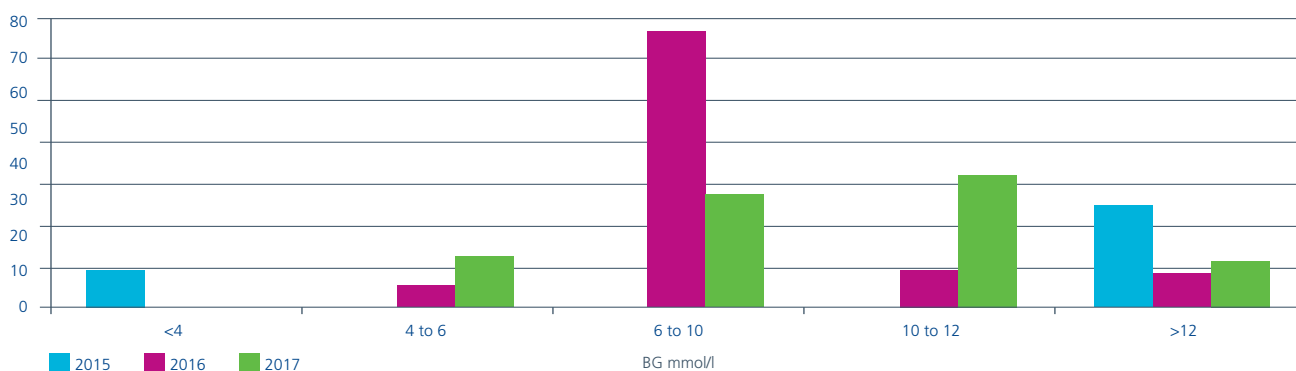
Theatre and Recovery

In parallel with the pathway launch, there was an intense education and awareness programme across the perioperative directorate. Presentations including the results of each yearly audit were delivered to the clinical governance and audit meetings, recovery team and anaesthetic assistants. The diabetic specialist nurses also facilitated drop-in sessions with the theatre staff. The pathways were also presented to different surgical directorates to increase awareness amongst junior and senior medical staff.

Implementation of the pathway resulted in a reduction in the number of inappropriate GKI infusions administered and an improvement in the number of patients who should have been given a GKI who did not receive one.

	2015 (%)	2016 (%)	2017 (%)
Needed a GKI & did not receive one	39	28	17
Did not need a GKI & received one	20	2	0

A 'Perioperative Diabetes' folder was introduced into each anaesthetic room containing the new insulin protocols, prescriptions and intraoperative blood sugar control flowchart. A point-of-care testing equipment update session was run to enable all staff (anaesthetists, anaesthetic assistants and recovery staff) to be competent and registered to use the Blood glucose machines. As a result, regular blood sugar monitoring has improved.

Percentage of patients getting hourly peri-operative blood glucose monitoring pre and post introduction of the diabetes perioperative pathway

	2015 (%)	2016 (%)	2017 (%)
Intraoperative hourly monitoring	32	45	44
Recovery hourly monitoring	n/a	41	61

Blood glucose levels measured in theatre recovery
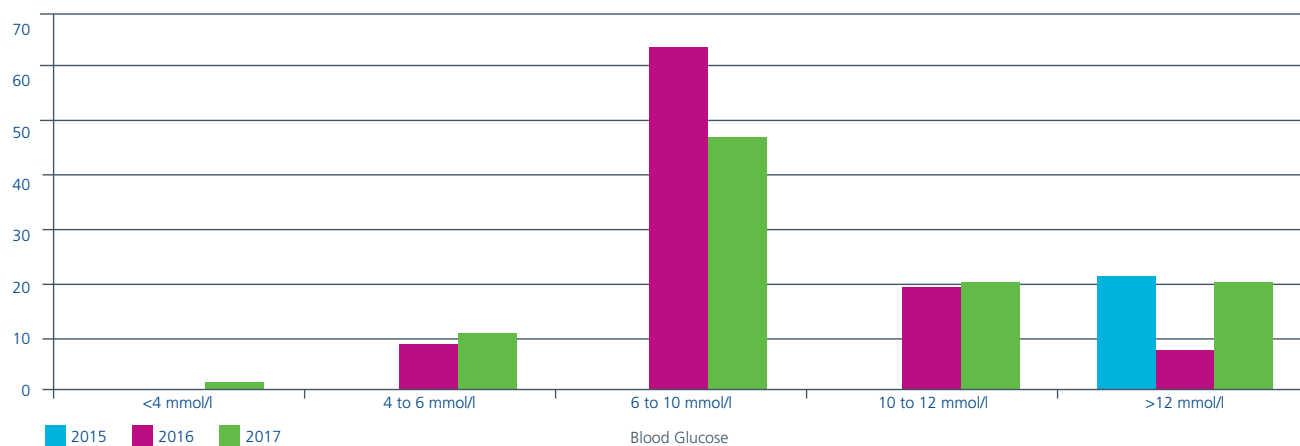
Legend: 2015, 2016, 2017

X-axis categories: <4 mmol/l, 4 to 6 mmol/l, 6 to 10 mmol/l, 10 to 12 mmol/l, >12 mmol/l

X-axis label: Blood Glucose

"Consultant surgeons were engaged on both hospital sites to support guideline and educational initiatives, provide clinical leadership and continuity on surgical wards and share learning from surgical ward diabetes incidents at patient safety briefings."

Clinical leadership

There were lead anaesthetists acting as 'direct point of contact' to answer questions regarding the pathway and troubleshooting. They investigated each perioperative incident related to diabetes management during the time of the pathway launch. This ensured ongoing learning from errors and improvement. Consultant surgeons were engaged on both hospital sites to support guideline and educational initiatives, provide clinical leadership and continuity on surgical wards and share learning from surgical ward diabetes incidents at patient safety briefings.

Care of patients on transfer to the ward

The 'Care of Diabetes on transfer to the ward' plan was developed which required the anaesthetist to indicate the predicted plan for food and diabetes medication by a simple tick box form. Recovery /critical care staff need to sign to confirm that they have administered subcutaneous insulin prior to transferring the patient to the ward. This provided clear instructions on stopping GKIs, commencing oral intake and the restarting of diabetic medication depending on the patient's surgery and level of consciousness. The same form was introduced into critical care for patients being discharged to the medical or surgical wards.

Documented handover has improved by 30%.

Appropriate documented handover (Percentage of patients with diabetes)

X-axis: 2015, 2016, 2017
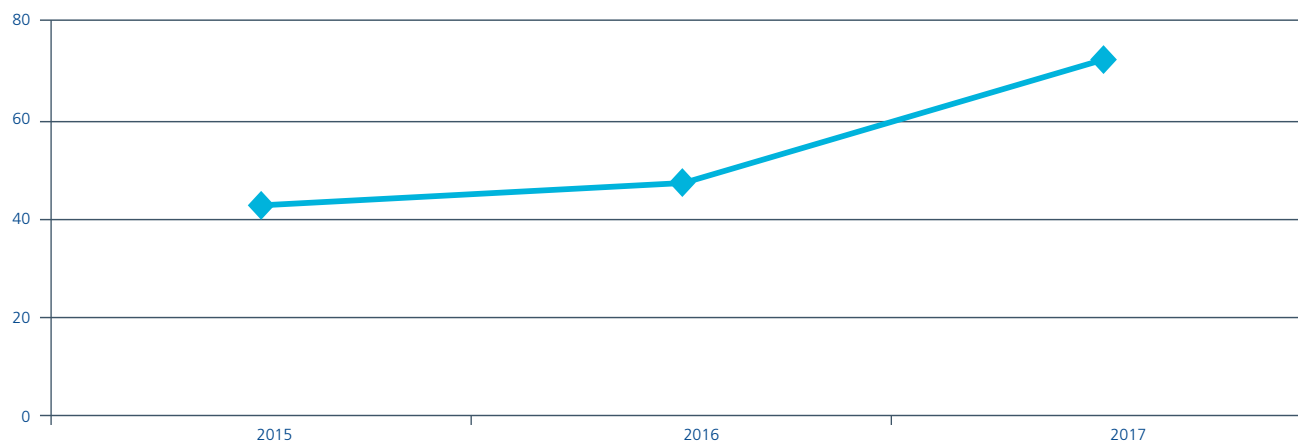
Improving care of patients with diabetes on surgical wards

The overall number of patients with diabetes Trust-wide is rising, but the greatest increase is seen in the number of patients with diabetes on surgical wards.

	2013	2015	2016	2017
Patients with diabetes on surgical wards	65	68	87	100
Patients on insulin on surgical wards	24	29	n/a	59

Three comprehensive PDSA (*Plan, Do, Study, Act*) cycles were completed with in-depth analysis available from an ongoing NCEPOD study, enabling continual feedback and learning.

Using technology to reduce patient harm

A blood glucose monitoring view in e-record was developed as the electronic blood glucose chart with all diabetes related medications (including steroids) displayed alongside blood glucose readings to facilitate insulin dose adjustment. Pop-up prompts on the records of patients with type 1 diabetes remind staff not to omit insulin.

There has been significant reduction in inpatient insulin prescribing errors across the Trust by 75%.

Electronic diabetes management chart

Insulin related prescribing errors as percentage of inpatients with diabetes

Electronic prescribing of oral hypoglycaemics introduced

Electronic insulin prescribing introduced
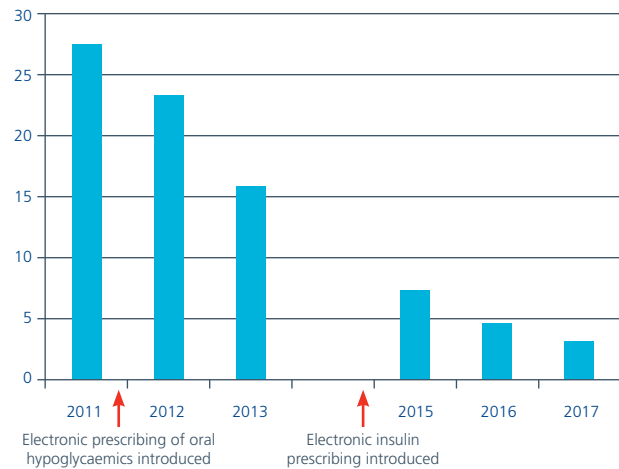
Accessible guidance for junior surgical trainees

The initial launch of the peri-operative pathway combined a robust education strategy with guideline interventions. All Foundation doctors underwent targeted training in insulin prescribing. Collaboration between the vascular surgery and diabetes team resulted in the development of surgery diabetes in patient care guidelines.

Targeting input from the diabetes specialist team

A daily diabetes in-reach service in high risk surgical ward areas (vascular surgery and hepatobiliary surgery) was introduced to provide daily face-to-face leadership for medical and nursing staff to promote safe and effective diabetes care.

Red sugar cube = Action required

Blood glucose <4

Decrease insulin prescription by at least 10%

Persistent Blood glucose >12 consider Increase insulin prescription by at least 10%

Be a diabetes champion – review blood sugars daily

- Use 'glucose monitoring view' on e-Record
- Contact diabetes specialist nurse if further advice required (FRH: 39541, RVI: 29718)
- Out of hours via switch

The Newcastle upon Tyne Hospitals NHS

The electronic sugar cube

To positively identify patients with poor glycaemic control and ensure appropriate action is taken to manage hypoglycaemia and persistent hyperglycaemia, a novel red sugar cube on the whiteboard prompting mechanism was developed and piloted in vascular surgery. This allowed staff to readily identify any patients who were experiencing hypoglycaemia or persistent hyperglycaemia. When a blood glucose measurement was outside the acceptable range, the responsible nurse was informed and a red sugar cube placed next to the patient's name on the ward whiteboard by the central nursing station. Intended actions were clearly defined in a poster campaign used to promote the red sugar cube intervention, with the emphasis on medication management and involvement of the diabetes team.

Evaluation of this pilot study identified that the manual red sugar cube prompting mechanism was highly effective in reducing hypoglycaemia rates by more than 50% in vascular surgery patients, whilst continuing educational and diabetes in-reach strategies. Overall insulin management errors for hypoglycaemia were reduced by 70% and insulin errors in association with severe hypoglycaemia were abolished, with a 75% reduction in patient harm events.

Poster campaign to raise awareness intended actions sugar cube alerts

Using expert analysis of incident reporting

The inclusion of a senior pharmacist facilitated the review of insulin related incident reports from the surgical unit. In order to assess the impact of the many interventions put into place during this project, all incidents occurring on surgical and critical care wards and in theatre areas were reviewed for any changes in overall numbers, number by directorate and type of incident. Incidents that mapped to a specific area of the pathway were discussed to identify how the process could be adapted or enhanced to reduce the possibility of a repeat of the problem using a human factors approach. Clinical governance meetings were used as a forum to share the themes from incident data.

Reducing insulin errors, hypoglycaemia and patient harm events in high risk areas

Hypoglycaemia rates, medication management errors and patient harm events were successfully reduced by more than 50% in vascular surgery patients, using a combined strategy of guidelines educational initiatives, diabetes nurse in-reach and a simple whiteboard alert system for poor glycaemic control. The whiteboard alert system provided the final key to achieving safer and more effective diabetes care and has been successfully rolled out across the Trust to promote safer care for all in-patients with diabetes.

Impact on high risk vascular surgery ward of consecutive SU2S PDSA cycles

Outcome	Baseline 2014	PDSA 1 2015	PDSA 2 2016	PDSA 3 2017
Adequate monitoring	75%	82%	96%	98%
DSN input	15%	20%	71%	50%
Hypoglycaemia/1000 insulin days	312	302	339	157
Hypo on insulin management errors	80%	67%	67%	20%
Severe hypo management errors	-	-	59%	0%
Patient harm events	20%	33%	20%	6%

5. Obstetrics:

To achieve a 50% reduction in the incidence of avoidable neonatal hypoxic injury sustained during childbirth.

Improve Provision of Midwifery Practice Support

The provision of Practice Support Midwives on the delivery suite was increased through NHS Resolution funded secondments for 18 months. This included three whole time equivalent (full-time) midwives to increase provision of support from daytime cover to 24/7 cover. The purpose of this increase was to enhance support and education for foetal monitoring; however, the additional posts were aimed at supporting the development of clinical competencies within the delivery suite.

A member of the practice support team was invited to attend all case reviews where there is suspected HIE so that any themes and learning can be identified and incorporated into education or support mechanisms provided by the team.

An evaluation of the increased practice support provision found these roles to be incredibly valuable to the band 5 midwives, increasing their confidence and competency in a variety of intrapartum skills. New midwives now meet all of their competencies to progress to a band 6, approximately three to four months earlier than when practice support covered only day time duties. The evaluation highlighted that the practice support allowed midwives to develop their skills, knowledge and confidence in all areas of intrapartum care, with specific situations highlighted below.

Main Situations where Band 5s reported they would access practice support

Main Situations where Band 5s reported they would access practice support

- Previously Unencountered Clinical Situations 7%
- Foetal Monitoring 11%
- Perineal Suturing 15%
- Complex High Risk Care 30%
- Deliveries (all context) 8%
- Medications 7%
- Competency Assessment 13%
- Emergencies 9%
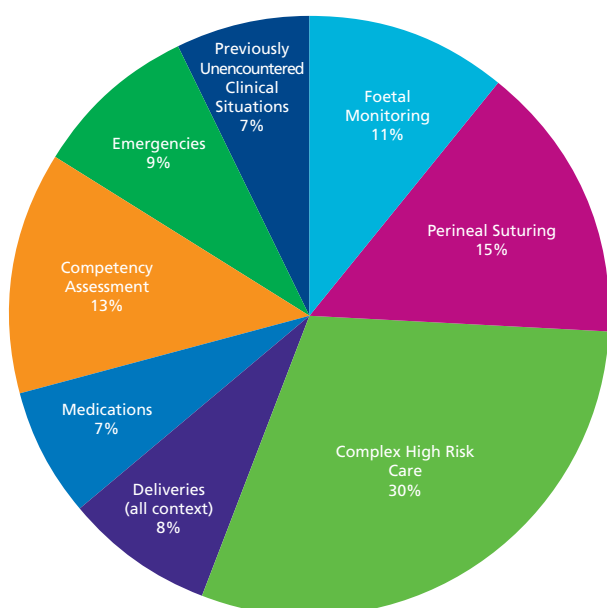
A senior staff review of practice support included consultant obstetricians, obstetric trainees, band 7 co-ordinators and delivery suite core team members. Their opinions were sought with a total of 47 respondents to a questionnaire survey.

- 79% of respondents recorded seeing a visible difference in the junior midwives practice since the introduction of 24 hour practice support, with many reporting they appeared more confident.

- 77% reported that they considered the junior midwives as being better equipped in the interpretation and management of Cardiotocography (CTGs).

- 87% reported overall they felt the junior midwives were now more confident in delivering care.

- 85% reported they felt patient safety had improved with the increased provision of practice support at night.

- 85% reported that the increased provision of practice support had also benefitted them in their role.

Free text comments included:

"The practice support midwives relieve the workload on the doctors, make junior midwives less stressed and teach them through real life situations, and provide valuable help to doctors in emergencies due to their experience."

"Absolutely they have made my job easier as the band 5s go to them for help and advice rather than the medical staff."

"I feel less anxious when there are lots of band 5s on shift as I know they will have the support they need."

Improve foetal monitoring skills during labour

Additional CTG machines and licences were purchased to improve the monitoring of babies and to allow for electronic storage and archiving of all intrapartum foetal monitoring traces.

Improve availability of cooling equipment for neonatal transfer

Transport cooling equipment was purchased for the neonatal transport incubator so cooling following hypoxia at birth could be introduced as early as possible. The temperatures of all babies requiring cooling is monitored and, since the purchase of the transport cooling equipment, 100% of babies have had their target temperature reached.

Priority 3 – The delivery of 'Harm Free Care' for all patients is a national and Trust priority.

This priority aimed to continue to build on the work undertaken in 2016/17 to prevent avoidable harm, disability or death from:

* Falls.
* Pressure ulcers.

And for 2017/18 there was an enhanced focus on:

* Catheter Associated Urinary Tract Infections (CAUTI).

The Quality Priorities for 2017/18 in relation to Harm Free Care were:

* To sustain the reduction already achieved in falls per 1000 occupied bed days rate, despite an increase in the at-risk population of patients.
* To sustain the reduction in serious harm from falls per 1000 occupied bed days rate, despite an increase in the acuity and frailty of patients.
* To reduce the incidence of pressure ulcers and moisture lesions by 5%.
* To work with directorates Local Task Force to achieve above target.
* To ensure urinary catheters are used appropriately and removed when no longer clinically indicated: patient review to be at least daily.
* Sustain the reduction in serious harm from urinary catheters – such as Catheter Associated Urinary Tract Infections (CAUTI) by reducing infections by 30% and ensuring that catheters are only inserted and remain in situ when clinically indicated.
* To improve healthcare practice relating to Urinary Tract Infections e.g. antibiotic prescribing/catheter review and stewardship, appropriate urine sampling.

Falls

Falls prevention remains a key priority for staff across the organisation and this is reflected in the sustained reduction of falls/1,000 bed days and falls resulting in serious harm which was achieved in 2016/17.

* Since the introduction of the 'No Falls on My Patch' campaign in 2011, the Trust has either reported a reduction or maintained falls per 1,000 bed days rate and has never reported an increase. This is an achievement due to the consistent increase in the number of admissions of highest risk patients.
* The Trust consistently reports below the national acute Trust average of 6.6 falls per 1,000 occupied bed days rate. Trust average for 2017/18 is 6.0.

* The Trust consistently reports below the national acute Trust average of 0.19 falls with serious harm per 1,000 occupied bed days. Trust average for 2017/18 is 0.15.

The work streams progressed in 2017/18 have included:

* Revision of 'No Falls On My Patch' posters to include patient and relative information regarding bedrails.
* New alert sign for bedrails which can be attached when it is assessed that bedrails are not safe have been designed and implemented.
* Re-audit of the Post Fall Assessment Checklist has been undertaken which demonstrated improvement in Medicine/OPM and Surgical Services, with further work to do to increase compliance in directorates that report a lower rate of falls and therefore do not frequently complete the documentation e.g. Cancer Services.
* Continuation of the Root Cause Analysis (RCA) process to investigate falls with serious harm, learning from this has been shared through Patient Safety Briefings and Clinical Risk Group.
* On-going education and training of staff in regards to falls prevention and post fall care has been delivered through the Preceptorship study days, the Healthcare Academy and Junior Doctor induction.

The challenge of sustaining the reduction in falls and harm from falls has been challenging across the year.

Catheter Associated Infections (CAUTI) and Urinary Tract Infections (UTI)

The priorities remain to ensure urinary catheters are used appropriately and removed when no longer clinically indicated. Sustaining the reduction in serious harm from urinary catheters is a focus, and the Trust is working towards the national ambition of reducing healthcare associated gram-negative blood stream infections by 50% by March 2021.

Achievements over the last year have included providing evidence-based clinical advice to clinical areas for urinary catheter insertion, care and removal through active clinical engagement. September 2017 was the month of 'No Catheter No CAUTI'- part of the Trust's Year of Harm Free Care programme. A new catheter care plan incorporating the "HOUNDINI" framework has been introduced in all acute clinical areas which ensures that urethral catheters are in situ for the correct clinical reasons and promotes removal as soon as possible.

The Trust participated in an international point prevalence survey of people in the community with an indwelling urinary catheter with results available in spring / summer 2018.

The below graph shows the number of new UTI with a catheter for a three-year period.

New UTI with a catheter 2015/16, 2016/17 and 2017/18
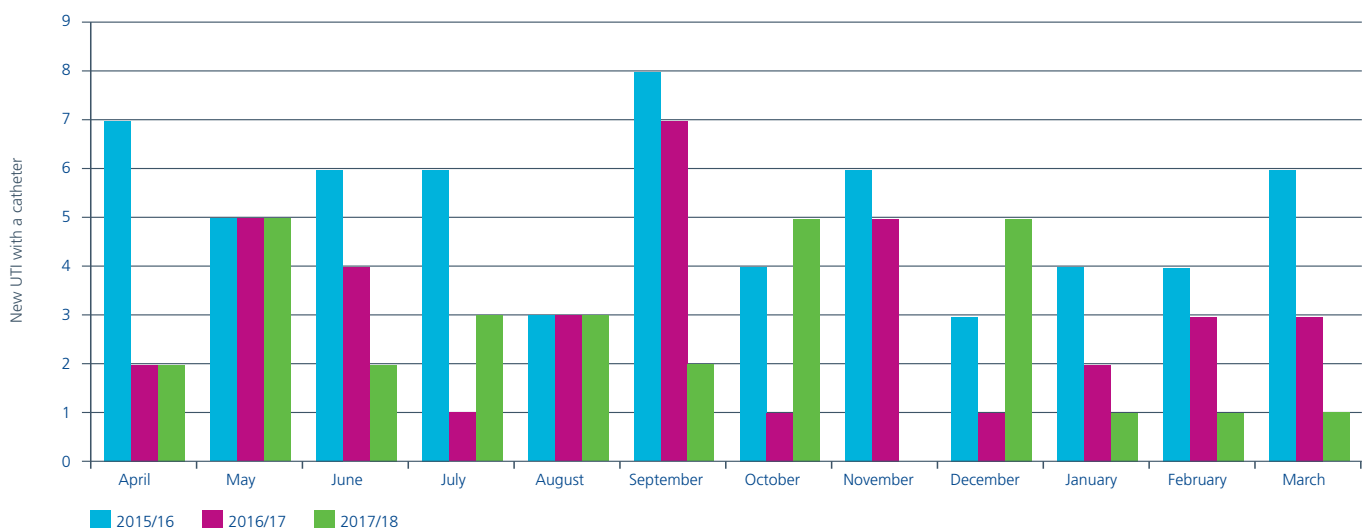
Pressure Damage

Work continues to support and review areas where Pressure Damage occurs. To assist clinical teams and directorates - and facilitate easy access to incidence data - the Tissue Viability team has developed a report which supports wards to take ownership of their data, and demonstrate success against their individualised targets for 2017/18. (Targets were set to either maintain improvement or realise an improvement dependent on last year's achievements). At the end of the year, 19 wards achieved their targets. Overall, however, the Trust has not achieved a reduction in incidents of pressure damage with a number of wards seeing an increase in incidents which has offset other areas improvements, while a number of wards have maintained last year's reductions (eight wards).

The group focused on managing moisture in critically ill patients using three interventions

- Testing moisture management products.

- Changing the membership of the Critical Care Pressure Ulcer Prevention Task Force from a nursing group to a multi-professional group to ensure that prevention remains a priority to all.

- Developing and testing skin care documentation for medical staff.

This was achieved using quality improvement methodology promoted at the collaborative.
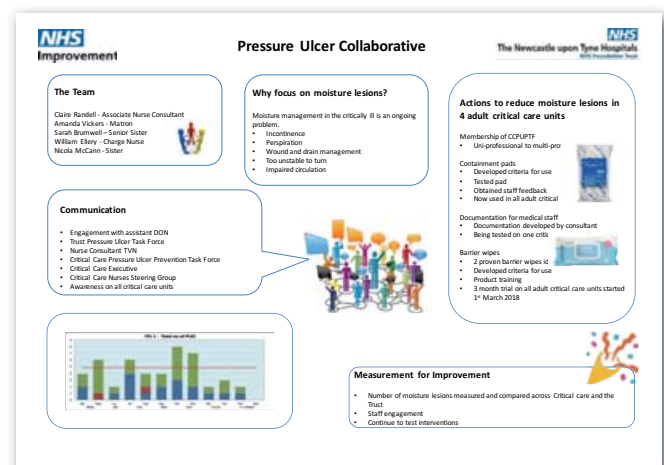
The Pressure Ulcer Task force and Tissue Viability team remain focused on reducing pressure ulcers and continue to offer leadership, advice and education to staff on the ground.

The Tissue Viability team led the development of a regional "Stop The Pressure Ulcer" study day which was held in November and was attended by 98 Trust staff, and continue to provide in-house training to Link Nurses and ward teams.

Root Cause Analysis continues for any category 3 and above damage to identify lessons to learn for individual teams and themes have been shared across the Trust.

Priority 4 – Safeguarding

Safeguarding is a high priority across all areas of the Trust and the safeguarding teams continue to deliver a high quality service that serves to promote the safety and well-being of both adults at risk and vulnerable children. The teams have remained responsive to staff, providing advice and support to meet the demands of a motivated and vigilant workforce. They continue to evolve as a strong corporate team that supports the delivery of a high clinical and corporate priority for the Trust.

The teams have progressed with a number of developments including:

Safeguarding Supervision

Increased safeguarding supervision for the 0-19 service commenced in April 2017 and has been positively received by staff within the service. Safeguarding supervision is also taking place in the Emergency Department, Paediatric Emergency Department and New Croft Sexual Health Services on a regular basis. Supervision has commenced for District Nursing and is available to other services or individuals if requested.

Legal literacy sessions have been introduced on a quarterly basis for the safeguarding teams and are facilitated by the Trust legal team to review difficult safeguarding cases. The purpose is to examine practice and promote reflective learning whilst considering legal principles that may apply. Clinicians involved with some of the individual cases have attended to contribute to the process and facilitate learning.

Safeguarding Training

Bespoke packages have been developed for Trust staff on domestic abuse, sexual exploitation and Female Genital Mutilation (FGM). Further packages will be developed and delivered during 2018/19.

During the second half of 2017 a series of training sessions covering 'Mental Capacity Act (MCA) Fundamentals' and 'MCA Masterclasses' were delivered. They attracted significant interest across all hospital sites and led to the development of further bespoke sessions on a rolling programme to include the use of the MCA for patients who are 16 and 17 years old.

The MCA Lead is a member of the working group that has developed a training video for consent in adult patients who have capacity. A second video is nearing completion and focusses on how to obtain consent when an individual lacks capacity and consent for children.

National requirements for PREVENT[1] training changed during quarter 3 and this has been communicated to all staff across the Trust. Additional training sessions have been provided and an e-learning package for Basic Prevent Awareness Training (BPAT) made available.

Multi-agency working

A key piece of work from the Newcastle Joint Serious Case Review into Sexual Exploitation was the development of an abbreviated tool to assist practitioners in time-limited settings to consider risks associated with sexual exploitation. This piece of work is being completed in partnership with staff from unscheduled care settings such as Walk-in centres, Emergency Departments and joint CCG colleagues. It is based on a research evidenced tool developed in Wales and has been amended locally to be used with young people and adults in response to locally identified needs across a range of settings. A training package to support the implementation of this tool has been developed.

The Trust is now fully compliant with CP-IS (Child Protection Information Sharing). This is a national system that generates automatic notifications to children's social care when a child or young person who is subject to a child protection plan, or who is Looked after, has an unscheduled attendance at the Trust. The Trust's Walk in Centres went live with CP-IS in August 2017 and the Maternity Assessment Unit and Emergency Departments both went live in February 2018.

In relation to Female Genital Mutilation, the Trust has worked to implement national developments in information sharing system. The FGM sub-group of Newcastle Safeguarding Children's Board reviewed the FGM pathway for referral into Children's Social Care (CSC) and have developed a risk assessment tool based on the NHS Department of Health Female Genital Mutilation Assessment Tool (2015) for Newcastle. The Named Midwife has provided training to the community midwives and the revised pathway has been disseminated to other relevant teams including the 0-19 service.

The Learning Disability Liaison Nurses continue to proactively work across the Trust to ensure reasonable adjustments are made for individuals with a diagnosed learning disability who access Trust services. The team has successfully supported access to care and treatment for a number of individuals with exceptionally complex needs and worked with the Children's Directorate to develop the hospital passport for children with additional needs which was launched at the beginning of March 2018.

The Trust Board receive safeguarding updates on a quarterly basis in addition to the Safeguarding Annual Report. Assurance templates are submitted to Newcastle and Gateshead CCG quarterly for the safeguarding teams.

"safeguarding is a high priority across all areas of the Trust and the safeguarding teams continue to deliver a high quality service that serves to promote the safety and well-being of both adults at risk and vulnerable children. The teams have remained responsive to staff, providing advice and support to meet the demands of a motivated and vigilant workforce."

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[1] NHS ENGLAND PREVENT Training and Competencies Framework (October 2017)

Clinical Effectiveness

Priority 5 – Mortality and Learning from Deaths

The Trust continues to perform well with the Summary Hospital Mortality Indicator (SHMI) and Hospital Standardised Mortality Ratio (HSMR) shown to be one of the lowest in the region. Despite this, the Trust will continue to scrutinise national mortality indicators and aims to achieve an 'as expected grading' as a minimum. In-depth case note reviews will continue in all clinical specialities which are noted to have 'higher than expected' mortality rates. In 2017/18, three SHMI indicators were shown to be higher than expected. A full case note review on 216 patients has been undertaken which showed a good standard of care was provided to each patient and that none of these deaths were avoidable. This process will complement the Trust's traditional mortality and morbidity (M&M) meetings within each Directorate ensuring local learning and quality improvement.

SHMI vs HSMR by Trust, July 2014 to June 2017

Source: NEQOS Minority Report 35. Data extracted from HED Jan 2018
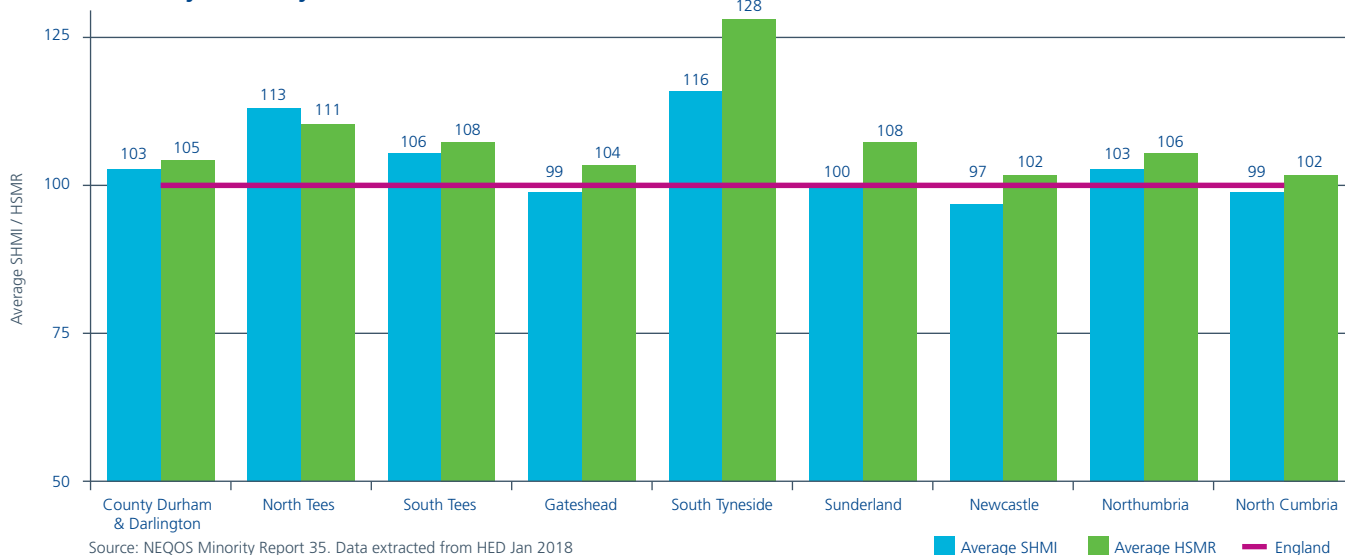
A new mortality review database was launched Trust-wide in June 2017. This database helps streamline the Mortality and Morbidity process, and enables any modifiable factors or suboptimal care to be captured electronically. The database also gives the Trust an opportunity to capture and share any learning points with other services to benefit future patients. To date, 879 deaths have been reviewed using this model.

In March 2017, the National Guidance on Learning from Deaths was released by the National Quality Board. In line with this guidance a new Trust-wide mortality policy has been introduced outlining how, as an organisation, we respond to, and learn from, deaths. The policy includes a clear process for engaging with bereaved families and carers, including giving them an opportunity to raise questions or share concerns in relation to the quality of care received by their loved one.

The Department of Health and Social Care published the NHS (Quality Accounts) Amendment Regulations 2017 in July 2017. These add new mandatory disclosure requirements relating to 'Learning from Deaths' to Quality Accounts from 2017/18 onwards. These new regulations are detailed below:

1. During 2017/18, 1861 of The Newcastle upon Tyne Hospitals NHS Foundation Trust's patients died. This comprised the following number of deaths which occurred in each quarter of that reporting period: 426 in the first quarter; 403 in the second quarter; 509 in the third quarter; 523 in the fourth quarter.

2. During 2017/18, 879 case record reviews and 12 investigations have been carried out in relation to 1861 of the deaths included in point 1 above. In three 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: 104 in the first quarter; 270 in the second quarter; 199 in the third quarter; 318 in the fourth quarter.

3. Four representing 0.4% of the 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: No deaths in the first quarter; two representing 0.5% deaths in the second quarter; one representing 0.2% deaths in the third quarter and one representing 0.2% deaths in the fourth quarter. These numbers have been estimated using the HOGAN evaluation score (see glossary page 181) as well as root cause analysis and infection prevention control investigation toolkits. All investigations are shared with the Serious Incident Panel and Mortality Surveillance Group.

Summaries from the four patient deaths judged to be more likely than not to have been due to problems in care:

Summary	Lessons learned from review	Action	Impact/Outcome
Patient inbound transfer with severe life threatening injuries.	Long distance transfer should be considered depending on patient's likely survival rate.	Feedback to transferring hospital to enable them to undertake a case note review.	Accepted by coroner (transferring city).
Clostridium Difficile related death. Absence of stool chart for four days.	Stool chart not completed as per guidance on every patient.	All patients regardless of bowel history should have stool chart completed on a daily basis. Identified at safety bulletin daily; stool charts placed in all admission packs, new practice disseminated to all staff.	Learning shared Trust-wide via Patient Safety Briefing, bulletins and internal governance mechanisms.

Summary	Lessons learned from review	Action	Impact/Outcome
Unexpected death related to an implantable device.	More in-depth scrutiny of all data from remote ECG transmissions is needed due to the variability of data presentation in different manufacturers remote transmissions.	Manufacturers have agreed to **review** adaptations to existing systems for remote transmission of ECG traces. A benchmarking exercise with other similar centres nationally will be undertaken to ensure best practice is shared and adopted where relevant.	Heightened awareness & knowledge of relevant specialist staff in the identification of this rare complication. More in-depth scrutiny of all data from remote transmissions now routinely carried out by staff.
MSSA related death. Antimicrobial wash & nasal mupirocin not prescribed or administered until after internal jugular dialysis line insertion; difficulty applying chlorhexidine washes once prescribed.	Antimicrobial wash & nasal mupirocin not prescribed or administered as per guidance.	All patients admitted to dialysis ward now have mupirocin & octenisan (instead of chlorhexidine) washes prescribed on admission, achieved by an e-Record Renal order medication set. Octenisan wash mitts now being trialled on patients too unwell to shower/in urgent situations; review of other MSSA cases to identify any additional learning.	A number of infection prevention measures have now been employed, resulting in reduced incidences of MSSA bacteraemia in this patient group.

4. 216 case record reviews and five investigations were completed after April 2017 which related to deaths which occurred before the start of the reporting period.

5. Three (1.4%) of the patient deaths preceding and including 2016/2017 are judged to be more likely than not to have been due to problems in the care provided to the patient. These numbers have been estimated using the HOGAN evaluation score as well as root cause analysis and infection prevention control investigation toolkits. All investigations are shared with the Serious Incident Panel and Mortality Surveillance Group.

6. In total seven (0.6%) deaths subject to patient casenote reviews and investigations during 2017/18 are judged to be more likely than not to have been due to problems in the care provided to the patient.

The Trust will monitor and discuss mortality findings at the quarterly Mortality Surveillance Group and Serious Incident Panel which will be monitored and reported to the Trust Board and Clinical Governance and Quality Committee.

Priority 6 – Antimicrobial Stewardship

Antibiotic resistance is one of the most significant threats to patient safety in the UK. It is driven by overusing antibiotics and prescribing them inappropriately. To slow down the development of antibiotic resistance, it is important to use antibiotics in the right way – to use the right drug, at the right dose, at the right time, for the right duration.

Therefore, during 2017/18 we monitored the rates of antibiotic prescribed with the aim of reducing clinically inappropriate antibiotic prescription and consumption. We continued to educate staff around the importance of antimicrobial stewardship and conducted regular audit to assess current practice and encourage improvement.

CQUIN targets and rolling DDDS April 17 - February 2018 versus target of 1% below 2015/2016 consumption
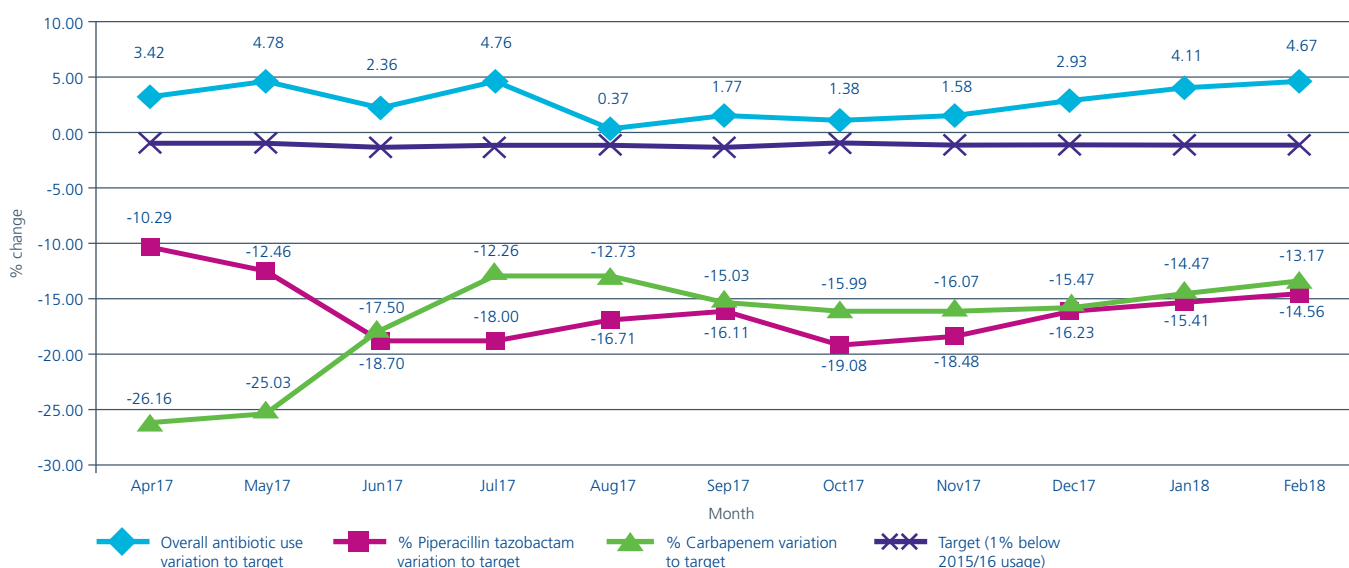
As seen in the graph above the Trust continues to maintain the reduction in consumption of the highest risk antibiotics (Piperacillin/Tazobactam and Carbapenems) as per CQUIN targets (that is 1% below 2015/16 usage). Progress with reduction in overall consumption continues to be challenging, partly due to substitution from the high risk antibiotics to dual or triple therapy. There continues to be antibiotic shortages which compound the problem of reducing overall antibiotics whereby multiple antibiotic agents are necessary in some cases in place of those in short supply. To attempt to combat this we have agreed a strategy which incorporates the elements of education, audit/feedback and intervention. In addition the Antimicrobial Steering Group (AMSG) has elected to amend its structure with the formation of a new Quality sub-group to focus on these key areas.

Education

In September 2017 mobile white boards, from the 'Education 4 You programme' were used on the wards to deliver 15-minute long sessions of antibiotic education around resistance and AMS to ward based staff including nurses, student nurses, doctors and healthcare assistants. These were aimed to educate for patient care but in addition, staff were asked to bring the message back to friends and family. Feedback was such that the IPCC put a case forward to the Charitable Trust Fund and gained funding for two white boards to continue with AMS, Sepsis and IPCC education in the future. November 18 was the European Antibiotic Awareness Day and the beginning of the WHO Antibiotic Awareness week and the AMSG took the opportunity to extend this to 'Antibiotic Awareness' month.

The communications team helped with advertising on the Intranet and Facebook as well as putting out a press release from the Director Infection Prevention & Control which also featured on the NuTH Facebook page. Use was also made of Twitter where the communication team managed 'Fact of the Day' during the awareness month. In September, a case was put forward to the Charitable Trust Fund where monies were secured for a short educational film, prize monies for Antibiotic Superhero quality improvement projects and 12 banners to be sited across the Trust including two walk in centres - the message was 'Antibiotic Resistance is on the Rise… Help reduce resistance by safeguarding antibiotics.'

A keynote talk aimed at all staff groups was delivered by Professor Kate Gould This was so well attended and received, a second talk was booked in for February 2018 which has been recorded. Antimicrobial Leads delivered Directorate specific education sessions at local meetings and a Patient Safety Briefing was delivered around Safe Antimicrobial Prescribing.

The 'Antibiotic Superheroes' project will facilitate local quality improvement projects around prescribing again this year – recruitment has more than doubled since last year.
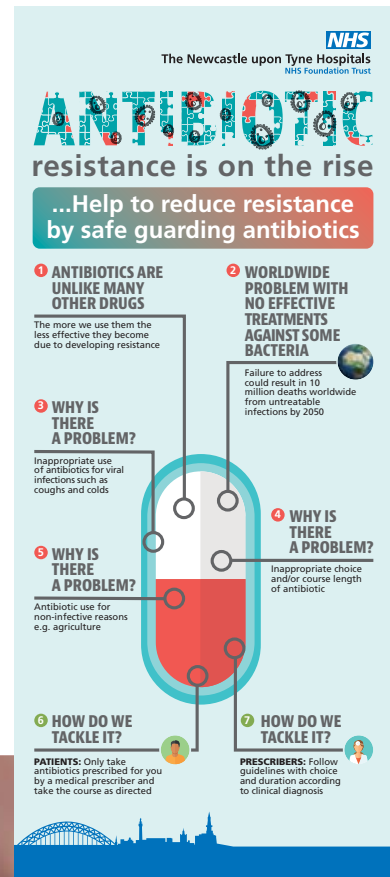
Audit and feedback

Antimicrobial Leads are in place in most clinical areas and help coordinate the monthly 'Take Five' audit of antimicrobial prescribing decisions. The data and areas for development are fed back via Directorate meetings each month. Work is ongoing to ensure that the Take Five audit is done monthly on all wards by the medical team and this will form a replacement for doctor questions in the CAT and reported at Directorates' Serious Incident Review Meeting (SIRM). Work is currently underway to add Directorate specific consumption data to the dashboard. Teams of infection specialists and pharmacists undertook the Annual Point Prevalence Audit in November 2017. Every inpatient antibiotic prescription (with some exclusion) was reviewed for appropriateness. The results of this study will inform further targeted educational and interventional initiatives.

Intervention

An interventional study was conducted by pharmacy and infection specialists in July in the Directorate of Medicine. The results showed that pharmacists made interventions in a significant number of antibiotic prescriptions they reviewed. The use of the electronic prescribing system directed patient reviews and provided a platform for Infection Specialists to document their recommendations electronically. Although this small study was not able to demonstrate whether there would be a reduction in overall antibiotic use it did demonstrate the interventions were of clinical value to that patient's care. A business case has been submitted with the results of the pilot to gain Trust support for future pharmacy involvement in enhanced AMS.

Priority 7 – Ill- Health Prevention

The Quality Priorities for 2017/18 related to Ill-Health Prevention included:

- To develop the infrastructure to support staff to make every contact count and document activity.

- To progress to 'Gold Award' standard for Better Health at Work.

- To develop a Health and Wellbeing Strategy to define the Trust's vision and strategic ambition for its contribution to the Health and Wellbeing agenda.

- To progress in line with staff health and wellbeing, Commissioning for Quality and Innovation (CQUIN) payment scheme.

Priority 7.1: To develop the infrastructure to support staff to make every contact count and document activity

The Trust Making Every Contact Count (MECC) action plan and task and finish group is well established and progressing the implementation and roll-out of Making Every Contact Count across the Trust. This multi-disciplinary working group is working on a number of key tasks crucial to MECC implementation. These tasks include:

- Defining the vision and ensuring senior sign up.

- Training needs analysis and development of resources.

- Development of MECC page on Trust intranet.

- MECC Campaign for patients and staff.

- Recording and measuring health conversations through the development of electronic lifestyle templates.

- Evaluation.

Recording and measuring public health impact

A Trust recording system has been developed to capture health improvement conversations and facilitate external referral. This has been developed for conversations relating to smoking and alcohol and is now available in both e-record and SystemOne. Results from the first 6 months (July – December 2017) are shown in the graph below:

Alcohol Figures

- Alcohol Figures Number screened for drinking status
- Alcohol Figures Number identified as drinking above a safe level
- Alcohol Figures Number of drinkers that have been given brief advice OR referred to specialist services

Smoking Figures

- Number screened for smoking status
- Number of smokers that have received brief advice
- Number of smokers offered NRT
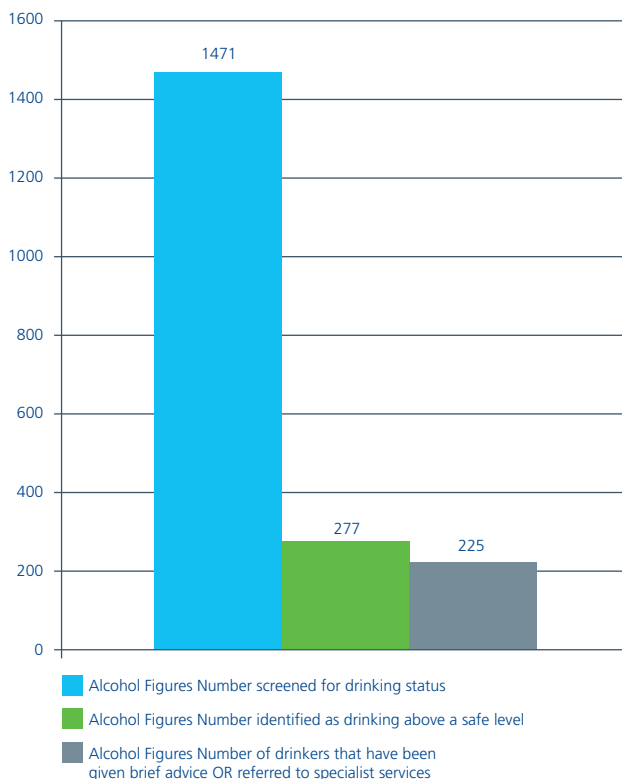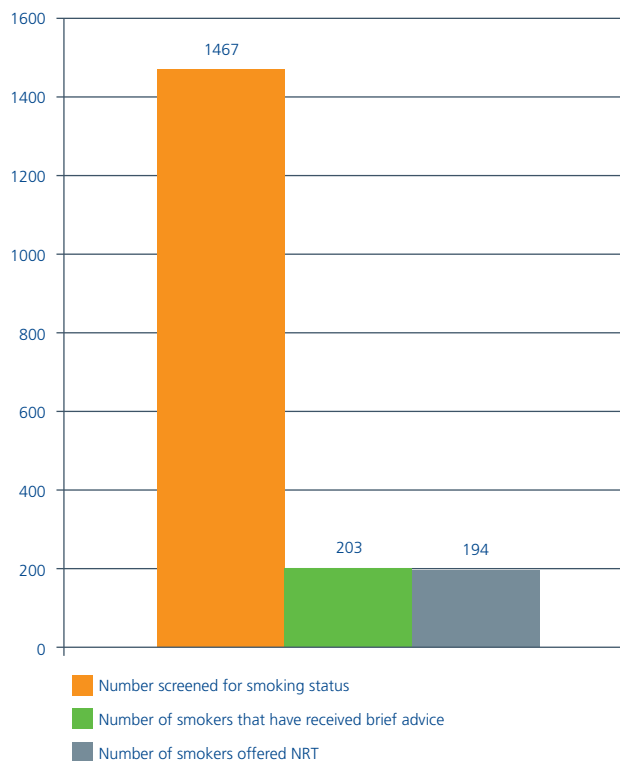
A further three lifestyle templates are currently in development and will be added to e-record and system one in April 2018. These templates are for physical activity, weight and mental health and wellbeing. The MECC Task and Finish group have also showcased this work in the form of a poster presentation at the recent PHE Population Health Conference in March 2018.

Training

Educational packages in relation to delivering brief advice for smoking, alcohol, weight, physical activity and MECC are available to all staff via the Trust e-Learning system. Face to Face training in 'how' to have the conversations and build staff confidence has been piloted.

MECC Campaign

A patient information banner has been developed for use across the Trust. This banner aims to provide information to patients and their carers about the opportunity to talk to a health professional about lifestyle behaviours affecting health. This also offers the opportunity for signposting/referral or further information to support patients to make positive changes for health.

Priority 7.2: To progress to Gold Award standard for Better Health at Work.

During 2015, the Trust committed to achieving the North East Better Health at Work Award and having previously achieved Bronze and Silver was awarded the Gold Award in December 2017. It is the intention of the Better Health at Work team to continue to progress through to the final two stages of the award which are Continuing Excellence and Ambassador Levels.

There were a number of campaigns launched across the Trust over the last 12 months including Cervical Cancer Awareness Week, No Smoking Day, Nutrition and Hydration week, National Stress Awareness Day, Back Care Awareness Week and On Your Feet Britain. There have also been a number of initiatives aimed at increasing physical activity among staff and promoting healthy eating such as running and walking groups, health checks for staff, Race to Rio and Newcastle CAN.

Many of the campaigns in 2017 have promoted health and wellbeing resources to staff and visitors to the hospitals, aiming at having a positive impact on the health and wellbeing of our staff, their families, patients and visitors.

The number of health champions trained across the Trust has increased each year. These employees deliver health messages to wards, directorates and colleagues.

Priority 7.3: To develop a Health and Wellbeing Strategy to define the Trust's vision and strategic ambition for its contribution to the Health and Wellbeing agenda.

A Health and Wellbeing Strategy to define the Trust's vision and strategic ambition for its contribution to the Health and Wellbeing agenda has been developed.

This five-year strategy provides an overview of the Trust's vision, aims and objectives in relation to the provision of care which contributes to health and wellbeing of the people we serve and our staff.

The Trust serves a population of over 3 million every year, and has contact with patients at home, in the community in a clinic or as an inpatient. The services provided and the time spent with patients gives a unique opportunity to help influence lifestyle behaviour, make a difference to health outcomes and health inequalities. This strategy focuses on patients, visitors and staff and aims to contribute to the prevention agenda by promoting healthy lifestyles and encouraging individuals to make healthy lifestyle choices. The Trust's Public Health priorities are in line with the public health priorities set out in the STP Prevention agenda. This strategy will be published in April 2018.

Priority 7.4: To progress in line with staff health and wellbeing commissioning for Quality and Innovation (CQUIN) payment scheme.

- The Trust continued to provide Mental Health First Aid Training to line managers.

- Reduced sales of high sugar, high fat drinks and snacks across Trust controlled food outlets and reported data as required to NHS England.

- The flu vaccination programme for staff achieved increased levels of vaccination.
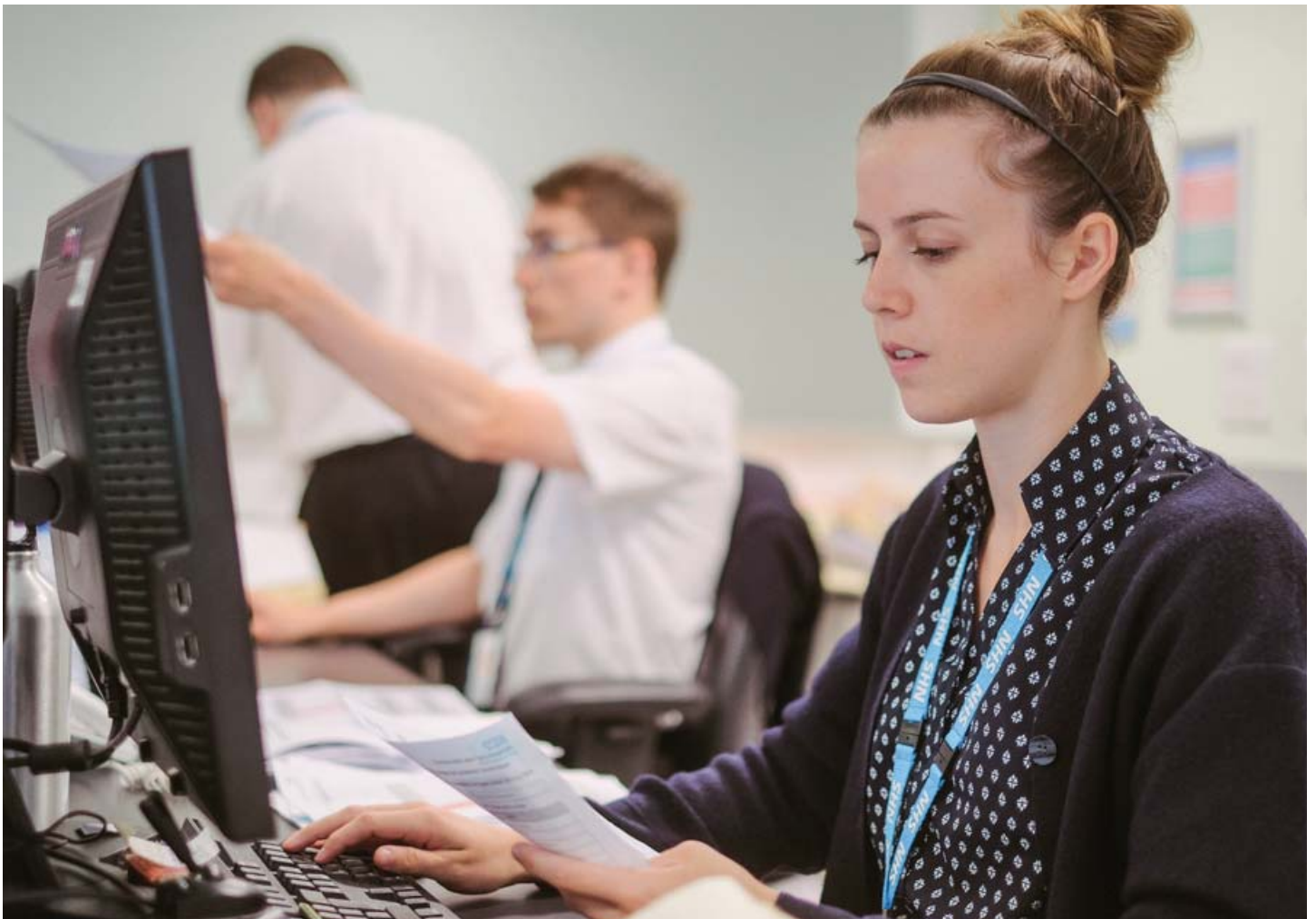
"Meeting the needs of patients and those important to them in a timely way - whatever their diagnosis, prognosis or care setting is a key priority."

Priority 8 – Palliative & End of Life Care

High quality palliative and end of life care is a key priority for Newcastle upon Tyne Hospitals NHS Foundation Trust. The Palliative and End of Life Care teams continue to work with staff both in the hospital and community settings to help deliver excellent care, ensuring patients and families receive the information, support and care they require during this difficult time.

Care of the Dying

- The Macmillan End of Life Healthcare Assistants continue to support patients who are dying, and those important to them, across both hospital sites. They provide support by: sitting with patients to give families a break, arranging free car parking, mouth care and repositioning, small things that make a big difference. In the last 12 months over 630 patients and those important to them have been helped by this service. The team continues to develop the service to ensure benefit to the maximum number of patients.

- The charitable fund 'A Gift of Kindness' raises money to supply the comfort packs containing toiletries, neck pillows and blankets, which are offered to families spending long hours at the bedside. 'A Gift of Kindness' has been supported at this year's Staff Benefits events.

- Patient and Carer diaries have been introduced to enhance informal communication between patients, families and staff involved in the delivery of end of life care. They provide the opportunity for families to document personal information about the patient that will help staff deliver personalised, compassionate care.

- The Trust has received a generous donation to create a quiet space for families and friends of dying patients. A room with a small kitchen, comfortable seating and bathroom and shower facilities is being planned on the RVI site initially.

- The regional Caring for the Dying Patient documentation is now used on all relevant wards as well as in the community. The document supports excellent individualised end of life care in all care settings and promotes good communication between staff. Education and training continues to support staff as well as ongoing audit.

- Achieving patients' preferred place of care at the end of life is a high priority for Newcastle upon Tyne Hospitals NHS Foundation Trust. Audit demonstrates that staff are increasingly exploring this sensitive issue (85% of the time compared to 44% six months ago) to ensure timely and seamless transfers if required. These transfers continue to be supported by good documentation, continuous subcutaneous infusions where needed, and the NEAS End of Life Ambulance.

- Rapid discharges at the end of life to enable preferred place of care are supported by the Specialist Palliative Care Service.

- Bi-annual audit in the community and hospital settings continues to monitor care. This includes auditing care against the NICE Quality Standard 144 *Care of dying adults in the last days of life*.

- The Trust has registered to undertake the National Care of the Dying Audit in 2018.

Meeting the needs of patients and those important to them in a timely way - whatever their diagnosis, prognosis or care setting is a key priority. A number of initiatives strive to meet those needs.

- **Seven day access to Specialist Palliative Care (SPC).** Seven day Specialist Paliative Care (SPC) has been available in the community setting since 2015. The Hospital SPC service has just completed a 12 month pilot of weekend and bank holiday service at the Freeman Hospital and RVI sites. During this pilot the response time has improved, patients are being seen the same day or next 99.2% of the time and their length of care episode is down from 7.3 to 6.21 days. The Trust recognises the importance of this service to patients and has identified funding so that a substantive service can be provided in the future.

- **Care Homes.** Working in partnership with 23 care homes, the specialist palliative care team has an ambition of achieving national standards in palliative and end of life care to ensure all patients in care homes receive high quality palliative and end of life care and choice in provision of place of care and death.

- **Advance Care Planning.** A Trust-wide steering group has been set up to develop education and training to support and promote good advance care planning in the hospital setting.

- **Electronic notes** enable consented sharing of patient information with district nurses, GPs and the hospices to provide seamless integrated care. The community specialist palliative care team have been using these since January 2016 and by April 2018 the hospital specialist palliative care teams will also be using the electronic notes. This supports good communication between services and providers to ensure excellent care.

- **Enhanced Supportive Care.** A national initiative to enable early palliative care support for patients with lung, skin or brain cancers. To date, the team has supported 194 patients, and feedback has been very positive. The Trust has adopted a multidisciplinary approach for this proactive service and the team has received national recognition.

- **Ensuring equality of access to Palliative and End of Life care.** It is recognised that some patient groups do not access palliative and end of life care as much as others. The palliative and End of Life care teams continue work proactively with services across the whole Trust to ensure equality of access. For those with a non-cancer diagnosis, close working with cardiothoracic transplant teams, Cystic Fibrosis, Interstitial Lung disease, Parkinson's disease and renal services is well established. We are currently developing links with the learning disability team, mental health teams and teams working with the homeless.

- **Supporting seamless discharges.** Discharge checklists have been developed and are being piloted to support staff across the whole Trust with complex discharges in the last 12 months of life. Early feedback from primary care indicates that already the quality of discharge planning has improved.

Staff Training and Support

- Uptake of the mandated online module remains good. A new refreshed module that includes the NICE Guidelines and Quality Standards will be available in April 2018. 90% of allocated staff (including 95% of nurses) have undertaken the module in the last two years.

- We continue to deliver education on the monthly junior doctor and weekly main Trust induction programmes as well as the new nurse Preceptorship programme, the Health Care Academy and four palliative care study days/courses per year. We have delivered face to face training to over 4550 health care professionals in the last year.

- Communication skills training is being prioritised by the Trust with a licence now purchased for the Sage and Thyme©, making communication skills training available to all staff.

Patient and Carer feedback and Experience

- Bi-annual audit in the community and hospital settings provides the opportunity for capturing carer and patient views at the time of care delivery to continue to improve the care of the dying.

- Bereavement Survey – a survey of bereaved relatives is undertaken six monthly. This provides timely feedback on the care delivered in the hospital setting. Results demonstrate that the quality of care has been excellent, with opportunity for direct ward feedback where high standards have not been met. Plans are in place to seek this feedback continuously rather than twice a year. A bereavement survey of patients cared for by the community palliative care team has also been undertaken.

- Specialist palliative care hospital teams Report of Patient Experience 2017. An interview based survey of patient experience of specialist palliative care service in the hospital setting was undertaken in the last six months. Results show very positive experiences of the service with evidence of kindness, compassion and patient advocacy.

Priority 9 – Safe & Effective Discharge

Admission avoidance and early, safe discharge from hospital to the patient's own home is a key priority not only for the Trust but also for our patients. The Trust has undertaken focused work around pathways that improve the patient experience and achieve a safe and timely discharge.

Nursing/medical/care staff provider identified a sustainable future model for Intermediate Care in Newcastle aligned to the Sustainability & Transformation Plan. Comprehensive discharge to Assess pathway and MDT pathway in conjunction with a trusted assessor type model, facilitates admission to the enhanced care beds.

On average, 21 patients are admitted per month, preventing either acute admission from assessment suite, timely discharge from wards or step up from community admissions per month.

The average occupancy has been 96% since October 17 to March 18, with all patients receiving MDT review, to ensure recuperation, recovery and rehabilitation programmes are personalised to the individual patient, to ensure that patients are able, wherever possible, to return to their own homes.

The majority of patients (89%) have been discharged to their usual place of residence, a small number (6%) were transferred from Eden Court to hospital, following medical review. The model has produced low 30-day readmission rates.

Eden Court development - It has been agreed to continue with the use of 20 community beds to provide community rehabilitation, recuperation or recovery.

Repatriation of patients to their local health authority area following specialist treatment - There has been an agreement from all local Trusts that patients waiting for repatriation will be transferred back within 48 hours. A full operational policy is in development to ensure the safe transfer of patients.

Introduction of expected date of discharge (EDD) - The Electronic Whiteboard project has successfully been rolled out which now allows the EDD to be displayed for each patient. This can be updated by clinical staff during a clinical review and used to facilitate timely discharge and improve communication with patients and families. In October 2017, 30% of patients had EDDs allocated and that has now increased to 65% in March 2018. This continues to be a focused work strategy within all Directorates.

Discharge to care homes - The Trust has agreed discharge standards with care home managers to improve the quality and timeliness of our transfer of care back to care homes. We have developed a Trusted Assessment model which provides a quality assessment completed by Trust staff on behalf of the care home managers to prevent duplication of assessments.

Continuing Health Care (CHC) - New CHC guidelines are due to be launched in October 2018. We have plans to work with the CCG to agree an implementation strategy.

Priority 10 – Enhancing the quality of care through participation in research

The Quality Priorities for 2017/18 for clinical effectiveness in relation to clinical research were:

1 Maintain or improve the number of research trials available for patients to participate in and improve the number of patients participating in clinical research trials.

The year-to-date data for recruiting studies is steady for The Newcastle Upon Tyne Hospitals NHS Foundation Trust (NUTH), with 460 recruiting studies across the Trust at the end of quarter three in 2017/18, compared to 458 for the same time period in 2016/17. The total number of recruiting studies for other Partner Organisations (POs) across the Clinical Research Network North East and North Cumbria (CRN NENC) geography shows an 11% increase, from 741 recruiting studies at the end of quarter three in 2016/17, to 823 for the same time period in 2017/18.

The total number of unique studies refers to the number of individual studies that are recruiting within the region. These studies may be open and recruiting either in one Trust or in multiple Trusts across CRN NENC. The total number of unique studies recruiting participants within the CRN NENC geography has increased by 6%, from 737 at the end of quarter three in 2016/17 to 781for recruiting studies for the same time period in 2017/18.

The total number of participants recruited in the Trust across the corresponding timeframe has increased significantly by 3,135 from 9,147 at the end of quarter three in 2016/17 to 12,282 at the end of quarter three in 2017/18. This is a 34% increase year-to-year.

A similar increase is evident for other POs across the CRN NENC, with an increase of 5,065 participants from 13,535 at the end of quarter three in 2016/17 to 18,600 at the end of quarter three in 2017/18. This is a 37% increase year-to-year.

Number of recruiting studies and participants	Recruiting Studies in FY1617 Q1, Q2, Q3		Recruiting Studies in FY1718 Q1, Q2, Q3	
	Studies	Participants	Studies	Participants
Other CRN NENC Partner Organisations	741	13,535	823	18,600
The Newcastle upon Tyne Hospitals NHS Foundation Trust	458	9,147	460	12,282
Total number of unique studies:	**737**		**781**	
Total number of participants:		**22,682**		**30,882**

2 Maintain and improve performance in initiating clinical trials and studies.

The year-to-date data for new studies opened in NUTH by the end of quarter three in 2017/18 shows a significant increase, with the number of studies opened more than doubling, with 168 studies opened, compared to 63 studies opened by the end of quarter three in 2016/17. A significant increase is also noted for other POs across the CRN NENC, with an increase from 112 studies at the end of quarter three in 2016/17, to 318 studies in the same time period for 2017/18. The total number of unique studies opened across all POs in the CRN NENC has also increased from 114 at the end of quarter three in 2016/17 to 149 for the same time period in 2017/18.

Number of studies opened	Studies opened in FY1617 Q1, Q2, Q3	Studies opened in FY1718 Q1, Q2, Q3
Other CRN NENC Partner Organisations	112	318
The Newcastle upon Tyne Hospitals NHS Foundation Trust	63	168
Total number of unique studies:	**114**	**149**

The figures in this report relate to the final data cut for the end of quarter three in 2016/17 and 2017/18. The data cut for the end of quarter three in 2017/18 was 27th January 2018, and reported from the Open Data Platform (ODP). The data cut is used by the CRN NENC to report nationally and once completed does not change. This allows like-for-like comparisons between similar time periods across defined reporting periods (ie. financial quarters and years).

Patient Experience

Priority 11 – Patient Participation in research

The Quality Priorities for 2017/18 in relation to patient satisfaction:

Collect regular feedback from patients who have experienced care as part of a research study through patient satisfaction surveys, friends and family initiatives and regular public engagement events.

The Trust hosts a number of patient involvement and advisory groups, and through the CRN NENC, supports a diverse range of patient groups throughout the region. These groups enable patients, carers and the public to work with our researchers and to have their say in the design, planning, and delivery of our clinical trials.

CRN NENC, in collaboration with other National Institute for Health Research (NIHR) partners, have established the Creating Connections Group - a series of region-wide meetings with Patient and Public Involvement and Engagement (PPIE) professionals to share best practice and foster collaboration. NUTH and other POs within the CRN NENC have recruited a number of Patient Research ambassadors (PRAs), and a series of focus groups with these PRAs, along with Ambassadors who have signed up to the national NIHR PRA initiative, and interested members of the public is underway.

Work is ongoing to develop the CRN Patient Research Experience Survey (PRES) further and to embed PRES as a standard part of research activity within CRN NENC, to upload PRES data directly onto the Open Data Platform, and to finalise the new versions of the PRES surveys, which will be available in the new financial year.

NUTH and CRN NENC PPIE staff have met with PPIE links within POs, attended local and national events to promote and raise awareness of the CRN NENC Engagement Team and PPIE in research, and have met with patient groups to review and gather feedback on a range of projects including leaflets, websites and a PPIE web application.

Priority 12 – Accessibility for Service Users/Carers

Accessibility for Service Users/carers is about making services easier to use for all people. Our aim was to improve accessibility for our service users.

Continuing to work towards the full implementation of the Accessible Information Standard (AIS)

Extensive work has been undertaken to ensure that the Trust is able to meet many of the requirements of the AIS including the ability to record a patient's requirements, share this information across the organisation and ensure that staff are alerted to the requirement when communicating with the patient. The changes to the Trust's electronic patient record system have been fully implemented with training and awareness raising rolled out to staff Trust-wide. Work continues within the Trust to develop IT systems which will enable automated correspondence via email where this is the patient's preferred method.

Roll out and expand online accessibility guides for disabled patients and visitors

The Trust continues to work in partnership with Disabled Go, a not-for-profit organisation, to provide detailed online accessibility guides for anyone accessing Trust premises. A review of the suite of online guides has been carried out to ensure all information is accurate and up-to-date and additional services and departments have been added. Feedback from service users and staff has been very positive and the Newcastle Hospitals guides have been viewed in excess of 5,500 times since their launch in March 2017. Feedback has illustrated that the guides significantly reduce anxiety by providing a level of detail which was unavailable previously and make service users aware of the location and availability of essential facilities.

Complete the pilot of 24/7 British Sign Language (BSL) provision via video remote where face to face interpreters are unavailable

The pilot of Video Remote Interpreting (VRI) was launched in May 2017 and will be completed and evaluated in May 2018. Staff training and awareness sessions have been rolled out across the organisation and the service has been used steadily throughout the pilot phase. Feedback from patients and staff has been positive and many have stated that it offers a significant improvement on past, traditional alternatives to face-to-face interpreting. The Trust has been commended for establishing such services and is working closely with the Clinical Commissioning Group and other Trusts in the region to share learning and assist other in embedding similar services across the region. Video Remote Services (VRS), where patients can contact Trust staff from home through the hospital website via an online BSL interpreter relay, have also been piloted since May 2017 and will be included in the service evaluation.

We continue to review the quality and provision of language interpreting across the Trust.

Priority 13 – Dementia

The Trust has previously implemented a number of new initiatives and strategies to improve the care patients with dementia receive and continues to strive to make further improvements. We aimed to work in partnership with carers and families of patients who are living with dementia in line with the Trust's Dementia Strategy 2015 – 2020. We worked towards embedding a positive culture of patient and carer involvement in all decision making. In doing this we:

Sustain and improve use of 'Forget me not' cards across the Trust:

With the support of the ward dementia champions the team continue to reinforce the importance of completion of the 'Forget me not' card. The monitoring of completion of the cards forms part of the monthly Clinical Assurance Tool (CAT) to both assess compliance and embed the importance of the cards in relation to person-centred care. The team continue to work alongside "the whiteboard project" team to establish the use of the 'forget me not' flower as a symbol of enhanced communication needs.

Re-launch a core care plan specifically focusing on support, signposting and information for carers and families:

The dementia and delirium intranet webpage has been updated which contains the Dementia Trust core care plan on support, signposting and information for carers and families and is available for staff. The team are currently working with colleagues in IT to provide information on the Trust website for patients' relatives and carers.

The National Audit of Dementia

The National Audit of Dementia examines aspects of care received by people with dementia in general hospitals in England and Wales. The audit is commissioned by the Healthcare Quality Improvement Partnership on behalf of NHS England and the Welsh Government, as part of the National Clinical Audit Programme. The recent third round of audit focused on the following themes:

- Assessment.
- Information and Communication.
- Staffing and training.
- Nutrition
- Discharge and hospital transfer
- Governance.

The Freeman Hospital scores and rankings against other hospitals were as follows:

Theme	Score	Ranking out of 199
Governance	78.1	62
Nutrition	73.8	147
Discharge	78.8	72
Assessment	82.5	119
Staff rating of information and communication	66.6	70
Carer rating of information and communication	69.8	49
Carer rating of patient care	76.6	49

The Trust performed well in the areas of carer rating of patient care and carer rating of information and consent, but not as well in areas of nutritional assessment. A further audit is due to commence in April and the dementia care team will continue to review the findings and implement any required actions.

Working in partnership

The team has been working closely with colleagues in other organisations, such as the community Admiral nurses, to ensure an effective pathway of care and ongoing support for patients, their family and carers. The team continue to work closely with third sector organisations such as the Alzheimer's Society, Dementia Care, Age UK, Newcastle Carers Centre to ensure ongoing support.

We have established a new charity *The Dementia Care Fund:*

The aim of the fund is to make life better for people who have dementia and their families and carers when they are receiving care from any of the hospital or community services provided by the Trust.

Reinforce and extend flexible visiting in line with 'John's campaign':

'John's campaign' and flexible visiting are now incorporated within the Trust mandatory induction training as well as training undertaken by the dementia care team. The team continue to reinforce the importance of John's campaign to ensure it becomes embedded in practice.

Continue to promote and encourage carer representation on the Trust dementia care steering group:

Carer representation and feedback is hugely important to help shape care delivery. As well as having carer representation on the Dementia Care Steering Group, we have received carer experience feedback and reflections both at a dementia themed Schwartz Round and more recently at the Dementia Care Conference.

Continue to promote and deliver training to all staff disciplines to ensure effective evidence-based care delivery:

There have been rolling programmes of Best Practice in Dementia Care training for staff in the Emergency Department that has evaluated extremely well. This training has also been delivered to community teams as well as teams within the acute Trust. Training continues to be delivered in terms of level 1 awareness raising, as well as level 2 training supported by colleagues in the training department. The team have utilised the Education 4 you boards to deliver ward based training for all staff groups.

The dementia care team hosted a dementia conference on February 6 2018 *Diversity in Dementia* which included both guest speakers and expert lecturers from within the Trust. There were two panel sessions with both patients and carers sharing their personal experiences of living with dementia. The day concluded with interactive workshops covering acute and community care on a wide range of topics but with a central theme of the importance of getting to know the person to provide person centred care.

Support the patients and carers who receive a diagnosis of dementia at the Melville Day Unit:

This service of support and advice from a nurse specialist started in the summer of 2016 and is going from strength to strength. The dementia care team won the practice development award at the annual Trust Nursing and Midwifery Conference in June 2017 for their work in this area. Recent comments from the clinic have included: *"we were offered time with a lovely Sister who helped us understand dementia a lot more clearly. We found this very informative and would love to think we can have more of this support in hospitals for families"* The team has devised a brain leaflet handout which includes a section for patients and their families to write down any questions they may have. The leaflet helps with understanding of the diagnosis and provides a mechanism of ongoing communication.

Lead a "Memory Café" once per month at Melville Day Unit:

The Memory Café continues to be well supported by patients and their families and carers. The Café provides patients and their carers with an opportunity to meet with one another in a relaxed environment to share their experiences over a cup of tea. The Café enables both patients and their carers to meet with the nurse specialists from the dementia care team to discuss any concerns they may have and provide examples of coping strategies to support them to live well. The Café has a scheduled timetable of events and we have had excellent feedback from people attending the Café.

"The nurses are all fabulous, it is a lovely place, great coffee, tea and cake we love coming."

"Fantastic atmosphere the staff are brilliant, you couldn't get better treatment anywhere."

"My dad is most comfortable going to places he knows. He was unsure about attending the Café and asked if he could go home when he wanted. He thoroughly enjoyed himself and felt totally at ease thanks to the Nurse Specialist and the other nurses. By the time he got home he was buzzing."

Provide bespoke "Forget me not" bags:

The dementia care team continue to provide bespoke 'Forget me not' information bags to support carers. The bags are readily available on the medical wards within the Trust and provide bespoke information based on individual needs. The dementia care team continue to work alongside the Trust equality and diversity lead to gain feedback from carers of people with dementia accessing the Trust services through a combined questionnaire.

Updates on Duty of Candour (DoC) and Seven Day Services

An update is provided on the Duty of Candour (DoC) and a statement regarding how we are implementing the priority clinical standards for seven day hospital services.

Update on Duty of Candour (DoC)

Promoting a culture of openness is a prerequisite to improving patient safety and the quality of healthcare systems. It involves explaining and apologising for what happened to patients who have been harmed or involved in an incident as a result of their healthcare treatment. It ensures communication is open, honest and occurs as soon as possible following an incident. It encompasses communication between healthcare organisations, healthcare teams and patients and/or their carers. A contractual requirement to implement the Being Open guidance called the Duty of Candour was introduced on the 1st April 2013. A statutory requirement to implement Duty of Candour (DoC) was also introduced in October 2014 as part of CQC registration requirements. DoC implementation is discussed and monitored every month at the Serious Incident (SI) Panel to ensure verbal and written apologies have been given. A twice yearly audit of compliance with the legislation is undertaken and the results shared via the Clinical Risk Group chaired by the Medical Director.

Awareness raising, particularly amongst the medical staff, continues with presentations delivered at Directorate Audit meetings by one of the Clinical Directors for Patient Safety and Risk. Duty of Candour requirements are also included in the Incident Investigation Training course which is delivered every month. During this year the policy was updated to make it more user-friendly and an e-learning package is being developed. Duty of Candour prompts are included on Root Cause Analysis Tools for use in the event an incident resulting in harm occurs.

Statement on Seven Day Services implementation

We are implementing the four priority clinical standards for seven day hospital services in a number of ways.

An early implementer site

The Trust became one of the national early implementer sites for the Seven Day Service at the beginning of the financial year 2016/17.

Staff engagement/awareness

A Seven Day Services Delivery group has been established and reports to a Seven Day Services Steering Group. This group meets monthly to review and work towards compliance with the four high priority standards. The group has identified interventions and changes to improve compliance and supports and coordinates the changes.

Staff awareness sessions have been delivered to the Clinical Policy Group, Business Delivery Group, Clinical Risk Group, Council of Governors and the Trust Consultative Group. A Trust intranet page has been established and an information leaflet developed which is accessible for staff.

Implementation of a new electronic review board

The Trust developed a new system to focus on consultant activity in the Assessment Suite. This electronic review system helps to identify which emergency patients need to be reviewed by length of time in hospital and flags patients needing ongoing clinical review based on clinical need, which is identified by consultants. The new system was designed collaboratively by consultants and IT staff, implemented in August 2016 and the benefits are evidenced by improved compliance with standard 2. Consultant feedback on the new system includes the enhanced ability to inform where to start ward rounds, that is provides a good way of handing over patients and that the system also provides mechanisms to ensure a second review is completed when required.

The system was further developed and implemented in other emergency wards and a number of departments across the Trust including paediatrics, general surgery, vascular surgery and hepatobiliary surgery.

- National audits to identify compliance

The Trust has taken part in the regular, six monthly national audits. The results have been shared throughout the Trust and used to inform improvements with the four priority standards. Recent compliance is below.

- **Standard 2:** Audit results demonstrate that the Trust is currently close to the national compliance threshold of 90% for weekdays and weekends. We will continue to make best efforts to achieve compliance by improving record keeping in all emergency areas.
- **Standard 5 and 6:** Audits have demonstrated that we were compliant with these standards.
- **Standard 8:** Audits have demonstrated compliance for both twice daily review of patients in ICU and HDU settings and once daily review for patients on general ward areas.

Quality Priorities for Improvement 2018/19

Following discussion with the Board of Directors, the Council of Governors, patient representatives, staff and public the following priorities for 2018/19 have been agreed. A public consultation event was held in January 2018 and presentations have been provided at various staff meetings across the Trust. In addition, staff have also been given the opportunity to help shape the priorities for next year by completing an online survey sent to all members of staff.

Patient Safety

Priority 1 - Reducing Infection – focus on MSSA/E.coli

Why have we chosen this?

Methicillin-Sensitive *Staphylococcus Aureus* (MSSA) bacteraemias are infections which can cause significant harm. At the Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTH) these are most commonly associated with lines and indwelling devices.

E. coli and other Gram negative bacteraemias constitute the biggest cause of sepsis (also known as blood poisoning, which is the reaction to an infection in which the body attacks its own organs and tissues) nationwide. Proportionally, at NUTH the main source of infection is urinary tract infections, mostly catheter associated, reflecting the national picture.

An integrated approach engaging with the multidisciplinary team across the whole patient journey, focusing on antibiotic stewardship (management), early identification of risks and timely intervention, formulate the basis for our strategy to reduce these infections.

What are we aiming to achieve?

- 10% year-on-year reduction of MSSA bacteraemias.
- 50% reduction of Ecoli and other Gram negative bacteraemias by 2021.

How will we achieve this?

- Board level leadership and commitment to reducing the incidence of HCAI (Healthcare associated infections).
- Quality improvement projects in key directorates focusing on specific aspects of practice and care.
- Trust-wide awareness campaigns, education projects, jointly with competency assessments and audits of practice.
- Work with partner organisations to reduce infections throughout the health care economy.

How will we measure success?

We will continue to report MSSA and Ecoli infections on a monthly basis, both internally and nationally. This data will be disseminated and shared with all directorates providing feedback and shared learning from Root Cause Analysis (RCAs) and other surveillance mechanisms.

Where will we report this to?

- NHS England.
- Public Health England.
- The public via the Integrated Quality Report (Public Board paper).
- The Clinical Governance and Quality Committee.
- Trust Board.

Priority 2 – Pressure Ulcer Reduction

Why have we chosen this?

Reducing patient harm from pressure damage is a priority as we believe we can further reduce the incidence of harm patients experience and support areas to embed evidenced based and best practice.

What are we aiming to achieve?

- To minimise the episodes of preventable harm which occur in the Trust related to pressure damage.
- Undertake focussed work to achieve a reduction in the development of heel damage by 10% within the year.
- Ensure we have a skilled and educated workforce with sound base knowledge related to pressure damage.
- Sustain Critical Care Task Force sharing best practice across all areas to support sustained pressure ulcer reduction.

How will we achieve this?

We will continue to work with frontline staff to reduce Trust acquired pressure ulcers.

Plans include:

- The Trust will focus on reducing pressure ulcers to the heels and work intra-professionally to support clinical areas with Time2Turn campaigns.
- Tissue Viability Team will launch a new e-learning package with core education and key messages based on evidence based advice for the individual management of patients with high risk/ clinical needs and overall best practice measures. This will be essential for key personnel in 2018/19.

- Collaboration between leads for Infection Control, Continence and Pressure Damage will be strengthened to enable targeted interventions to minimise all forms of avoidable harms.

- Adult Critical Care units will continue to test interventions to progress and sustain improvements.

- Engagement with NHS Improvement in the development and Trust implementation of national standards for defining and measuring pressure ulcers

- Engagement with NHS Improvement and its national 'Stop the Pressure' campaign.

- Collaboration with the Northern Tissue Viability Professional Forum in organising the Regional STOP the Pressure Conference in November 2018.

- Ensuring ward staff and clinical leaders have easy access to data and incident investigation tools to facilitate local quality improvement at ward level.

- Review of Trust Pressure Damage Root Cause Analysis Tool to ensure it facilitates learning and action in practice.

How will we measure success?

The corporate Pressure Ulcer Task Force will continue to monitor numbers and rates of pressure ulcers particularly where there is the identification of heel damage. There will be ongoing publication of the Critical Care Dashboard and monitoring of completion rates for relevant Band 7, 6, 5, Link Nurses and Health Care Assistants who undertake the e-learning package.

Where will we report this to?

- Clinical Risk Group, Matrons Forum and Clinical Leaders Forum via six monthly updates and presentations of practice learning.

- Clinical Governance and Quality Committee.

- Trust Board via Integrated Quality Report.

Priority 3 – Management of Abnormal Results

Why have we chosen this?

There have been over 50 reported incidents over the last year where abnormal or unexpected diagnostic results had not been seen or acted upon by medical staff. Causes were varied but included failure to receive, view or act on the relevant report, errors in communication and administration and the lack of a failsafe mechanism for dealing with abnormal results when physicians were away from the hospital.

What are we aiming to achieve?

A long-term solution for effective and efficient communication of abnormal results across all of the reporting specialties to the responsible clinician in order to minimise incidents. A failsafe system in place to ensure that abnormal results are acted upon within a short pre-defined time period by another designated responsible clinician if the primary physician is away from the Trust or has not taken action.

How will we achieve this?

- Determine at what level the threshold should be set by all reporting specialties in relation to escalating anomalous results to the responsible clinician.

- Clearly define who is responsible for acting on abnormal results that are received – the initiator of a test may not necessarily be the clinician who acts upon the outcome and communication of results may span several directorates.

- Devise and institute a practical system of directly alerting clinicians to unexpected or abnormal results from any reporting specialty in the Trust to ensure prompt action. This will be encompassed and actioned within the Global Digital Exemplar (GDE) project.

- Establish a failsafe system to ensure that abnormal results are acted upon within a short time frame. This will be automatic, highlighting results that have not been actioned to another responsible clinician, avoiding periods of delay when physicians are on leave or have not dealt with abnormal results in a timely fashion.

- Build in audit and tracking functions for monitoring and feedback to directorates.

We are now moving forward towards the implementation phase in parallel with the delivery of the GDE project.

How will we measure success?

- Defined reporting specialty thresholds for escalation.

- Implementation of the clinician alerting system within the GDE project.

- Implementation of the failsafe system for handling abnormal results that have not been acted upon within a defined timeframe.

- Measurable reduction in incidents resulting from delayed action over abnormal results across all Trust reporting specialties.

Where will we report this to?

- Clinical Policy Group.

- Clinical Governance and Quality Committee.

- Trust Board.

Priority 4 – Local Safety Standards for Invasive Procedures (LocSSIPs)

Why have we chosen this?

National Safety Standards for Invasive Procedures (NatSSIPs) are essentially a set of key standards that should govern the delivery of care that involves an invasive procedure(s). Their aim is to reduce the risk of the three surgical never events that can occur during invasive procedures:

- Wrong site / procedure
- Retained foreign body
- Wrong implant inserted

They should govern practice throughout the hospital, not just in the operating theatres.

The aim of NatSSIPs is that they should standardise key elements of procedural care. The process involves the use of checklists, but is not limited to them. The standards should be implemented against a background of education in human factors and working as teams and a key element is that they should reinforce the importance of education to patient safety. As part of the process organisations should review their invasive procedures and adapt the NatSSIPs to develop local standards for invasive procedures (LocSSIPs) that reflect local circumstances. The standards for a major surgical procedure performed under general anaesthesia in an operating theatre cannot and should not be identical to those supporting a procedure under local anaesthesia in a ward.

Each LocSSIP should address each of the 13 standards set out in the NatSSIPs:

Organisational	Sequential
1. Governance and audit 2. Documentation of invasive procedures 3. Workforce 4. Scheduling and list management 5. Handovers and information transfer	6. Procedural verification and site marking 7. Safety briefing 8. Sign in 9. Time out 10. Prosthesis verification 11. Prevention of retained foreign objects 12. Sign out 13. Debriefing

What are we aiming to achieve?

- All directorates will look at the range and number of invasive procedures carried out (not including those performed in operating theatres).
- Teams involved in performing these invasive procedures will then review their current processes and start to incorporate the NatSSIPs process to develop their own LocSSIPs.
- Directorates will produce and share their own LocSSIPs.
- By the end of 2018/19 a minimum of ten LocSSIPs will have been implemented.

How will we achieve this?

As part of the surgical stream of the Sign up to Safety campaign a group has developed two complete LocSSIPs; one is highly complex (governing all invasive procedures undertaken in the Trust's operating theatres) and one relatively simple (covering the insertion of chest drains in the ward setting).Using these two exemplar LocSSIPs directorates have a template to develop their own set of local standards.

The particular areas which we deem to be most pressing, and hence of the highest priority (either because of their complexity or because of the volume of previously reported incidents) are:

- Endoscopy
- Cardiac catheter labs
- Interventional radiology
- Dermatology
- Chair dentistry

How will we measure success?

The identification of all invasive procedures and where they are performed in each directorate. Each invasive procedure will have a LocSSIP.

The progress of this will form part of each directorate's Clinical Governance review process, and this will feed back to the Clinical Risk Group which will ensure that compliance is monitored.

Where will we report this to?

- Clinical Risk Group.
- Clinical Governance and Quality Committee

"National Safety Standards for Invasive Procedures (NatSSIPs) aim is to reduce the risk of the 3 surgical never events that can occur during invasive procedures."

Priority 5 – Human Factors Training

Why have we chosen this?

From learning nationally we know that patients can come to harm from avoidable errors in hospitals. Such errors are not intentional but can occur if the processes and equipment used are not designed well enough to fit along-side human capabilities and limitations. Giving staff an understanding of this enables them to design ways of working that makes it easier to get work done in the right way and reduce the likelihood of errors occurring.

Having a human factors approach to patient safety differs from traditional safety training in that the focus is less on the technical knowledge and skills required to perform tasks and administer care, but rather on the cognitive and interpersonal skills needed to effectively manage patient care safely.

We have chosen this priority to build on the successes already achieved as part of the Trust's Sign up to Safety workstream.

What are we aiming to achieve?

Through Human Factors training, all grades of staff will have an understanding of human factors and how they can apply this understanding to enable them to improve the systems and processes that they work with day after day.

We also recognise that Human Factors training has the potential to reduce risk, improve our investigation process when things do go wrong, and develop a culture where staff are confident to speak up when they have concerns.

We aim to apply this learning across our organisation in order to reduce avoidable patient harm.

How will we achieve this?

We are ahead of many Trusts in the development of human factors training; our goal for the coming year is to see this embedded in the culture of the Trust, improving awareness and understanding across the organisation and deliver bespoke training at a directorate level. In order to achieve this we will build on the successes to date by:

- Developing a Human Factors strategy with a short, medium and long term plan to facilitate the training of staff Trust-wide.

- Continue delivering a programme of educational classes for staff alongside ad-hoc awareness sessions with individual teams.

- Ensuring all staff from Board to Ward have access to Human Factors training. Training will be provided to the Trust Board as studies have shown that Board commitment to quality improvement is linked to higher quality care, underlining the leadership role of Boards in this area.

How will we measure success?

A change in culture within an organisation, which is the main focus of this quality priority, is difficult to measure and it is hoped that Human Factors training will ultimately lead to the reduction in patient harm and improved patient experience. However, it is difficult to evidence that these are a direct result of Human Factors training. There are, however, some measurable outputs which should indicate that these aims are being delivered:

- The number of staff completing awareness raising sessions.

- The number of ad-hoc team sessions delivered.

- The evaluation of feedback from attendees at training and awareness sessions.

- The delivery of training to the Trust Board.

- The development of a Human Factors Training and Awareness Strategy for the Trust.

Where will we report this to?

- Clinical Governance and Quality Committee.

- Trust Board

Clinical Effectiveness

Priority 6 – Digital enhancements to care

Why have we chosen this?

Healthcare is on the verge of an Information Technology (IT) revolution. Technology, data and information need to work together to improve healthcare. Better use of data will help those involved in healthcare to manage the system more effectively, commission better services, understand public health trends in more detail, develop new treatments and monitor the safety and effectiveness of care providers.

IT offers the ability to overcome several of the limitations of the human mind (Human Factors) but is also recognised for potentially introducing new or unintended risks into the system. Understanding the interface between IT, patients and healthcare providers will enable the safe development and deployment of technology.

The national Patient Safety Collaborative (PSC) is the largest safety initiative in the history of the NHS, supporting and encouraging a culture of safety, continuous learning and improvement, across the health and care system. One of their three key workstreams is the deteriorating patients.

The eRescue project in the first phase of the Global Digital Exemplar (GDE) project. We have implemented new ward technology, electronic whiteboards and electronic observation charts, to start the process of improving the risks to the deteriorating patient with IT. Patients deteriorate for many reasons and increase their risk of falls, pressure ulcers and hospital acquired infections and use of critical care resources. We now have the ability to start to explore what factors are effective (in improving the outcomes for deteriorating patients) with the recently installed technology, electronic whiteboards and observations. This will provide essential learning that will facilitate the ongoing digital transformation of the organisation as GDE progresses, driving safer more effective and cost efficient care.

What are we aiming to achieve?

Establish a data warehouse and local reporting that can be interrogated near to real time to produce information to guide ward level continuous quality improvement by enabling local dashboards. Analyse quantitative and qualitative data from the electronic whiteboards and electronic healthcare record project, focusing on electronic observations, diabetes and kidney injury and sepsis to identify factors that are involved in determining the effectiveness of the IT healthcare interface.

We intend to refine the user interface, educational models and alerting algorithms accordingly to improve outcomes. We will also share areas of good practice with an accessible interface to all wards to consider for local adoption.

How will we achieve this?

- Evaluation of electronic observations roll-out and learning from alerting options to reduce time to senior input.

- Procurement and installation of a data warehouse that meets the organisational reporting needs to free up time to move to quality improvement.

How will we measure success?

Implementation of a digital reporting system that allows near real time reporting. The percentage of wards that have real time access to their data on key care process and outcomes. Reduction in the following;

- Time to senior input for high risk deteriorating patients.

- Intensive Care Unit (ICU) unplanned local admissions.

- Predicted mortality at point of admission to Critical Care.

- Overall hospital mortality and cardiac arrest rates.

- Improvement in glycaemic control, and rates of hospital acquired acute kidney injury and time to first antibiotic in sepsis.

Where will we report this to?

- Deteriorating Patient Steering Group.

- Diabetes and Kidney injury Groups.

- Clinical Risk Group.

- Clinical Governance and Quality Committee.

Priority 7 – Closing the Loop

Why have we chosen this?

There is a drive to establish a robust system to enable the capture of all actions identified by either internal or external reviews. All actions are currently captured but in a variety of forms and not viewable collectively in order to allow prioritisation and discussion where completion is not possible.

What are we aiming to achieve?

To ensure that all actions identified are monitored, prioritised, completed and reviewed within agreed timescales.

How will we achieve this?

Establishing an IT system which will enable staff to record, prioritise and monitor all required actions identified by internal or external assessments. Initially, in year one, we will look to:

- Map Trust key performance targets/actions.

- Map individual directorate profiles – looking at requirements in each area.

- Propose a process to manage (record/monitor/complete/ review/alert).

- Prioritise actions/ performance targets.

- Complete a scoping exercise in relation to available IT systems to support the recording/monitoring of performance targets.

How will we measure success?

Trust key performance requirements/actions will be mapped and prioritised. IT systems will be considered to support the proposed process developed.

Where will we report this to?

- Joint Clinical Governance and Risk Department, Patient Services and Clinical Directors (CD) for Quality monthly meeting.

- Clinical Governance and Quality Committee.

Patient Experience

Priority 8 – Deciding Right

Why have we chosen this?

This work highlights the needs and advantages of making advance decisions; particularly (but not exclusively) where chronic illness exists. Advance care planning helps patients think about what future care they may want to receive should they become seriously ill or unable to make decisions for themselves.

Deciding Right is the regional guide to making individual care decisions in advance with children, young people and adults. It contains the framework and documentation to support advance care planning.

What are we aiming to achieve?

Deciding Right outlines clear principles for all healthcare organisations and professionals to follow. It focuses decision-making on individual patients' needs and wishes, rather than organisational policies and procedures. We intend to work with staff to develop an understanding of the levels of engagement with Deciding Right to ensure that patients can be directly involved in decisions about their future care and treatment.

How will we achieve this?

- Baseline survey completed: clear demand from frontline clinical staff for improved knowledge and awareness about *Deciding Right*.

- Ongoing audit of acute admissions.

- Develop an awareness programme in line with regional initiatives.

- Three strands relating to what is expected from different staff groups:

  a. Outlining likely triggers for patients who wish to discuss advance care planning (HCAs, Allied Health Care Professionals)

  b. Provide training on the *Deciding Right* documentation and forms.

  c. Advice and discussions on all aspects of *Deciding Right* with senior nursing and medical staff.

- Support from the Education Department and the Clinical Governance and Risk Department.

- To supplement the multi-disciplinary representation in the *Deciding Right* working group with patient and primary care representation.

- Review the role of the group after two years (January 2020)

How will we measure success?

- Quantitative Measures:

  a. Number of staff trained.

  b. DNACPR discussions and documentation. In time this may change to the ReSPECT Forms (Recommended Summary Plan for Emergency Care and Treatment).

  c. Presence of Treatment Escalation Plans (TEP)/ Emergency Health Care Plans (EHCP) in patient notes and ongoing improvements in the implementation of such documentation.

  d. Improve results in 2019 of North of England Critical Care Network Audit (January 2018): overall incidence of Treatment Escalation Plans (TEP)/ Emergency Health Care Plans (EHCP) for adult inpatients within NUTH was 1.58% (3.14% at FH and 0.00% at RVI.)

- Qualitative Measures:

  e. Number of staff trained.

- Patient/ Relative feedback.

Where will we report this to?

- Clinical Governance and Quality Committee.

- Trust Board.

"Advance care planning helps patients think about what future care they may want to receive should they become seriously ill or unable to make decisions for themselves."

Priority 9- Enhancing Patient and Public Involvement in Quality Improvement

Why have we chosen this?

The Trust is passionate about creating a culture of Quality Improvement (QI) where staff feel confident and empowered to act where they see opportunities for improvement. In order to implement meaningful, sustainable changes, patient and public involvement is essential.

What are we aiming to achieve?

We aim to establish a number of mechanisms through which patients and the general public can be made aware of engagement opportunities. Patient and public involvement should also be flexible allowing as many people as possible to become involved.

How will we achieve this?

Through the creation of engagement role profiles, engagement forums and creating genuine service user involvement in the design and delivery of Quality Improvement projects.

How will we measure success?

Patient and Public involvement in all QI projects where there is an interest and the formation of sustainable QI groups with patient and public membership.

Where will we report this to?

- The Trust Patient, Carer and Public Involvement Group.
- Trust Quality Improvement Group.
- Clinical Governance and Quality Committee.

Priority 10 – Improving the experience of vulnerable patients

Why have we chosen this?

The National Confidential Enquiry into Patient Outcome and Death (NECPOD 2017) 'Treat as one: - Bridging the Gap between mental and physical health care in general hospitals', highlights the fact that patients with mental health disorder (when being treated for physical illness) are often seriously disadvantaged in the acute setting. The document highlights the importance of parity in esteem between mental and physical health. Recognition of the importance in understanding and treating mental illness is often the key to the successful management of physical illness in such patients. Care relies on a combined, holistic approach and not separate treatment of conditions one after the other. The term "now fit for medical discharge on to psychiatric assessment and therapy" should be seen as a thing of the past, mental health assessment having been started in tandem.

Failure to provide adequate information at the time of cross speciality referral and transfer in either direction is known to contribute to poor quality and, often, failed care. This increases morbidity and sadly may often lead to increased mortality in this group and premature death in individual patients.

The two clinical teams are invariably seen as separate entities with little overlap in assessment and delivery of care to the same patient.

What are we aiming to achieve?

To provide seamless care and improve clinical outcomes in patients with a mental health disorder coming into and leaving the Trust.

- We will aim to ensure the patient's full condition is documented in referral letters in and out of the hospital, any emergency department assessment and the documentation on admission to the hospital.
- Record sharing (paper or electronic) between the mental health provider and acute hospital provider will be explored.
- As a minimum patients should not be transferred between the different hospitals without copies of all relevant notes accompanying the patient or transfer document.
- Improvement in the accuracy of coding for mental health disorders and ease of retrieval from the Trust records.

How will we achieve this?

A team of individuals from both Trusts will be brought together following the recommendations of NECPOD, defining:-

- The point at which a referral to liaison psychiatry should be made.
- What should trigger a referral to liaison psychiatry.
- What relevant information a referral should contain.

The structure and staffing of the liaison psychiatry service should be reviewed, taking into consideration the clinical demand both within working hours and out-of-hours to ensure that they can participate effectively as part of the multidisciplinary team. Recognition of lead and defined roles within the team helping facilitate care.

Liaison psychiatry review and documentation (diagnosis or formulation) to include:

- The legal status of the patient and their mental capacity for any decision needing to be made if relevant.
- A clear documentation of the mental health risk assessment – immediate and medium term.
- Whether the patient requires any further risk management e.g. observation level.
- Management plan including medication or therapeutic intervention.
- Advice regarding contingencies e.g. "if the patient wishes to self-discharge please do this …'.
- A clear discharge plan in terms of mental health follow-up.

Training:-

- All hospital staff who have interaction with patients, including clinical, clerical and security staff, should receive training in mental health conditions in general hospitals.
- Training should be developed and offered across the entire career pathway from undergraduate to workplace based continued professional development.

Links to ongoing work:

- This work is a specific piece of work which will build on the processes and support mechanisms which are embedded within the Trust to ensure we support patients with who may be particularly vulnerable due to the presence of Learning Disability, Dementia or where concerns relating to Safeguarding adults or children suffering from or at risk of abuse. The Safeguarding, Learning Disability and Dementia teams continue to evaluate and develop practice and ensure staff have access to appropriate mandatory training and CPD.

How will we measure success?

Accurate coding of patients and clinical episodes allowing for audit with a tool devised along the lines of compliance with the recommendations as proposed by Treat as one.

Where will we report this to?

- Joint NuTH/NTW Governance forum.
- Trust Board.

Commissioning for Quality and Innovation (CQUIN) Indicators

The Commissioning for Quality and Innovation (CQUIN) payment framework is designed to support the cultural shift to put quality at the heart of the NHS. Local CQUIN schemes contain goals for quality and innovation that have been agreed between the Trust and various Commissioning groups. Listed below are the quality and/or innovation projects which have been agreed with the Commissioners for 2018/2019.

CQUIN Indicators - Acute Hospital - (NHS England)	CQUIN Indicators - Acute Hospital - (CCG)
• Shared Decision Making – Year 2 • SACT (Dose banding for intravenous anticancer therapy) Year 2 • Optimising palliative chemo decision making Year 2 • Enhanced supportive care Year 3 • Cystic fibrosis patient adherence Year 2 • Auto-immune management Year 2 • Paediatric networked care Year 2 • Neonatal community outreach Year 2 • Improving HCV treatment pathways Year 3 • TECS Project Year 3	• Improving staff health and wellbeing Year 2 • Reducing the impact of serious infections (Antimicrobial Resistance and Sepsis) Year 2 • Improving services for people with mental health needs who present to A&E Year 2 • Offering advice and guidance Year 2 • Preventing ill-health by risky behaviours - Alcohol and Tobacco – 1 year scheme
CQUIN Indicators - Acute Hospital - (Public Health/Dental/other)	**CQUIN Indicators - Community**
• Dental Quality Dashboards • Breast screening • Stereotactic Radiosurgery • Armed Forces Covenant	• Improving staff health and wellbeing Year 2 • Improving the assessment of wounds Year 2 • Personalised care and support Year 2 • Preventing ill-health by risky behaviours - Alcohol and Tobacco 1 year scheme

Statement of assurance from the Board

During 2017/18 the Newcastle upon Tyne Hospitals NHS Foundation Trust provided and/or sub-contracted 16 relevant health services.

The Newcastle upon Tyne NHS Foundation Trust has reviewed all the data available to them on the quality of care in 16 of these relevant health services.

The income generated by the relevant health services reviewed in 2017/18 represents 100 per cent of the total income generated from the provision of relevant health services by the Newcastle upon Tyne Hospitals NHS Foundation Trust for 2017/18.

The Newcastle upon Tyne Hospitals NHS Foundation Trust aims to put quality at the heart of everything we do and to constantly strive for improvement by monitoring effectiveness. High level parameters of quality and safety have been reported monthly to the Board and Council of Governors. Activity is monitored in respect to quality priorities and safety indicators by exception in the Integrated Quality Report, reported monthly to Trust Board and performance is compared with local and national standards.

Leadership walkabouts, coordinated by the Integrated Governance Manager involving Executive and Non-Executive Directors and

members of the Senior Trust management team, have been regularly conducted in a variety of departments across the Trust. These are reported to the Clinical Governance and Quality Committee, a standing committee of the Trust Board, and any actions reported, implemented and followed up.

The Trust Complaints Panel is chaired by a Non-Executive Director of the Trust and reports directly to the Trust Board, picking up any areas of concern with individual directorates as necessary.

The monthly Clinical Assurance Tool (CAT) continues to provide clinical assurance to the Trust Board as an overview of performance against a wide range of clinical and environmental measures for each ward and directorate. The aim of the CAT is to measure and demonstrate compliance with the published documents and national drivers such as High Impact Actions, Saving Lives as well as providing useful data to support, verify and offer assurance for external inspectorates.

Feedback and, where necessary, reports on improvement actions are provided to the Trust Board via the monthly Integrated Quality Report.

Information on participation in National Clinical Audits and National Confidential Enquiries

During 2017/18, 55 national clinical audits and seven national confidential enquiry reports / review outcome programmes covered relevant services that the Newcastle upon Tyne Foundation Hospitals NHS Foundation Trust provides.

During that period, the Newcastle upon Tyne Hospitals NHS Foundation Trust participated in 52 (95%) national clinical audits and 100% of the national confidential enquiries / review outcome programmes which it was eligible to participate in. The three national audits in which it did not participate were the Elective Surgery (National PROMs Programme) Hip (did not fulfil the criteria to participate), Falls and Fragility Fractures Audit Programme – Fracture Liaison Service database (was not mandatory to participate) and the National Bariatric Surgery Registry (we do not provide the service).

The national clinical audits and national confidential enquiries that the Newcastle upon Tyne Hospitals NHS Foundation Trust was eligible to participate in during 2017/18 and the national clinical audits / national confidential enquiries that the Newcastle upon Tyne Hospitals NHS Foundation Trust participated in during 2017/18 are as follows:

National Clinical Audits			National Confidential Enquiries
Acute Coronary Syndrome or Acute Myocardial Infarction	Falls and Fragility Fractures Audit Programme – Fracture Liaison Service database	National Heart Failure Audit	National Confidential Enquiries into Patient Outcome & Death (NCEPOD) - Non-Invasive Ventilation - Adults
Adult Cardiac Surgery	Falls and Fragility Fractures Audit Programme – National Hip Fracture Database	National Joint Registry	NCEPOD - Cancer in Children, Teens and Young Adults
British Association of Urological Surgeons (BAUS) Urology Audits: Cystectomy	Falls and Fragility Fractures Audit Programme – Falls Audit	National Lung Cancer Audit	NCEPOD - Young People's Mental Health
BAUS Urology Audits: Nephrectomy	Fractured Neck of Femur	National Neonatal Audit Programme	Child Health Clinical Outcome review Programme – Chronic Neurodisability
BAUS Urology Audits Percutaneous Nephrolithotomy	Head and Neck Cancer Audit	National Ophthalmology Audit	Learning Disability Mortality Review Programme
BAUS Urology Audits: Radical Prostatectomy	Inflammatory Bowel Disease Programme	National Vascular Registry	Maternal, Newborn and infant Clinical Outcome review programme
BAUS Urology Audits: Urethroplasty	Major Trauma Audit	Neurosurgical National Audit Programme	National Maternity and Perinatal Audit
BAUS Urology Audits: Female stress urinary incontinence	National Audit of Breast Cancer in Older Patients	Oesophago-gastric Cancer	
Bowel cancer	National Audit of Dementia	Paediatric Intensive Care	
Cardiac Rhythm Management	National Audit of Intermediate Care	Paediatric Pneumonia	
Case mix programme	National Bariatric Surgery Registry	Pain in Children	
Congenital Heart Disease	National Cardiac Arrest Audit	Procedural Sedation in Adults (care in emergency departments)	
Coronary Angioplasty / National Audit of Percutaneous Coronary Interventions	National Chronic Obstructive Pulmonary Disease Audit programme – Secondary care Clinical Report	Prostate Cancer	
Diabetes (Paediatric)	National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury	Sentinel Stroke National Audit programme	
Elective Surgery (National Patient Reported Outcome Measures (PROMs) Programme) Hip	National Comparative Audit of Blood Transfusion programme • Audit of Red Cell & Platelet transfusion in adult haematology patients	Serious Hazards of Transfusion (SHOT): UK National haemovigilance scheme	
Elective Surgery (National PROMs Programme) Knee	National Comparative Audit of Blood Transfusion programme • TACO Audit	UK Parkinson's Audit	
Elective Surgery (National PROMs Programme) Groin hernia	National Diabetes Audit – Adults (Footcare Audit)		
Elective Surgery (National PROMs Programme) Varicose veins	National Emergency Laparotomy Audit		
Endocrine and Thyroid National Audit	National End of Life care audit		

The national clinical audits and national confidential enquiries that the Newcastle upon Tyne Hospitals NHS Foundation Trust participated in, and for which data collection was completed during 2017/18, 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.

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
Acute Coronary Syndrome or Acute Myocardial Infarction	National Institute for Cardiovascular Outcomes Research (NICOR)	The Myocardial Ischaemia National Audit Project (MINAP) was established in 1999 in response to the National Service Framework (NSF) for Coronary Heart Disease, to examine the quality of management of heart attacks (Myocardial Infarction) in hospitals in England and Wales.	✓	100%	Action plan developed.
Adult Cardiac Surgery	National Institute for Cardiovascular Outcomes Research (NICOR)	This audit looks at heart operations. Details of who undertakes the operations, the general health of the patients, the nature and outcome of the operation, particularly mortality rates in relation to preoperative risk and major complications.	✓	Continuous data collection April 2017 – March 2018	Report due for publication May 2018
BAUS Urology Audits: Cystectomy	British Association of Urological Surgeons	The audit addresses open, keyhole or robotic-assisted removal of the bladder for cancer.	✓	Continuous data collection April 2017 – March 2018	Report due for publication September 2018
BAUS Urology Audits: Nephrectomy	British Association of Urological Surgeons	The audit addresses partial or complete kidney removal (± the ureter) using open or 'keyhole' techniques.	✓	Continuous data collection April 2017 – March 2018	Report due for publication September 2018
BAUS Urology Audits Percutaneous Nephrolithotomy	British Association of Urological Surgeons	The audit addresses percutaneous 'keyhole' removal of stones from the kidney (or upper ureter).	✓	Continuous data collection April 2017 – March 2018	Report due for publication May 2018
BAUS Urology Audits: Radical Prostatectomy	British Association of Urological Surgeons	The audit addresses open, keyhole or robotic removal of the prostate gland (± lymph nodes) for cancer.	✓	Continuous data collection April 2017 – March 2018	Report due for publication September 2018
BAUS Urology Audits: Urethroplasty	British Association of Urological Surgeons	The audit addresses open repair of urethral narrowing by grafting/patching or excision/ re-joining.	✓	Continuous data collection April 2017 – March 2018	Report due for publication September 2018
BAUS Urology Audits: Female Stress Urinary Incontinence	British Association of Urological Surgeons	The audit addresses open surgery for stress incontinence of urine in women	✓	Continuous data collection April 2017 – March 2018	Report due for publication May 2018
Bowel Cancer	Royal College of Surgeons of England	Colorectal (large bowel) cancer is the most common cancer in non-smokers and second most common cause of death from cancer in England and Wales. Each year over 30,000 new cases are diagnosed, and bowel cancer is registered as the underlying cause of death in half of this number.	✓	100%	Compliant.
Cardiac Rhythm Management	National Institute for Cardiovascular Outcomes Research (NICOR)	The audit aims to monitor the use of implantable devices and interventional procedures for management of cardiac rhythm disorders in UK hospitals.	✓	100%	Compliant.
Case mix Programme	Intensive Care National Audit Research Centre	The aim of the audit is to improve resuscitation care and patient outcomes for the UK and Ireland.	✓	100%	Compliant.
Child Health Clinical Outcome review Programme – Chronic Neurodisability	The national Confidential Enquiry into Patient Outcome and Death	To identify the remediable factors in the quality of care provided to children and young people with chronic disabling conditions, focusing in particular on cerebral palsies.	✓	100%	Report due for publication March 2018.

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
Congenital Heart Disease	National Institute for Cardiovascular Outcomes Research (NICOR)	The congenital heart disease website profiles every congenital heart disease centre in the UK, including the number and range of procedures they carry out and survival rates for the most common types of treatment.	✓	Continuous data collection April 2017 – March 2018	Report due for publication July 2018.
Coronary Angioplasty / National Audit of Percutaneous Coronary Interventions	National Institute for Cardiovascular Outcomes Research (NICOR)	This project looks at percutaneous coronary intervention (PCI) procedures performed in the UK. The audit collects and analyses data on the nature and outcome of PCI procedures, who performs them and the general health of patients. The audit utilises the Central Cardiac Audit Database (CCAD) which has developed secure data collection, analysis and monitoring tools and provides a common infrastructure for all the coronary heart disease audits.	✓	Continuous data collection April 2017 – March 2018	Report due for publication May 2018.
Diabetes (Paediatric)	Royal College of Paediatrics and Child Health	The audit covers registrations, complications, care process and treatment targets.	✓	Continuous data collection April 2017 – March 2018	Report due for publication Autumn 2018.
Elective Surgery (National PROMs Programme) Hip	NHS Digital	The audit looks at the change in patients' self-reported health status for groin hernia surgery, hip replacement and, knee replacement.	✓	45%	Trust not eligible to participate.
Elective Surgery (National PROMs Programme) Knee			✓	50%	Action plan developed
Elective Surgery (National PROMs Programme) Groin hernia			✓	Awaiting report	Report due for publication May 2018
Elective Surgery (National PROMs Programme) Varicose Veins			✓	Awaiting report	Report due for publication May 2018
Endocrine and Thyroid National Audit	British Association of Endocrine and Thyroid Surgeons (BAETS)	The Registry collects data on all patients undergoing thyroid surgery performed by any surgeon registered with the BAETS Audit. No exclusions apply.	✓	Continuous data collection April 2017 – March 2018	Awaiting confirmation date for reporting.
Falls and Fragility Fractures Audit Programme – Fracture Liaison Service database	Royal College of Physicians	Fracture Liaison Services are the key secondary prevention service model to identify and prevent primary and secondary hip fractures. The audit has developed the Fracture Liaison Service Database to benchmark services and drive quality improvement.	This was not a mandatory requirement and the Trust did not participate.		
Falls and Fragility Fractures Audit Programme – National Hip Fracture Database	Royal College of Physicians	The audit measures quality of care for hip fracture patients, and has developed into a clinical governance and quality improvement platform.	✓	86%	Report due for publication September 2018
Falls and Fragility Fractures Audit Programme – Falls Audit	Royal College of Physicians	The audit provides the first comprehensive data sets on the quality of falls prevention practice in acute hospitals.	✓	100%	Action plan developed.
Fractured Neck of Femur	Royal College of Emergency Medicine	The audit will address current performance in Emergency Departments against Royal College of Emergency Medicine clinical standards.	✓	100%	Report due for publication June 2018

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
Head and Neck Cancer Audit	Saving Faces – The Facial Surgery Research Foundation	The most common sites for head and neck cancer are the larynx (throat) and oral cavity (mouth). Head and neck cancer treatment requires a wide range of expertise, and treatment is usually discussed and agreed by multidisciplinary teams (MDTs). The aim of this audit is to produce meaningful results that act as a vehicle to improve delivery of care to patients.	✓	100%	Report due for publication October 2018
Inflammatory Bowel Disease (IBD) Programme	Inflammatory Bowel Registry	The IBD Registry biological therapies audit collected data on all patients of all ages diagnosed with the ICD-10 codes and receiving biological therapy at any time during the year. The data was requested at three time points: initiation, post-induction review and 12-month review.	✓	100%	Trust provides data but there are no national reports.
Learning Disability Mortality Review Programme	University of Bristol	The programme was established to drive improvement in the quality of health and social care service delivery for people with learning disabilities by looking at why people with learning disabilities typically die much earlier than average.	✓	100%	Report due for publication April 2018.
Major Trauma Audit	The Trauma Audit & Research Network (TARN)	TARN is working towards improving emergency health care systems by collating and analysing trauma care.	✓	100%	Awaiting confirmation date for reporting.
Maternal, Newborn and Infant Clinical Outcome review programme	MBRRACE-UK, National Perinatal Epidemiology Unit, University of Oxford	The programme investigates the deaths of women and their babies during or after childbirth, and also cases where women and their babies survive serious illness during pregnancy or after childbirth.	✓	100%	Action Plan developed
National Audit of Breast Cancer in Older Patients (NABCOP)	Clinical Effectiveness Unit, The Royal College of Surgeons of England	The audit will assess the processes of care and outcomes for women aged over 70 years. NABCOP's results will help NHS breast cancer services in England and Wales to benchmark and improve the care delivered to these women. NABCOP is a new project that began in April 2016. It is run by the Association of Breast Surgery and the Clinical Effectiveness Unit at the Royal College of Surgeons of England. The clinical audit will focus on the patient pathway from diagnosis to the end of primary therapy, for women diagnosed with breast cancer from 2014 onwards.	✓	Continuous data collection April 2017 – March 2018	Report due for publication June 2018.
National Audit of Dementia	Royal College of Psychiatrists	The audit measures the performance of general hospitals against criteria relating to care delivery which are known to impact upon people with dementia while in hospital.	✓	100%	Action Plan developed
National Audit of Intermediate Care	NHS Benchmarking Network	The audit focuses on services which support, usually frail, elderly people, at times of transition when stepping down from hospital or preventing them being admitted to secondary or long-term care.	✓	100%	Action Plan developed
National Bariatric Surgery Registry	British Obesity and Metabolic Surgery Society	Data are submitted continuously into the National Bariatric Surgery Registry by all the hospitals providing bariatric surgery on all patients, including follow-up data.	The Trust does not participate in this national audit.		
National Cardiac Arrest Audit	Intensive Care National Audit & Research Centre	The purpose of the audit is to monitor the incidence of, and outcome from, in-hospital cardiac arrest in the UK and Ireland.	✓	100%	Report due for publication June 2018.

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
National Chronic Obstructive Pulmonary Disease (COPD) Audit programme – Secondary care Clinical Report	Royal College of Physicians	This audit programme brings together primary care, secondary care, and pulmonary rehabilitation, along with patient experience and pilot linkage. Its partnership approach with multidisciplinary, collaborative working aims to drive improvements in COPD patient care. The audit programme supports the Department of Health's aim to improve the quality of services for people with COPD by measuring and reporting the delivery of care as defined by standards embedded in guidance.	✓	Continuous data collection April 2017 – March 2018	Report due for publication April 2018.
National Clinical Audit of Specialist Rehabilitation for Patients with Complex Needs following Major Injury	London North West Healthcare NHS Trust	The National Audit of Dementia examines aspects of the care received by people with dementia in general hospitals in England and Wales.	✓	100%	Report due for publication September 2018
National Comparative Audit of Blood Transfusion programme • Audit of Red Cell & Platelet transfusion in adult haematology patients	NHS Blood and Transplant	All patients aged 18 or over who are being treated for a haematological disorder, such as bone marrow failure or leukaemia. These patients must have received one or more red blood cell or platelet transfusion.	✓	100%	Report due for publication April 2018
National Comparative Audit of Blood Transfusion programme • TACO Audit	NHS Blood and Transplant	All patients aged 60 or over who have had a blood transfusion.	✓	100%	Report due for publication May 2018
National Diabetes Audit – Adults (Footcare Audit)	NHS Digital	National Diabetes Foot Care Audit enables all diabetes foot care services to measure their performance against NICE clinical guidelines and peer units, and to monitor adverse outcomes for people with diabetes who develop diabetic foot disease.	✓	88%	Report due for publication March 2018.
National Emergency Laparotomy Audit	Royal College of Anaesthetists	This audit aims to look at structure, process and outcome measures for the quality of care received by patients undergoing emergency laparotomy.	✓	100%	Action Plan developed
National End of Life care audit	Royal College of Physicians	The audit has been designed to ensure that the priorities for care of the dying person outlined in the document One Chance to Get it Right are monitored at a national level.	Audit due to commence May 2018.		
National Heart Failure Audit	National Institute for Cardiovascular Outcomes Research	The aim of this project is to improve the quality of care for patients with heart failure through continual audit and to support the implementation of the national service framework for coronary heart disease.	✓	100%	Action Plan developed
National Joint Registry	Healthcare Quality Improvement Partnership	The audit covers clinical audit during the previous calendar year and outcomes including survivorship, mortality and length of stay.	✓	Data not available nationally but local figures indicate 96% completion	Action Plan Developed
National Lung Cancer Audit	Royal College of Physicians	Lung cancer has the highest mortality rate of all forms of cancer in the western world and there is evidence that the UK's survival rates compare poorly with those in the rest of Europe. There is also evidence that, in the UK, standards of care differ widely. The audit was set up in response to The NHS Cancer Plan, to monitor the introduction and effectiveness of cancer services.	✓	100%	Action Plan Developed.

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
National Maternity and Perinatal Audit	Royal College of Obstetricians and Gynaecologists	The Audit is a new large scale audit of the NHS maternity services across England, Scotland and Wales.	✓	100%	Action Plan Developed.
National Neonatal Audit Programme	Royal College of Paediatrics and Child Health	To assess whether babies requiring specialist neonatal care receive consistent high quality care and identify areas for improvement in relation to service delivery and the outcomes of care.	✓	100%	Report due for publication September 2018
National Ophthalmology Audit	The Royal College of Ophthalmologists	The project aims to prospectively collect, collate and analyse a standardised, nationally agreed cataract surgery dataset from all centres providing NHS cataract surgery in England & Wales to update benchmark standards of care and provide a powerful quality improvement tool. In addition to cataract surgery, electronic ophthalmology feasibility audits will be undertaken for glaucoma, retinal detachment surgery and age-related macular degeneration.	✓	Continuous data collection April 2017 – March 2018	Report due for publication July 2018.
National Vascular Registry	Royal College of Surgeons of England	The audit addresses the outcome of surgery for patients who underwent two types of vascular procedure. The first is an elective repair of an infra-renal abdominal aortic aneurysm. The second is a carotid endarterectomy.	✓	100%	Action Plan developed
Neurosurgical National Audit Programme	Society of British Neurological Surgeons	The aim of this programme is to engage units in a comprehensive audit programme that reflects the full spectrum of elective and emergency neurosurgical activity, and to provide a consistent and meaningful approach to reporting on national clinical audit and outcomes data.	✓	100%	Report due for publication Summer 2018.
NCEPOD - Non-Invasive Ventilation - Adults	NCEPOD	To identify and explore avoidable and remediable factors in the process of care for patients treated with acute non-invasive ventilation.	✓	100%	Action Plan developed.
NCEPOD - Cancer in Children, Teens and Young Adults	NCEPOD	The aims of this study are to study the process of care of children, teens and young adults under the age of 25 years who died/ or had an unplanned admission to critical care within 30 days of receiving systemic anti-cancer therapy.	✓	100%	Report due for publication Autumn 2018
NCEPOD - Young People's Mental Health	NCEPOD	To identify the remediable factors in the quality of care provided to young people treated for mental health disorders; with specific reference to: Depression and anxiety, Eating disorders and Self harm.	✓	60%	Report due for publication April 2018
Oesophago-gastric Cancer	Royal College of Surgeons of England	The oesophago-gastric (stomach) cancer audit aims to examine the quality of care given to patients and thereby help services to improve. The audit evaluates the process of care and the outcomes of treatment for all OG cancer patients, both curative and palliative.	✓	73%	Action plan developed.
Paediatric Intensive Care	University of Leeds	PICANet was established in 2002 and aims to continually support the improvement of paediatric intensive care provision throughout the UK by providing detailed information on paediatric intensive care activity and outcomes.	✓	100%	Action plan developed
Paediatric Pneumonia	British Thoracic Society	The audit addresses children with a primary diagnosis of community acquired pneumonia defined as a clinical diagnosis of pneumonia caused by a community acquired infection.	✓	100%	Report due for publication Summer 2018.

National Audit issue	Sponsor / Audit	What is the Audit about?	Trust participation in 2017/18	Percentage Data completion	Outcome
Pain in Children	Royal College of Emergency Medicine	The purpose of the audit is to enable benchmarking current performance in Emergency Departments.	✓	100%	Report due for publication June 2018
Procedural Sedation in Adults (care in Emergency Departments)	Royal College of Emergency Medicine	This audit looks at adult patients past their 16th birthday, undergoing procedural sedation at all levels (minimal, conscious, moderate, dissociative and deep).	✓	100%	Report due for publication June 2018
Prostate Cancer	Royal College of Surgeons of England	This first audit covers organisational elements of the service and whether key diagnostic, staging and therapeutic facilities are available on site for each provider of prostate cancer services.	✓	100%	Compliant
Sentinel Stroke National Audit Programme	Royal College of Physicians	The audit collects information about care provided to stroke patients in first three days of hospital. Data is continuous.	✓	100%	Compliant.
Serious Hazards of Transfusion (SHOT): UK National Haemovigilance Scheme	Serious Hazards of Transfusion	The scheme collects and analyses anonymised information on adverse events and reactions in blood transfusion from all healthcare organisations that are involved in the transfusion of blood and blood components in the United Kingdom.	✓	100%	Action plan developed.
UK Parkinson's Audit	Parkinson's UK	The UK Parkinson's Audit helps healthcare professionals measure their services for people with Parkinson's against national guideline.	✓	100%	Report due for publication April 2018

An additional seven audits have been added to the list for inclusion in 2018/19 Quality Accounts and all seven audits are relevant to services provided by the Trust. The seven audits include:

- Mandatory surveillance of bloodstream infections and *clostridium difficile* infection

- National audit of anxiety and depression

- National mortality case record review programme

- Reducing the impact of serious infections (Antimicrobial resistance and sepsis)

- Seven-day hospital services

- Surgical site infection surveillance service

- VTE risk in lower limb immobilisation (care in emergency departments).

Lead clinicians for each of the national audits included in the Quality Account provide the Clinical Governance and Risk Department with six-monthly status positions on the implementation of each reports finding and this is discussed at the Clinical Effectiveness, Audit and Guidelines Committee.

The reports of 20 national clinical audits were reviewed by the provider in 2017/18 and the Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following actions to improve the quality of healthcare provided:

- The Trust has firmly embedded monitoring arrangements for national clinical audits with the identified lead clinician asked to complete a baseline assessment against the national recommendations. The assessment details both areas of good practice and areas for improvement and this is presented to the Clinical Effectiveness, Audit and Guidelines Committee (CEAGC).

- On an annual basis, the CEAGC receives a report on the projects in which the Trust participates and requires the lead clinician of each audit programme to identify whether the Trust is compliant and if there are outstanding recommendations then confirmation that an action plan has been developed.

- In addition, each directorate is required to present an annual Clinical Effectiveness Report to the CEAGC detailing all audit activity undertaken both national and local. The report requires a status position in relation to each of the national audits within the appropriate time period. Clinicians are required to report all audit activity using the Trust's Clinical Effectiveness Register.

- Involvement in National audits is monitored at the Patient Safety and Quality Reviews where a data pack is provided that contains audit compliance.

- Compliance with National Confidential Enquiries is reported to the Clinical Governance and Quality Committee and exceptions subject to detailed scrutiny, and where compliance cannot be achieved this is evidenced onto the Trust Risk Register and monitored accordingly.

- Non-compliance with recommendations from National Clinical Audit and National Confidential Enquiries are considered in the Annual Business Planning process.

The reports of 621 local audits were reviewed by the provider in 2017/18 and the Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following action to improve the quality of health care provided:

- Each Clinical Directorate is required to present an Annual Clinical Effectiveness Report to the Clinical Effectiveness, Audit and Guidelines Committee detailing all audit activity undertaken both nationally and locally.

Information on participation in clinical research

The number of patients receiving relevant health services provided or sub-contracted by the Newcastle upon Tyne Hospitals NHS Foundation Trust in 2017/18 that were recruited during that period to participate in research approved by a research ethics committee was 17,596, of which 16,777 were UKCRN National Portfolio studies which equates to 39% of all patients recruited to National Portfolio studies in the region.

Newcastle in 2017/18 is ranked second in the top league of sixteen trusts for completing commercial trials to Time and Target. Also they are ranked eighth in the top league of sixteen trusts for meeting the 70 day benchmark for 1st patient in a clinical trial.

Information on the use of the CQUIN framework

A proportion of The Newcastle upon Tyne Hospital NHS Foundation Trust income in 2017/2018 was conditional upon achieving quality improvement and innovation goals agreed between the Newcastle upon Tyne Hospitals 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 Commissioning for Quality Innovation (CQUIN) payment framework.

The monetary total for the amount of income in 2017/18 conditional upon achieving quality improvement and innovation goals is £16.9m. The monetary total for the amount of income on 2016/17 was £17.7m.

Information on the use of the CQUIN framework

CQUIN Indicators – Specialised Commissioning
Shared Decision Making
• Develop a shared decision making resource, specific to a particular condition.
• Ensure clinical teams acquire skills to engage patients in shared decision making.
SACT (Dose Banding for IV Anticancer Therapy)
• Implementation of nationally standardised doses of SACT across England using the dose-banding principles and dosage tables published by NHS England (developed through the Medicines Optimisation Clinical Reference Group).
Optimising palliative chemo decision making
• Produce documentation that peer discussion takes place when making decisions regarding the commencement or continuation of chemotherapy
Enhanced Supportive Care
• The scheme seeks to ensure that patients with advanced cancer and/or Hepatopancreatobiliary (HPB) disease are offered early referral to a supportive care team.
• The scheme seeks to ensure patients with advanced cancer are, where appropriate, referred for enhanced supportive care, to secure better outcomes and avoidance of inappropriate treatments.
Cystic Fibrosis Patient Adherence
• To improve adherence and self-management by patients, enabling better health outcomes and much less time off work and other activities.
Auto Immune Management
• Develop a coordinated network that involves all rheumatology providers in region
Paediatric Networked Care
• Review the delivery of activity undertaken by the acute hospitals in their usual catchment that trigger the Paediatric Critical Care Minimum Data Set.
• Oversee the review of each of their referring acute hospitals in their usual catchment against a Paediatric Intensive Care standard.
Neonatal Community Outreach
• To improve community support and to take other steps to expedite discharge, pre-empt admissions and otherwise improve care such as to reduce demand for critical care beds and to enable reduction in occupancy levels.
Improving HCV Treatment Pathways
• This CQUIN supports the infrastructure, governance and partnership-working across healthcare providers working in HCV networks in their second and third years of operation to achieve the following outcomes:
1. Improvements in engagement of patients
2. The planned roll-out, aligned to NICE guidance, of new clinical and cost effective treatments guidance to improve outcomes through multi-disciplinary team treatment plans
3. Improved participation in clinical trials
4. Enhanced data collection to demonstrate the effectiveness and equity of this way of working and the availability of new treatments.
TECS Project
• Following on from a successful year of CQUIN activity for TECS, the next two years are looking to further develop the use of TECS

CQUIN Indicators – National
Staff Health and Wellbeing
• Introduction of health and wellbeing initiatives
• Healthy food for NHS staff, visitors and patients
• Improving the uptake of vaccinations for frontline staff within providers
Reducing the Impact of Serious Infections (AR and Sepsis)
• Timely identification of sepsis in emergency departments and acute inpatient settings
• Timely treatment for sepsis in emergency departments and acute inpatient settings
• Antibiotic review
• Reduction in antibiotic consumption per 1000 admissions
Improving services for people with mental health needs who present to A&E
• Reduce by 20% the number of attendances to A&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.
Offering Advice and Guidance
• Set up and operate Advice and Guidance services for non-urgent GP referrals, allowing GPs to access consultant advice prior to referring patients in secondary care.
• Support should be provided either through the ERS platform or local solutions where systems agree this offers a better alternative.
NHS e-Referrals – one year scheme
• This incentive is designed to encourage a move away from paper based processes.
Supporting Proactive and Safe Discharge
• This is a two year CQUIN that works across local health economies that aims to improve discharges for patients across all wards within hospitals.
• The desired outcomes will be improvement in patient outcomes, improvement in patient flow, and reduction in delayed discharges (and thus reduction in associated costs).
• The end of life care is designed to examine the provision of end of life care across the community setting to measure compliance with the five priorities for care of the dying person and to identify any areas for education and improvement. Whilst end of life is defined as the last six-12 months of life, this CQUIN applies to patients recognised to be in the last days/hours of life.

CQUIN Indicators – Community
Improving the Assessment of Wounds
• The indicator aims to increase the number of wounds which have failed to heal after four weeks that receive a full wound assessment.
Personalised Care and Support
• This CQUIN is to be delivered over two years with an aim of embedding personalised care and support planning for people with long-term conditions.
End of Life Audit
• The Trust signed up to a local CQUIN Indicator in 2016/18 to build on previous year's work in relation to maintaining high quality care for patients at the end of life.
• Whilst end of life is defined as the last six-12 months of life, this CQUIN applies to patients recognised to be in the last days/hours of life.
Healthy Conversations
• Healthy Conversations encourages those working within the health sector to use every opportunity and interaction with patients and visitors to promote healthy lifestyle choices and signpost to relevant healthcare services.
• Allied Health Professionals (AHPs) already undertake healthy conversations with their clients and patients and this aims to better understand the barriers and solutions to embedding healthy conversations within an AHPs routine interactions with patients and clients.
Improving staff Health and Wellbeing
• Introduction of health and well-being initiatives
• Healthy food for NHS staff, visitors and patients
• Improving the uptake of vaccinations for frontline staff within providers
Supporting Proactive and Safe Discharge
• This is a two year CQUIN that works across local health economies that aims to improve discharges for patients across all wards within hospitals.
• The desired outcomes will be improvement in patient outcomes, improvement in patient flow, and reduction in delayed discharges (and thus reduction in associated costs.

CQUIN Indicators – Dental & Screening

Dental

- The 2017/18 CQUIN consisted of two elements, the first was a data collection exercise to capture details relating to a variety of service metrics, these included clinical as well as non-clinical elements.
- The second component related to demonstrating senior clinical staff participation in the development of local 'managed clinical networks' (MCN) in dental specialties.

Breast Screening

- Assess current patient participation activities run by the service / directorate and Trust

Stereotactic Radiosurgery

- Implement and monitor for Benign Conditions
- On-going monitoring for malignant conditions
- Audit findings to be shared with relevant MDTs and service update to be provided across the Network.

CQUIN Indicators – Others

Military Health

- Defining and empowering the role of the Trust Board Armed Forces champion(s) in embedding the Armed Forces Covenant across all operational functions to support improved health outcomes for the Armed Forces Community.

Further details of the agreed goals for 2017/18 and for the following 12-month period are available electronically at:
https://www.england.nhs.uk/nhs-standard-contract/cquin

Information relating to registration with the Care Quality Commission (CQC)

The Newcastle upon Tyne Hospitals NHS Foundation Trust is required to register with the Care Quality Commission and its current registration status is 'Registered Without Conditions'. The Newcastle upon Tyne Hospitals NHS Foundation Trust has no conditions on registration. The Newcastle upon Tyne Hospital NHS Foundation Trust is registered with the CQC to deliver care from five separate locations and for eleven regulated activities.

The Care Quality Commission has not taken enforcement action against the Newcastle upon Tyne Hospitals NHS Foundation Trust during 2017/18.

The Newcastle upon Tyne Hospitals NHS Foundation Trust has not participated in any special reviews or investigations by the Care Quality Commission during the reporting period.

The Newcastle upon Tyne Hospitals NHS Foundation Trust received a full inspection of all services during January 2016. Following this inspection Newcastle Hospitals was graded as 'Outstanding.'

An action plan was developed – reported in last year's Quality Account. All issues reported on the action plan have now been resolved.

Overall Trust Rating - Outstanding

	Safe	Effective	Caring	Responsive	Well-led	Overall
Overall	Good	Outstanding	Outstanding	Outstanding	Outstanding	Outstanding

Information on the Quality of Data

The Newcastle upon Tyne Hospitals NHS Foundation Trust submitted records during 2017/18 to the Secondary Uses Service (SUS+) for inclusion in the Hospital Episode Statistics (HES) which are included in the latest published data (April 2017 to January 2018). The percentage of records in the published data:

- which included the patients valid NHS number was:

- 99.2% for admitted patient care;
- 99.6% for outpatient care;
- 98.1% for accident and emergency care.

- which included the patients valid General Medical Practice Code was:

- 100% for admitted patient care;
- 100% for outpatient care;
- 100% for accident and emergency care.

Score for 2017/18 for Information Quality and Records Management, assessed using the Information Governance Toolkit

The Newcastle upon Tyne Hospitals NHS Foundation Trust Information Governance Assessment Report overall score for 2017/18 was 92% and was graded Green (satisfactory).

The Information Governance Committee oversees the Trust's compliance with the broader Information Governance agenda.

In April 2018, the current Information Governance Toolkit is going to be replaced by the Data Security and Protection Toolkit. This will be based on the NHS Data Security Standards as established by Dame Fiona Caldicott (National Data Guardian) and will be more focused on ensuring the Trust remains compliant with laws concerning personal information handling and sharing, along with remaining resilient to current and future cyber threats.

Clinical Coding Information

The Newcastle Upon Tyne Hospitals NHS Foundation Trust annual Clinical Coding Information Governance Audit 2017/18 achieved level three in all four indicators recommended by NHS Digital. This is the highest level of attainment making the overall Information Governance Toolkit (IGT) achievement level three (good). This is an improvement from 2016/17 audit which scored the Trust attainment at level two (adequate).

The Newcastle Upon Tyne Hospitals NHS Foundation Trust was subject to Payment by Results clinical coding audit during the reporting period. Please see table below detailing the attainment requirements and the Trust performance for diagnoses and treatment coding of inpatient activity.

The table below shows levels of attainment of coding of inpatient activity.

Area	Levels of Attainment	
	Level Three	NuTH Score
Primary diagnosis	>=95%	96.0%
Secondary diagnosis	>=90%	96.7%
Primary procedure	>=95%	95.0%
Secondary procedure	>=90%	97.0%

The results should not be extrapolated further than the actual sample audited; the services were reviewed within the sample included Trauma Orthopaedic (74 FCE), Gynaecology (76 FCE) and Cardiothoracic Surgery (50 FCE).

The quality of coding at the Trust is good with only six spells in the audit of 200 case notes impacting on payment. The capture of mandatory co-morbidities is deemed excellent which evidenced that the previous audit recommendation has been actioned.

The Newcastle upon Tyne Hospitals NHS Foundation Trust will be taking the following actions to improve data quality:

- Feedback all areas of error found during the audit to the clinical coders including the importance of recording all relevant conditions.
- Reinforce the importance of data extraction skills within the coding process.
- Ensure the coding team understand national guidance relating to approach codes, image control and site codes.
- Ensure all coders access histology and record all relevant diagnoses.
- Feedback documentation issues to the cardiothoracic surgeons.
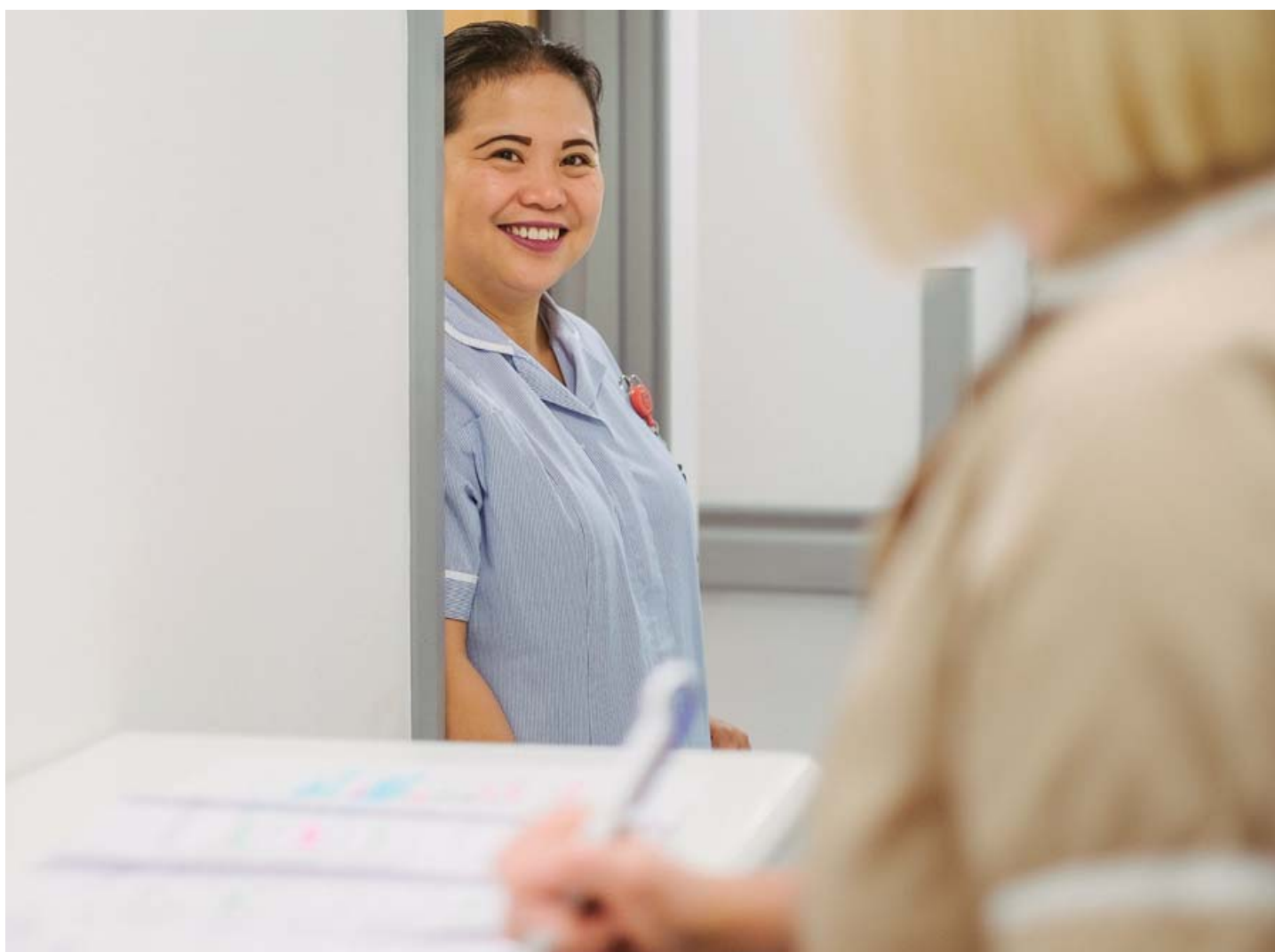
Core set of Quality Indicators

(Data is compared nationally when available from the NHS Digital Indicator portal).Where national data is not available the Trust has reviewed its own internal data. Any and all updated data is presented. All data tables can be found on the following pages 140-143.

Measure 1. The value and banding of the summary hospital-level mortality indicator ("SHMI") for the Trust.

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust continues to perform well on mortality indicators. Mortality reports are regularly presented to the Trust Board. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services by closely monitoring mortality rates and conducting detailed investigations when rates increase. We continue to monitor and discuss mortality findings at the quarterly Mortality Surveillance Group; representatives attend this group from multiple specialities and scrutinise Trust mortality data to ensure local learning and quality improvement. This group complements the departmental mortality and morbidity (M&M) meetings within each directorate.

Measure 2. The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust.

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The use of palliative care codes in the Trust has remained static and aligned to the national average percentage over recent years. The Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by involving the coding team in routine mortality reviews to ensure accuracy and consistency of palliative care coding.

Measure 3. The patient reported outcome measures scores (PROMS) for groin hernia surgery.

Collection of groin procedure scores ceased on 1 October 2017. Finalised data for groin hernia procedures for 2016/17 have now been published and updated with finalised data for 2017/18 due to be published in May 2018. The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust continues to report a similar score as the national average. It is felt that this is because of the low daycase rate for this particular surgery. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by continuing to review the patient pathway.

Measure 4. The patient reported outcome measures scores (PROMS) for varicose vein surgery.

Collection of varicose vein procedure scores ceased on 1 October 2017. Finalised data for varicose vein procedures for 2016/17 have now been published and updated with finalised data for 2017/18 due to be published in May 2018. The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust is above the National average because it offers all modalities of patient treatment in relation to varicose veins. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this indicator, and so the quality of its services, by continuing to review the patient pathway.

Measure 5. The patient reported outcome measures scores (PROMS) for hip replacement surgery.

The Newcastle upon Tyne Hospitals NHS Foundation Trust did not meet the Participation in Assessment against PROMS figures for Hips target. This has been discussed at an Arthroplasty Away day with a plan to increase participation. The Newcastle upon Tyne Hospitals NHS Foundation Trust PROMS outcomes are good and we are committed to increasing our participation rates going forward to meet and surpass the target levels.

Measure 6. The patient reported outcome measures scores (PROMS) for knee replacement surgery.

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The data shows a decrease in PROMS scores to 0.29 from 0.33 over the 12 month period. The Newcastle upon Tyne Hospitals NHS Foundation Trust provides a statistically significant (2SD) higher outcome for knee replacement surgery than the local average. The Trust believes this signifies the high level of care that the Trust provides and this is also the case when work is outsourced to other providers due to capacity issues. The Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by working with the Specialist Orthopaedic Alliance in benchmarking best practice for both hip and knee replacement surgery to identify areas for potential future improvement. Please note only five providers have more than 30 modelled records recorded so far. The data had been populated based on these very limited scores. The 2016/17 figures to cover April 2016 –March 2017 have been populated – last year's submission contained the April-September data.

Please note that The Newcastle upon Tyne Hospitals NHS Foundation Trust figures are good in terms of PROMs for both hip and knee replacement surgery outcomes, although issues continue around NJR compliance. There has been an acceptance by NHS England that the data is incorrect (by not including our NHS work delivered at Nuffield Hospital) with historical significant under-reporting of our position, but the true figure of 95%+ is not yet being reported in these figures.

Measure 7. The percentage of patients aged - (i) 0 to 15; and (ii) 16 or over readmitted within 28 days of being discharged from hospital.

This indicator was last updated in December 2013 and future releases have been temporarily suspended pending a methodology review.

Therefore the Trust has reviewed their own internal data and used their own methodology of reporting re-admissions within 28 days (without PbR exclusions).

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust has a robust reporting system in place and adopts a systematic approach to data quality improvement. The Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing with the use of an electronic system.

7a. Emergency readmissions to hospital within 28 days of discharge from hospital: Children of ages 0-15

Year	Total number of admissions/ spells	Number of readmissions (all)	Emergency readmission rate (all)
20/11/12	31,548	2,500	7.9
2012/13	31,841	2,454	7.7
2013/14	32,242	2,648	8.2
2014/15	34,561	3,570	10.3
2015/16	38,769	2,875	7.4
2016/17	35,259	1,983	5.6
2017/18	35,009	2,077	5.9

7b. Emergency readmissions to hospital within 28 days of being discharged aged 16+

Year	Total number of admissions/ spells	Number of readmissions (all)	Emergency readmission rate (all)
2011/12	175,836	9,435	5.4
2012/13	173,270	8,788	5.1
2013/14	177,867	9,052	5.1
2014/15	180,380	9,446	5.2
2015/16	182,668	10,076	5.5
2016/17	186,999	10,219	5.5
2017/18	182,535	10,157	5.6

"All staff were lovely they tended to my every need and nothing was any trouble for any of them. The whole team are so friendly, we chatted we laughed and we hugged when I cried. Extremely supportive."

Measure 8. The Trust's responsiveness to the personal needs of its patients.

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The data shows that the Trust scores above the national average. The Newcastle upon Tyne Hospitals NHS Foundation Trust intends to take the following actions to improve this indicator, and so the quality of its services, by continuing to implement processes to capture patient experience and improve its services. Data for 2017/2018 has not yet been released, but data for 2016/2017 has been populated.

Measure 9. The percentage of staff employed by, or under contract to, the Trust who would recommend the Trust as a provider of care to their family or friends.

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: the Trust has improved on last year's score and is well above the national average. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by continuing to listen to and act on all sources of staff feedback. Data for 2016/2017 has been added as it was not available at time of publication last year.

Measure 10. The percentage of patients that were admitted to hospital who were risk assessed for Venous thromboembolism (VTE).

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust has a robust reporting system in place and adopts a systematic approach to data quality improvement. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this percentage, and so the quality of its services, by completion of assessment being electronic to allowing capture of compliance rates and the implementation of the Safety Thermometer.

Measure 11. The rate per 100,000 bed days of cases of *C. difficile* infection reported within the Trust amongst patients aged 2 or over

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust has a robust reporting system in place and adopts a systematic approach to data quality improvement. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this rate, and so the quality of its services, by having a robust strategy that includes the review of all Trust-apportioned cases to ensure no avoidable cases occur: completion of root cause analysis (RCA) forms for all such cases, including a multidisciplinary meeting to discuss the case; Quarterly HCAI report to share lessons learned and best practice from the RCAs and Serious Infection Review Meetings.

Measure 12. The number and rate of patient safety incidents reported

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust takes the reporting of incidents very seriously and has an electronic reporting system (Datix) to support this. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to improve this number and rate, and so the quality of its services, by undertaking a campaign to increase awareness of incident/near miss reporting. Incidents are graded, analysed and, where required, undergo a root cause analysis investigation to inform actions, recommendations and learning. Incident data is reported on a monthly basis to the Trust Board Analysis of this data is reported to the Clinical Risk Group to inform our organisational learning themes which are reported to the Board. No further information after September 2017 is currently available.

Measure 13. The number and percentage of patient safety incidents that resulted in severe harm or death

The Newcastle upon Tyne Hospitals NHS Foundation Trust considers that this data is as described for the following reasons: The Trust takes incidents resulting in severe harm of death very seriously. The rate of incidents resulting in severe harm or death is consistent with the national average. This reflects a culture of reporting incidents which lead to, or have the potential to, cause serious harm or death. The Newcastle upon Tyne Hospitals NHS Foundation Trust has taken the following actions to reduce this number and rate, and so the quality of its services, by the Board receiving monthly reports of incidents resulting in severe harm of death. (The Trust would classify major and catastrophic as permanent harm or death). This would include a fracture following a fall if the patient did not fully recover their normal level of independence. No further information after September 2017 is currently available.

Measure	Data Source	Target	Value	2017/18				
1. The value and banding of the summary hospital-level mortality indicator ("SHMI") for the Trust	NHS Digital Indicator Portal https://indicators.ic.nhs.uk/webview/	Band 2 "as expected"		Oct 16-Sept 17 **NUTH Value: 0.93**	July 16-June 17 **NUTH Value: 0.95**	April 16-Mar17 **NUTH Value: 0.95**	Jan 16-Dec 16 **NUTH Value: 0.96**	
				NUTH: Band 2	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**	
			National average	1.0	1.0	1.0	1.0	
			Highest national	1.25	1.23	1.21	1.19	
			Lowest national	0.73	0.73	0.71	0.69	
2. The percentage of patient deaths with palliative care coded at either diagnosis or specialty level for the Trust	NHS Digital Indicator Portal https://indicators.ic.nhs.uk/webview/	N/A		**25.1%**	**24.3%**	**22.5%**	**22.1%**	
			National average	Not available	Not available	Not available	Not available	
			Highest national	59.8%	58.6%	56.9%	55.9%	
			Lowest national	11.5%	11.2%	11.1%	7.3%	

Measure	Data Source	
3. The patient reported outcome measures scores (PROMS) for groin hernia surgery (average health gain score)	NHS Digital information portal http://content.digital.nhs.uk/proms	
4. The patient reported outcome measures scores (PROMS) for varicose vein surgery (average health gain score)	NHS Digital information portal http://content.digital.nhs.uk/proms	
5. The patient reported outcome measures scores (PROMS) for primary hip replacement surgery (average health gain score)	NHS Digital information portal http://content.digital.nhs.uk/proms	
6. The patient reported outcome measures scores (PROMS) for primary knee replacement surgery (average health gain score)	NHS Digital information portal http://content.digital.nhs.uk/proms	

	2016/17				2015/16			
	Oct 15-Sept 16 **NUTH Value: 0.97**	July 15-June 16 **NUTH Value: 0.98**	April 15-Mar 16 **NUTH Value: 0.98**	Jan 15-Dec 15 **NUTH Value: 0.98**	Oct 14-Sept 15 **NUTH Value: 0.96**	July 14-Jun 15 **NUTH Value: 0.99**	April 14-Mar15 **NUTH Value: 0.99**	Jan 14-Dec 14 **NUTH Value: 0.98**
	NUTH: Band 2	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**	**NUTH: Band 2**
	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
	1.16	1.17	1.18	1.17	1.77	1.21	1.21	1.24
	0.69	0.69	0.68	0.67	0.65	0.66	0.67	0.66
	22.6%	**21.8%**	**23.0%**	**22.9%**	**23.0%**	**24.3%**	**24.2%**	**24.4%**
	Not available	Not available	Not available	Not available	Not available	26%	25.7%	25.7%
	48.9%	44.5%	54.6%	54.7%	53.5%	48%	51%	48%
	0.4%	0.6%	18.2%	17.7%	0.2%	0%	0%	0%

	Value	2017/18	April 2016/ Mar 2017	April 2015/ Mar 2016	April 20154/ Mar 2015	2013/14	2012/13
	NUTH	Not available	**0.11**	**0.08**	**0.09**	**0.07**	**0.10**
	National average:	Not available	0.09	0.08	0.08	0.08	0.09
	Highest national:	Not available	0.14	0.15	0.15	0.14	0.15
	Lowest national:	Not available	0.01	0.03	0.03	0.01	0.01
	Trust score:	Not available	**0.12**	**0.10**	**0.08**	**0.11**	**0.10**
	National average:	Not available	0.09	0.09	0.09	0.09	0.09
	Highest national:	Not available	0.15	0.15	0.15	0.16	0.18
	Lowest national:	Not available	0.01	0.02	-0.01	- 0.02	0.01
	Trust Score		**0.44**	**0.42**	**0.43**	**0.43**	**0.43**
	National average:		0.44	0.43	0.44	0.44	0.44
	Highest national:		0.54	0.50	0.52	0.54	0.54
	Lowest national:		0.31	0.39	0.33	0.31	0.32
	Trust Score	**0.29**	**0.33**	**0.31**	**0.32**	**0.33**	**0.32**
	National average:	0.33	0.32	0.32	0.31	0.32	0.32
	Highest national:	0.37	0.40	0.38	0.42	0.42	0.42
	Lowest national:	0.29	0.24	0.23	0.20	0.21	0.21

Measure	Data Source	Value	2017/18	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
8. The Trust's responsiveness to the personal needs of its patients	NHS Information Centre Portal https://indicators.ic.nhs.uk/	Trust percentage	Not available	74.6%	76.1%	76.8%	77.3%	74.2%	72.2%
		National average:	Not available	68.1%	69.6%	68.9%	68.7%	68.1%	67.4%
		Highest national:	Not available	85.2%	86.2%	86.1%	84.2%	84.4%	85%
		Lowest national:	Not available	60.0%	54.4%	59.1%	54.4%	57.4%	56.5%

Measure	Data Source	Value	2017/18	2015/16	2014/15	2013/14	2012/13	2011/12	2010/11
9. The percentage of staff employed by, or under contract to, the Trust who would recommend the Trust as a provider of care to their family or friends	http://www.nhsstaffsurveys.com/Page/1006/Latest-Results/Results	Trust percentage	96%	95%	91%	89%	85%	87%	86%
		National average:	81%	80%	72%	69%	65%	64%	62%
		Highest national:	100%	100%	95%	89%	89%	89%	86%
		Lowest national:	43%	44%	48%	46%	38%	40%	35%

Measure	Data Source	Target	2017/18				
			Q1	Q2	Q3	Q4	
10. The percentage of patients that were admitted to hospital who were risk assessed for Venous thromboembolism (VTE)	https://www.england.nhs.uk/statistics/statistical-work-areas/vte/	Trust (CQUIN Target - 95%)	**96.25%**	**96.73%**	**96.07%**		
		National average	95.20%	95.25%	95.36%	Not available	
		Highest national	100%	100%	100%	Not available	
		Lowest national	51.38%	71.88%	76.08%	Not available	

The Trust has continued with use of the practice of undertaking root cause analysis (RCA) on patients who develop a hospital acquired VTE.

Measure	Data Source	Target	2017/18	
11. The number and rate per 100,000 bed days of cases of *C. difficile* infection reported within the Trust amongst patients aged two or over.	NHS Information Centre Portal http://www.hpa.org.uk/web/HPAweb&Page&HPAwebAutoListName /Page/1179745282408	Trust number	**88 national figure 78 Local figure**	
		Trust rate	**16.86 (internal)**	
		National average	Not available	
		Highest national	Not available	
		Lowest national	Not available	

Measure	Data Source	Target	2017/18	
			Oct 2017 - Mar 2018	April 2017 - Sept 2017
12. The number and rate per 100 admissions of patient safety incidents reported NB: Changed to rate per 1000 bed days April 2014	NHS Information Centre Portal http://www.nrls.npsa.nhs.uk/patient-safety-data/organisation-patient-safety-incident-reports/	Trust number		
		Trust %	Not available	**35.57**
		National average	Not available	42.8
		Highest national	Not available	111.56
		Lowest national	Not available	23.5

Measure	Data Source	Target	2017/18			
			Oct 2017-March 2018 **Severe harm**	Oct 2017-March 2018 **Death**	April 2017-Sept 2017 **Severe harm**	April 2017-Sept 2017 **Death**
13. The number and percentage of patient safety incidents that resulted in severe harm or death	NHS Information Centre Portal http://www.nrls.npsa.nhs.uk/patient-safety-data/organisation-patient-safety-incident-reports/	Trust number			23	4
		Trust %	Not available	Not available	0.3%	0%
		National average	Not available	Not available	0.3%	0.1%
		Highest national	Not available	Not available	1.5%	0.5%
		Lowest national	Not available	Not available	0%	0%

	2016/17				2015/16				2014/15			
	Q1 91.7%	Q2 95.8%	Q3 95.6%	Q4 Not available	Q1 95.9%	Q2 96.4%	Q3 96.2%	Q4 95.8%	Q1 96.4%	Q2 95.8%	Q3 95.5%	Q4 95.7%
	95.7%	95.5%	95.6%	Not available	96%	95.8%	95.4%	95.2%	96.2%	96.2%	96%	95.9%
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	80.6%	72.1%	76.4%	Not available	86.1%	75%	100%	78%	87.2%	90.5%	81.2%	70%

	2016/17	2015/16	2014/15	2013/14	2012/13	2011/12
	74 National figure 57 Local figure	94 National figure 67 Local figure	89 National figure 73 Local figure	75	76	101
	14.04 (internal)	19.3	18.5	18.2	15.4	21.4
	Not available	14.9	12.1	14.7	17.4	22.2
	Not available	Not available	Not available	37.1	31.2	58.2
	Not available	Not available	Not available	0	0	0

	2016/17		2015/16		2014/15		2013/14		2012/13	
	Oct 2016 - Mar 2017	April 2016 - Sept 2016 6501	Oct 2015 - Mar 2016 7015	April 2015 - Sept 2015 7741	Oct 2014 - Mar 2015 7313	April 2014 - Sept 2014 7084	Oct 2013 - Mar 2014 6619	April 2013 - Sept 2013 5727	Oct 2012 - Mar 2013 5138	April 2012 - Sept 2012 4573
	27.02	27.15	28.88	32.34	29.66	28.4	5.3	5.4	4.8	4.3
	41.1	40.8	39.6	39.2	35.3	35.1	8.7	8.0	7.7	7.0
	69	71.8	75.9	74.7	82.2	74.9	14.9	12.8	13.7	12.12
	23.1	21.15	14.8	18.1	3.6	0.24	4.6	4.9	3.2	2.77

	2016/17				2015/16				2014/15			
	Oct 2016- March 2017 Severe harm	Oct 2016- March 2017 Death	April 2016- Sept 2016 Severe harm	April 2016- Sept 2016 Death	Oct 2015 - Mar 2016 Severe harm	Oct 2015 - Mar 2016 Death	Apr 2015 - Sept 2015 Severe harm	Apr 2015 - Sept 2015 Death	Oct 2014 - Mar 2015 Severe harm	Oct 2014 - Mar 2015 Death	Apr 2014 - Sept 2014 Severe harm	Apr 2014 - Sept 2014 Death
	23	1	18	3	26	5	32	4	27	2	30	0
	0.4%	0	0.3%	0%	0.4%	0.1%	0.4%	0%	0.4%	0%	0.4%	0%
	0.3%	0.1%	0.3%	0.1%	0.3%	0.1%	0.3%	0.1%	0.4%	0.1%	0.4%	0.1%
	2.1%	0.5%	1.4%	0.5%	1.7%	0.4%	2.9%	0.7%	5.2%	1.1%	74.3%	8.6%
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Part 3

Other Information - Overview of monthly Board assurance 2017/18

This is a representation of the Quality Report data presented to the Trust Board in consultation with relevant stakeholders for the year 2017/18. The indicators were selected because of the adverse implications for patient safety/quality of care should there be any reduction in compliance with the individual elements. In addition to the 13 local priorities outlined in Section 2, the following indicators demonstrate the quality of the services provided by the Trust over 2017/18 has been positive overall.

Patient Safety	Data source	Standard	Actual 2016/17	Target 2017/18	Monthly Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2017/18
Screening MRSA: electives *	Internal	National definition (2009)	100%	100%	100%	100%	100%	100%	100%	100%
Screening MRSA: emergency *	Internal	National definition (2009)	100%	100%	100%	100%	100%	100%	100%	100%
Hand Hygiene audits (opportunity)	Internal	Local CAT tool	99.2%	98%	98%	99.6%	99.5%	99.7%	99.5%	99.5%
Hand Hygiene audits (technique)	Internal	Local CAT tool	98.8%	98%	98%	98.7%	99.2%	99.1%	98.6%	98.8%
Total number of patient incidents reported (Datix)	Internal Datix Incident reporting system	Local Incident Policy	17,355 *	Not defined	Not defined	4,350	4,437	4,535	4,548	17,870
Rate per 100 admissions of patient incidents reported (Datix)	Internal Datix Incident reporting system	National definition	7.93	Not defined	Not defined	8.23	8.33	8.40	8.52	8.37
Slip, trip and fall - patient (Datix)	Internal Datix Incident reporting system	N/A	3,143 *	Not defined	Not defined	746	747	787	821	3101
Slip, trip and fall - patient (Datix) per 1,000 bed days	Internal Datix Incident reporting system	National definition	6	Not defined	Not defined	5.8	5.9	6	6.1	5.9
Slip, trip and fall - patient (Datix) per 1,000 bed days	Internal Datix Incident reporting system	Local (agreed by Trust Board)	6	Not defined	Not defined	5.8	5.9	6	6.1	5.9
Total number of CNST claims	Internal Legal Services Department	National NHSLA definition	236	Not defined	Not defined	57	48	59	57	221
Number of radiation incidents reported to HSE and CQC	Internal Datix Incident reporting system	National IRMER definition	38	Not defined	Not defined	3	2	2	3	10
Never Event	Internal Datix Incident reporting system	National definition	8	Not defined	Not defined	1	2	2	2	7
Inpatients acquiring pressure damage	Internal Datix Incident reporting system	National	737	Not defined	Not defined	186	171	207	227	791
Community patients acquiring pressure damage	Internal Datix Incident reporting system	National	1	Not defined	Not defined	0	1	3	2	6
Medication incidents	Internal Datix Incident reporting system	Local	1,857 *	Not defined	Not defined	500	486	461	404	1,851
Serious Incidents General	Internal Datix Incident reporting system	Local SUI Policy	66 *	Not defined	Not defined	21	18	17	26	82
HCAI	Internal Datix Incident reporting system	Local SUI Policy	8 *	Not defined	Not defined	1	0	1	1	3
Information Governance	Internal Datix Incident reporting system	Local SUI Policy	3 *	Not defined	Not defined	1	0	0	2	3
Percentage of patient incidents that resulted in severe harm or death	Internal Datix Incident reporting system	Local	0.36% *	Not defined	Not defined	0.43%	0.34%	0.46%	0.49%	0.43%

Clinical Effectiveness	Data source	Standard	Actual 2016/17	Target 2017/18	Monthly Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2017/18
Breast feeding initiation (Cumulative)	Integrated Performance Measures Return (IPMR)	No National Target	69.6%	Not defined	Not defined	70.8%	66.4%	67.3%	70%	68.6%
Breast Feeding 6-8 weeks	Integrated Performance Measures Return (IPMR)	National Standard	47.1%	Not defined	Not defined	49.2%	44.6%	47.6%	46.8%	47%
Cancelled operations rescheduled within 28 days	Quarterly Monitoring Cancelled Operations Data Set (QMCO)	National Standard	513 *	Not defined	Not defined	115	101	135	126	477
Those not admitted within 28 days	Quarterly Monitoring Cancelled Operations Data Set (QMCO)	National Standard	12	Not defined	Not defined	10	3	3	12	28
Percentage high risk TIA cases treated within 24 hours	Best Practice Tariff	National Standard	100%	Not defined	Not defined	91%	97%	97%	99%	96%
Stroke - 80% of people with stroke to spend at least 90% of their time on a stroke unit	Locally Collected	National Standard	92.8%	80%	80%	93.1%	92%	91.7%	96.6%	94.5%
Choose and Book: Slot issues	C&B National Systems & Reports	National Standard	20%	Not defined	Not defined	26.6%	18%	13.3%	11.2%	16.8%

Patient Experience	Data source	Standard	Actual 2016/17	Target 2017/18	Monthly Target	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Actual 2017/18
Number of complaints received	Internal Datix Incident reporting system	Local Complaints Policy	552	Not defined	Not defined	164	146	159	142	611
Friends and Family response rates (inpatients and A&E)	Locally collected reported	National standard	9.6%	Not defined	Not defined	10.5%	10.4%	8.7%	7.6%	9.3%

Additional Patient experience data is included in pages 141-142.

There have been some slight variations in the reported 2016/2017 data – this is due to the fact that the Trust Incident reporting system is a live database which results in fluctuations in actual numbers of incidents reported as investigations are processed through the system. These areas are donated by *.

Workforce factors

Wellbeing –the tables below provide data on the loss of work days. The first reports on the Trust and regional position rate (data taken from the NHS Information Centre) while the table directly below provides an update on the Trust number of staff sick days lost to industrial injury or illness caused by work.

This table shows the loss of work days (rate)

	Jan 17	Feb 17	Mar 17	Apr 17	May 17	Jun 17	Jul 17	Aug 17	Sep 17	Oct 17	Nov 17	Dec 17
The Newcastle upon Tyne Hospitals	4.8%	4.6%	4.1%	3.9%	3.9%	3.8%	3.9%	3.9%	3.9%	4.2%	4.3%	4.6%
City Hospitals Sunderland	4.9%	4.6%	4.1%	3.9%	3.9%	3.9%	4.0%	3.8%	3.9%	4.3%	4.3%	4.3%
County Durham and Darlington	4.8%	4.6%	4.2%	3.8%	3.6%	3.6%	3.8%	4.0%	4.0%	4.4%	4.7%	5.0%
Gateshead Health	5.0%	4.4%	4.1%	4.0%	4.1%	4.2%	3.8%	4.1%	4.3%	4.8%	5.0%	5.1%
North Tees and Hartlepool	5.4%	4.9%	4.7%	4.1%	4.0%	4.2%	4.3%	4.5%	4.3%	4.7%	5.0%	5.3%
Northumbria Healthcare	5.0%	4.6%	4.1%	3.8%	3.7%	3.6%	3.5%	3.7%	3.9%	4.4%	4.6%	4.9%
South Tees Hospitals	4.5%	4.2%	3.8%	3.6%	3.7%	3.7%	3.9%	3.9%	4.1%	4.5%	4.6%	5.1%
South Tyneside NHS	6.1%	5.6%	5.4%	5.4%	4.8%	4.7%	4.9%	4.7%	5.0%	5.7%	5.7%	5.7%
England	4.7%	4.4%	4.0%	3.8%	3.9%	3.9%	4.1%	4.1%	4.1%	4.3%	4.5%	4.7%

The table below shows the number of shift staff sick days lost to industrial injury or illness caused by work.

Year	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Year Total
2009/2010 number of days	251	414	581	298	**1544**
2010/2011 number of days	118	254	267	366	**1005**
2011/2012 number of days	253	299	247	153	**952**
2012/2013 number of days	154	138	174	209	**675**
2013/2014 number of days	489	331	785	147	**1752**
2014/2015 number of days	333	284	178	206	**1001**
2015/2016 number of days	360	194	365	219	**1138**
2016/2017 number of days	230	387	136	84	**837**
2017/2018 number of days	137	90	51	122	**400**

2017 NHS Staff Survey Results Summary

A standard survey was sent directly to Trust staffs' internal email addresses in a census of all staff in October 2017. In 2016 it had been agreed with the Executive Team to increase the sample size across the Trust to enable all staff to participate. It was also agreed to move to an online survey only. This has resulted in both an increase in the sample size, and an improved participation rate.

Trust Response Rates

Year	Sample Size	Returned	%
2017	13,977	4,563	33%
2016	13,710	4,415	32%
2015	1500	401	27%

The results of the NHS Staff Survey are structured under seven headings as follows:

- The four staff pledges from the NHS Constitution:
  - To provide all staff with clear roles and responsibilities and rewarding jobs for teams and individuals that make a difference to patients, their families and carers and communities

  - To provide all staff with personal development, access to appropriate education and training for their jobs and line management support to enable them to fulfil their potential

  - To provide support and opportunities for staff to maintain their health, wellbeing and safety.

  - To engage staff in decisions that affect them and the services they provide individually, through representative organisations, and through local partnership working arrangements. All staff will be empowered to put forward ways to deliver better and safer services for patients and their families.

Plus three additional themes of Staff Satisfaction, Equality and Diversity and Patient Experience.

A number of the questions asked are either new or have been amended, and therefore, year on year comparisons are not as straightforward as would have been liked. However, where possible, these will be commented upon.

Overall Staff Engagement

The overall indicator of staff engagement is calculated using the questions that make up key findings 1, 4 and 7. These key findings relate to the following aspects of staff engagement: staff members' perceived ability to contribute to improvements at work (key finding 7); their willingness to recommend the Trust as a place to work or receive treatment (key finding 1); and the extent to which they feel motivated and engaged with their work (key finding 4).

The Trust score was 3.91 (out of possible 5) a deterioration from 2016 (3.97) which is not statistically significant (see table below).

The response to the questions which feed into KF 1 'staff recommendation of the organisation as a place to work or receive treatment' has also deteriorated, but is above sector average. Encouragingly, the score is significantly above average for staff agreeing that they would be happy with the standard of care provided by this organisation if a friend of relative needed treatment.

		2017 score	2016 score	% Diff	Sector score	% Diff
OKFl	Advocacy	4.11	4.19	-0.08 (Not sig.)	3.81	+0.30 (Sig.)
OKF4	Motivation	3.91	3.94	-0.03 (Not sig.)	3.91	-0.01 (Not sig.)
OKF7	Involvement	3.73	3.81	-0.08 (Not sig.)	3.73	+0.01 (Not sig.)
	Overall Staff Engagement	3.91	3.98	-0.07 (Not sig.)	3.82	+0.09 (Sig.)

21d.	If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation	Org.	89%		
		Sector	71%	+18.00% (sig.)	
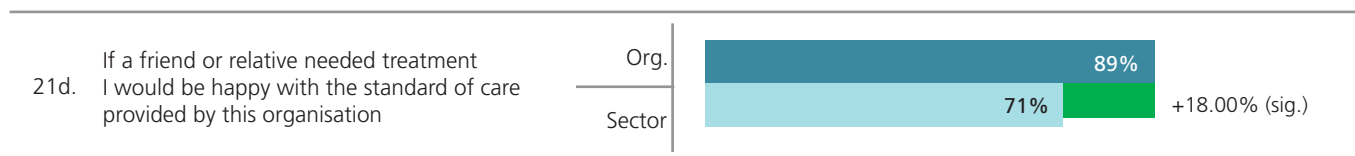
When compared to the most recent staff Friends and Family Test, the staff survey demonstrates a lower performance for both recommending the Trust as a place for treatment and for work but remains better than the national average.

21c.   I would recommend my organisation as a place to work

National Staff 2016	74%
2017/18 Staff FFT Quarter 1	73%
2017/18 Staff FFT Quarter 2	75%
National Staff 2017	70%

National Staff 2017 Response Breakdown

Response	Count	%
Strongly Agree	1179	27%
Agree	1860	43%
Neither agree nor Disagree	774	18%
Disagree	322	7%
Strongly disagree	213	5%

21d.   If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation

National Staff 2016	91%
2017/18 Staff FFT Quarter 1	96%
2017/18 Staff FFT Quarter 2	95%
National Staff 2017	89%

National Staff 2017 Response Breakdown

Response	Count	%
Strongly Agree	1840	42%
Agree	2019	46%
Neither agree nor Disagree	322	7%
Disagree	52	1%
Strongly disagree	89	2%

Additional Themes identified in the Staff Survey Results are as follows:

Appraisals and support for development

Overall the Trust's scores are better than average in this section. There are two questions which did not meet sector average, however the difference was not significant.

KF11 Percentage of staff appraised in last 12 months	Org.	Sector	Diff.
	90%	86%	+3.36% (Sig.)

		0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%	
20a.	In the last 12 months, have you had an appraisal, annual review, development review, or Knowledge and Skills Framework (KSF) development review?	Org. 90% / Sector 86%	+3.36% (Sig.)

KF12 Quality of appraisals	Org.	Sector	Diff.
	3.15	3.14	+0.01 (Not sig.)

20b.	Did it help you to improve how you do your job?	Org. 71% / Sector 72%	-0.53% (Not sig.)
20c.	Did it help you agree clear objectives for your work?	Org. 86% / Sector 85%	+0.66% (Not sig.)
20d.	Did it leave you feeling that your work is valued by your organisation?	Org. 76% / Sector 76%	-0.05% (Sig.)
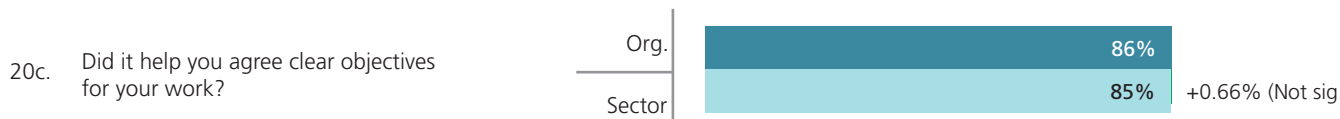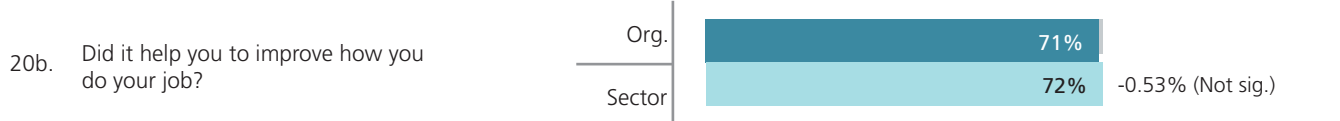
KF13 Quality of non-mandatory training, learning or development	Org.	Sector	Diff.
	4.18	4.09	+0.09 (Sig.)

18b.	My training, learning or development has helped me to do my job more effectively	Org. 86% / Sector 85%	+1.65% (Sig.)
18c.	My training, learning or development has helped me to stay up-to-date with professional requirements.	Org. 91% / Sector 88%	+2.46% (Sig.)
18d.	My training, learning or development has helped me to deliver a better patient / service user experience.	Org. 85% / Sector 83%	+2.23% (Sig.)
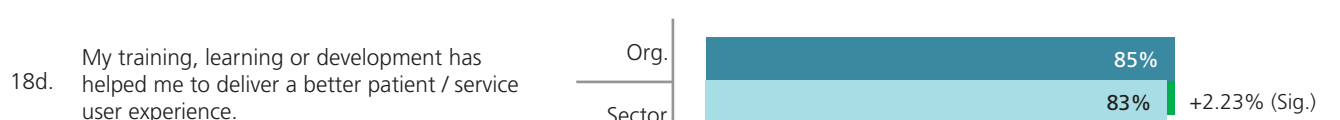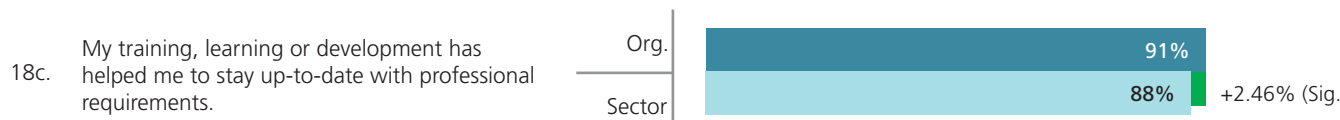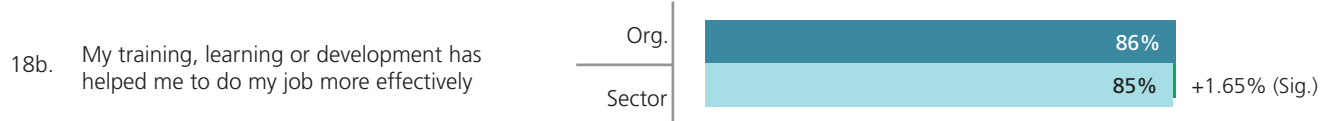
Equality and diversity

Overall the Trust's scores are significantly higher than average in this section. Any sections in red signify where the lower score is better.

KF20 Percentage of staff experiencing discrimination at work in the last 12 months	Org.	Sector	Diff.	
	8%	11%	-3.31% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 17a. | Experienced discrimination at work from patients / service users, their relatives or other members of the public in the last 12 months. | Org. | -2.51% (Sig.) |
| | | Sector | 6% |

| 17b. | Experienced discrimination at work from a manager / team leader or other colleagues in the last 12 months. | Org. | -1.61% (Sig.) |
| | | Sector | 8% |

KF21 Percentage of staff believing that the organisation provides equal opportunities for career progression or promotion	Org.	Sector	Diff.	
	91%	86%	+4.44% (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 16. | Does your organisation act fairly with regard to career progression / promotion, regardless of ethnic background, gender, religion, sexual orientation, disability or age? | Org. | 91% |
| | | Sector | 86% +4.44% (Sig.) |
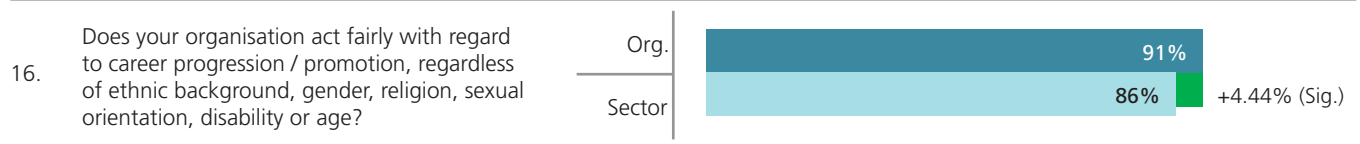
Errors and incidents

Overall the Trust's scores are significantly higher than average in this section. However, the percentage of staff reporting errors, near misses or incidents witnessed in the last month is significantly lower than the sector average. Any sections in red signify where the lower score is better.

KF28 Percentage of staff witnessing potentially harmful errors, near misses or incidents in last month	Org.	Sector	Diff.	
	24%	28%	-3.82% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 11a. | Witnessed errors, near misses, or incidents that could have hurt staff in the last month. | Org. | 13% -2.55% (Sig.) |
| | | Sector | 15% |

| 11b. | Witnessed errors, near misses, or incidents that could have hurt patients / service users in the last month. | Org. | 20% -3.56% (Sig.) |
| | | Sector | 24% |
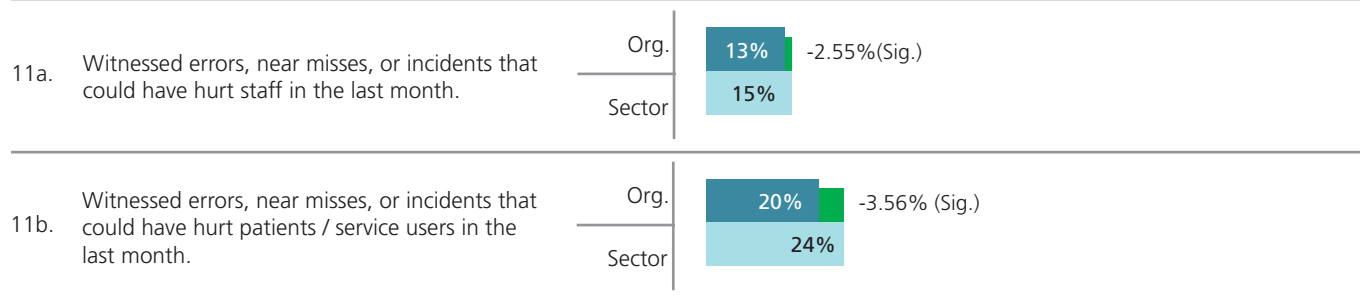
KF29 Percentage of staff reporting errors, near misses or incidents witnessed in the last month	Org.	Sector	Diff.	
	88%	91%	-3.72% (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 11c. | The last time you saw an error, near miss or incident that could have hurt staff or patients / service users, did you or a colleague report it? | Org. | 93% |
| | | Sector | 95% -2.28% (Sig.) |
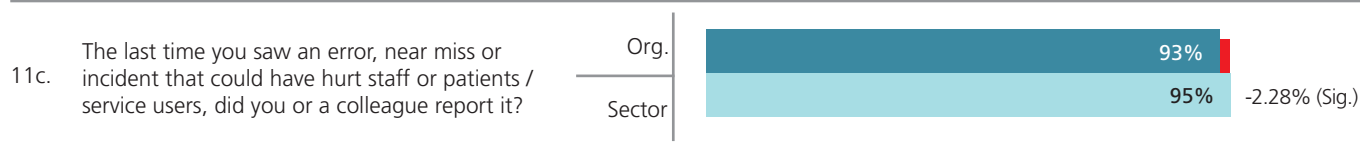
KF30 Fairness and effectiveness of procedures for reporting errors, near misses and incidents	Org.	Sector	Diff.	
	3.86%	3.77%	+0.08 (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

12a. My organisation treats staff who are involved in an error, near miss or incident fairly.

Org. 58%
Sector 55% +2.27% (Sig.)

12b. My organisation encourages us to report errors, near misses or incidents.

Org. 89%
Sector 88% +0.64% (Not sig.)

12c. When errors, near misses or incidents are reported, my organisation takes action to ensure that they do not happen again.

Org. 77%
Sector 71% +6.46% (Sig.)

12d. We are given feedback about changes made in response to reported errors, near misses and incidents.

Org. 67%
Sector 60% +7.51% (Sig.)

KF31 Staff confidence and security in reporting unsafe clinical practice	Org.	Sector	Diff.	
	3.79	3.67	+0.12 (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

13b. I would feel secure raising concerns about unsafe clinical practice.

Org. 74%
Sector 69% +4.51% (Sig.)

13c. I am confident that my organisation would address my concern.

Org. 65%
Sector 58% +6.49% (Sig.)

Health and wellbeing

Overall the Trust's scores are significantly higher than average in this section. However, the percentage of staff agreeing that the organisation and management interest in, and action on, health and wellbeing is slightly lower than the sector average. Any sections in red signify where the lower score is better.

KF17 Percentage of staff feeling unwell due to work related stress in the last 12 months	Org.	Sector	Diff.	
	33%	36%	-2.72% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

9c. During the last 12 months have you felt unwell as a result of work related stress?
- Org. 33% -2.72% (Sig.)
- Sector 36%
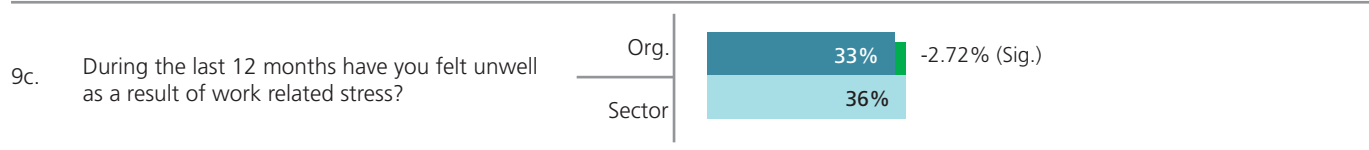
KF18 Percentage of staff attending work in the last 3 months despite feeling unwell because they felt pressure from their manager, colleagues or themselves	Org.	Sector	Diff.	
	49%	52%	-2.36% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

9d. In the last three months have you ever come to work despite not feeling well enough to perform your duties?
- Org. 53% -2.52% (Sig.)
- Sector 56%

9e. Have you felt pressure from your manager to come to work?
- Org. 29%
- Sector 25% +4.49% (Sig.)

9f. Have you ever felt pressure from colleagues to come to work?
- Org. 17% -2.56% (Sig.)
- Sector 20%

9g. Have you put yourself under pressure to come to work?
- Org. 91% -0.27% (Not sig.)
- Sector 91%

KF19 Organisation and management interest in and action on health and wellbeing	Org.	Sector	Diff.	
	3.64	3.67	-0.03 (Not sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

7f. My immediate manager takes a positive interest in my health and wellbeing.
- Org. 67% -1.07% (Not sig.)
- Sector 68%

9a. Does your organisation take positive action on health and wellbeing?
- Org. 91% -0.09% (Not sig.)
- Sector 92%
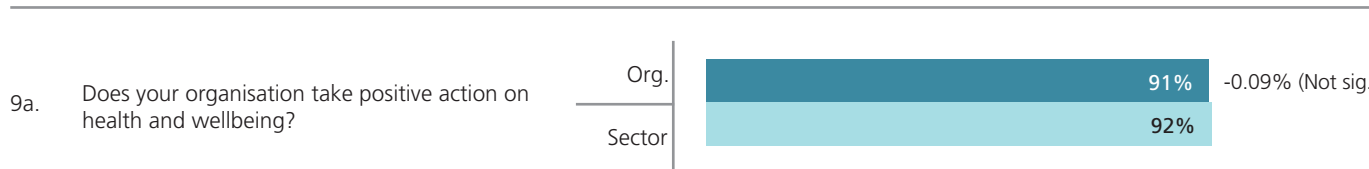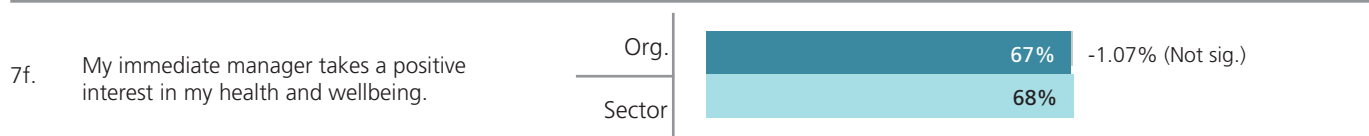
Working patterns

Overall the Trust's scores are significantly lower than average in this section. Any sections in red signify where the lower score is better. The percentage of staff satisfied with the opportunities for flexible working patterns sits at 41% against a sector average of 51%.

KF15 Percentage of staff satisfied with the opportunities for flexible working patterns	Org.	Sector	Diff.
	41%	51%	-9.78% (Sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

5h.	(Satisfaction with) the opportunities for flexible working patterns.	Org.	41%	-9.78% (Sig.)
		Sector	51%	
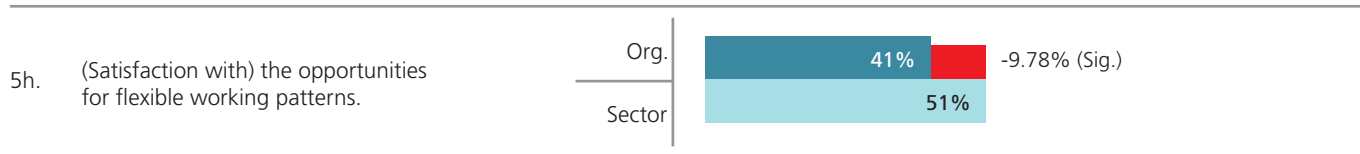
KF16 Percentage of staff working extra hours	Org.	Sector	Diff.
	70%	71%	-0.48% (Not sig.)

(lower score is better)
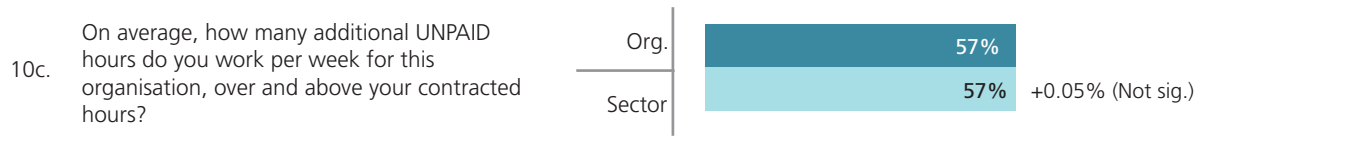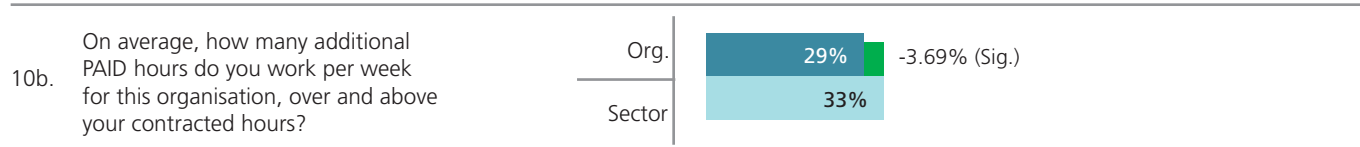
0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

10b.	On average, how many additional PAID hours do you work per week for this organisation, over and above your contracted hours?	Org.	29%	-3.69% (Sig.)
		Sector	33%	

10c.	On average, how many additional UNPAID hours do you work per week for this organisation, over and above your contracted hours?	Org.	57%	
		Sector	57%	+0.05% (Not sig.)

"Quality Improvement (QI) will become an integral part of everyone's daily work. Learning, improving and innovation have always been the Newcastle way. We are embracing a new culture which encourages innovation, risk assessed experimentation and change that empowers staff to give improvement a go and to learn from what works and what does not without fear of failure."

Job satisfaction

Overall the Trust's scores are better than average in this section. However, the percentage of staff reporting errors, near misses or incidents witnessed in the last month is significantly lower than the sector average.

KF1 Staff recommendation of the organisation as a place to work or receive treatment	Org.	Sector	Diff.
	4.11	3.81	+0.30 (Sig)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

21a.	Care of patients / service users is my organisation's top priority.	Org.	88%	
		Sector	77%	+10.53% (Sig.)

21c.	I would recommend my organisation as a place to work	Org.	70%	
		Sector	62%	+8.10% (Sig.)

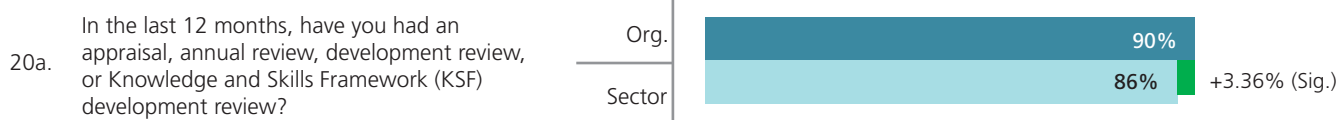| 21d.	If a friend or relative needed treatment I would be happy with the standard of care provided by this organisation.	Org.	89%	
		Sector	71%	+18.00% (Sig.)

KF4 Staff motivation at work		Org.	Sector	Diff.
		3.91	3.91	-0.01 (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

2a. I look forward to going to work.
- Org. **58%** -0.29% (Not sig.)
- Sector **58%**

2b. I am enthusiastic about my job.
- Org. **75%**
- Sector **74%** +1.49% (Sig.)

2c. Time passes quickly when I am working.
- Org. **77%** -0.29% (Not sig.)
- Sector **77%**

KF7 Percentage of staff able to contribute towards improvements at work		Org.	Sector	Diff.
		71%	70%	+0.55% (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

4a. There are frequent opportunities for me to show initiative in my role.
- Org. **74%**
- Sector **73%** +1.63% (Sig.)

4b. I am able to make suggestions to improve the work of my team / department.
- Org. **75%** -0.22% (Not sig.)
- Sector **75%**

4d. I am able to make improvements happen in my area of work.
- Org. **56%**
- Sector **56%** +0.22% (Not sig.)

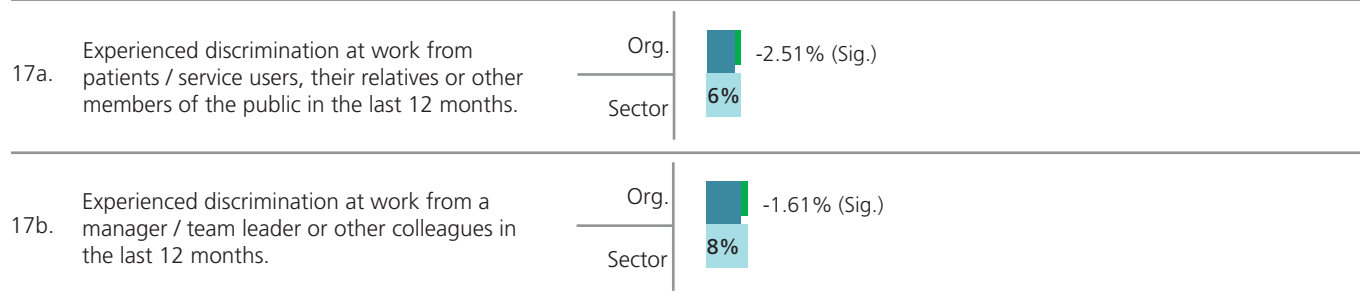| KF8 Staff satisfaction with level of responsibility and involvement	Org.	Sector	Diff.
	3.94	3.91	+0.02 (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

3a. I always know what my work responsibilities are.
- Org. 90%
- Sector 88% +2.00% (Sig.)

3b. I am trusted to do my job.
- Org. 92% -0.19% (Not sig.)
- Sector 92%

4c. I am involved in deciding on changes introduced that affect my work area / team / department.
- Org. 54%
- Sector 53% +0.92% (Not sig.)

5d. (Satisfaction with) the amount of responsibility I am given.
- Org. 76%
- Sector 74% +1.19% (Not sig.)

5e. (Satisfaction with) the opportunities I have to use my skills.
- Org. 73%
- Sector 72% +1.28% (Not sig.)

KF9 Effective team working	Org.	Sector	Diff.
	3.82	3.80	+0.02 (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

4h. The team I work in has a set of shared objectives.
- Org. 77%
- Sector 73% +3.07% (Sig.)

4i. The team I work in often meets to discuss the team's effectiveness.
- Org. 60% -2.53% (Sig.)
- Sector 62%

4j. Team members have to communicate closely with each other to achieve the team's objectives.
- Org. 80%
- Sector 79% +0.95% (Not sig.)

KF14 Staff satisfaction with resourcing and support	Org.	Sector	Diff.
	3.45	3.35	+0.11 (Sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

4e. I am able to meet all the conflicting demands on my time at work.
- Org. 49%
- Sector 46% +2.24% (Sig.)

4f. I have adequate materials, supplies and equipment to do my work.
- Org. 66%
- Sector 55% +10.63% (Sig.)

4g. There are enough staff at this organisation for me to do my job properly.
- Org. 37%
- Sector 33% +3.61% (Sig.)

5c. (Satisfaction with) the support I get from my work colleagues.
- Org. 83%
- Sector 81% +1.32% (Sig.)

Managers

Overall the Trust's scores are better than average in this section. The percentage of staff reporting good communication between senior management and staff sits significantly above sector average at 38% in comparison to 35%.

KF5 Recognition and value of staff by managers and the organisation	Org.	Sector	Diff.
	3.48	3.48	0.00 (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

5a. (Satisfaction with) the recognition I get for good work.
- Org. 53% -0.36% (Not sig.)
- Sector 54%

5f. (Satisfaction with) the extent to which my organisation values my work.
- Org. 45%
- Sector 44% +0.83% (Not sig.)

7g. My immediate manager values my work.
- Org. 72% -0.40% (Not sig.)
- Sector 72%

KF6 Percentage of staff reporting good communication between senior management and staff	Org.	Sector	Diff.
	38%	35%	+3.91% (Sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

8a. I know who the senior managers are here.
- Org. 91%
- Sector 84% +7.27% (Sig.)

8b. Communication between senior management and staff is effective.
- Org. 48%
- Sector 42% +5.98% (Sig.)

8c. Senior managers here try to involve staff in important decisions.
- Org. 38%
- Sector 35% +3.07% (Sig.)

8d. Senior managers act on staff feedback.
- Org. 37%
- Sector 33% +3.44% (Sig.)

K10 Support from immediate managers	Org.	Sector	Diff.
	3.76	3.78	-0.02 (Not sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

5b. (Satisfaction with) the support I get from my immediate manager.
- Org. 68% -0.29% (Not sig.)
- Sector 69%

7a. My immediate manager encourages those who work for her / him to work as a team.
- Org. 75% -0.73% (Not sig.)
- Sector 75%

7b. My immediate manager can be counted on to help me with a difficult task at work.
- Org. 72% -0.64% (Not sig.)
- Sector 72%

7c. My immediate manager gives me clear feedback on my work.
- Org. 61%
- Sector 62% -0.55% (Sig.)

7d. My immediate manager asks for my opinion before making decisions that affect my work.
- Org. 55%
- Sector 56% -0.51% (Not sig.)

7e. My immediate manager is supportive in a personal crisis.
- Org. 74% -1.12% (Not sig.)
- Sector 75%

Patient care and experience

Overall the Trust's scores are better than average in this section.

KF2 Staff satisfaction with the quality of work and care they are able to deliver	Org.	Sector	Diff.	
	4.05	3.96	+0.09 (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

3c. I am able to do my job to a standard I am personally pleased with.
Org. 85%
Sector 81% +4.32% (Sig.)

6a. I am satisfied with the quality of care I give to patients / service users.
Org. 87%
Sector 83% +4.30% (Sig.)

6c. I am able to deliver the care I aspire to.
Org. 73%
Sector 70% +2.83% (Sig.)
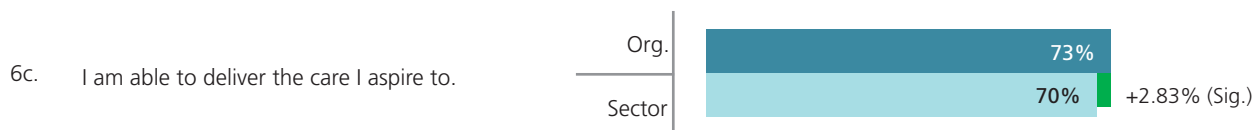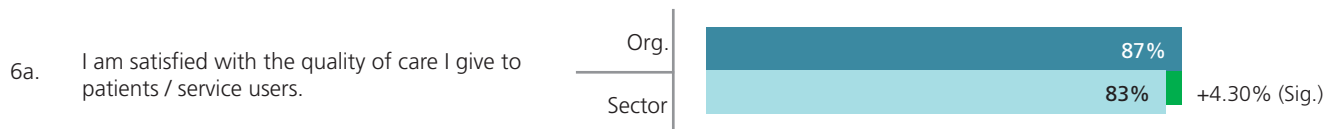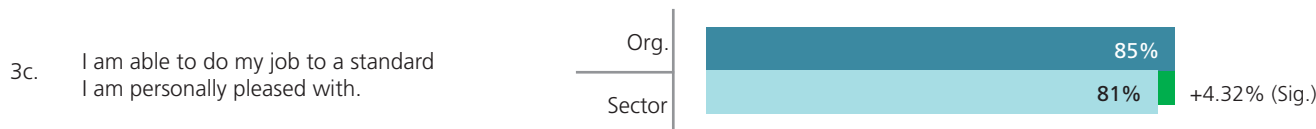
KF3 Percentage of staff agreeing that their role makes a difference to patients / service users.	Org.	Sector	Diff.	
	92%	91%	+0.79% (Not sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

6b. I feel that my role makes a difference to patients / service users.
Org. 92%
Sector 91% +0.79% (Not sig.)
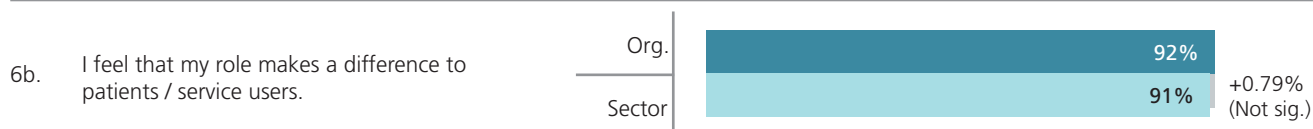
KF32 Effective use of patient / service user feedback	Org.	Sector	Diff.	
	3.99	3.75	+0.24 (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
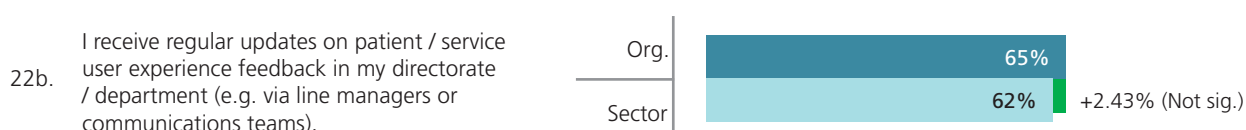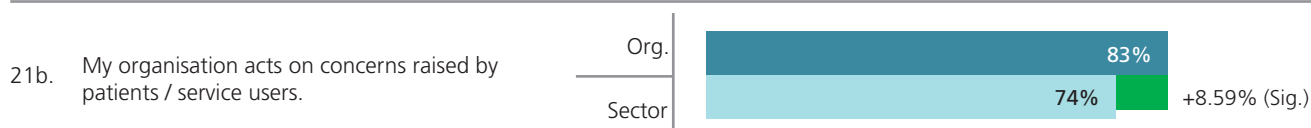
21b. My organisation acts on concerns raised by patients / service users.
Org. 83%
Sector 74% +8.59% (Sig.)

22b. I receive regular updates on patient / service user experience feedback in my directorate / department (e.g. via line managers or communications teams).
Org. 65%
Sector 62% +2.43% (Not sig.)

22c. Feedback from patients / service users is used to make informed decisions within my directorate / department.
Org. 62%
Sector 58% +3.76% (Sig.)

"We recognise that ALL staff are capable of influencing change, either by offering suggestions for improvement or participating in initiatives to enhance services."

Violence, harassment and bullying

Overall the Trust's scores are better than average in this section. However, the percentage of staff reporting errors, near misses or incidents witnessed in the last month is significantly lower than the sector average. Any sections in red signify where the lower score is better.

KF22 Percentage of staff experiencing physical violence from patients, relatives or the public in the last 12 months	Org.	Sector	Diff.	
	12%	14%	-2.13% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%
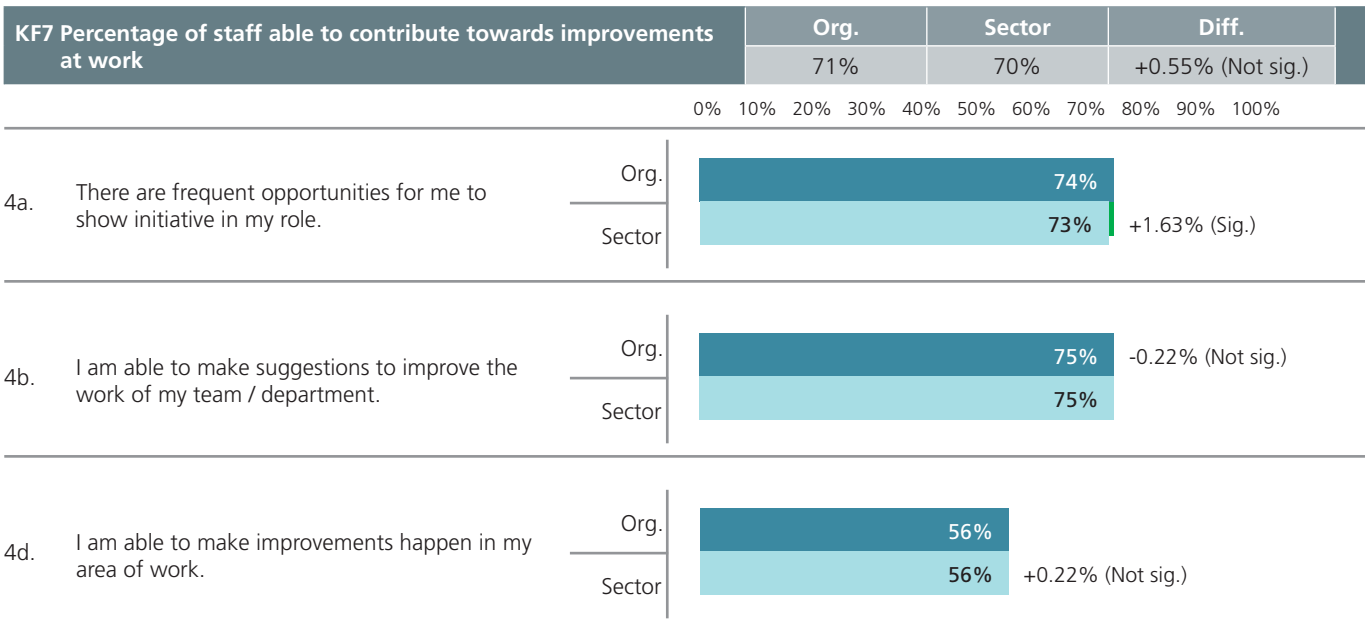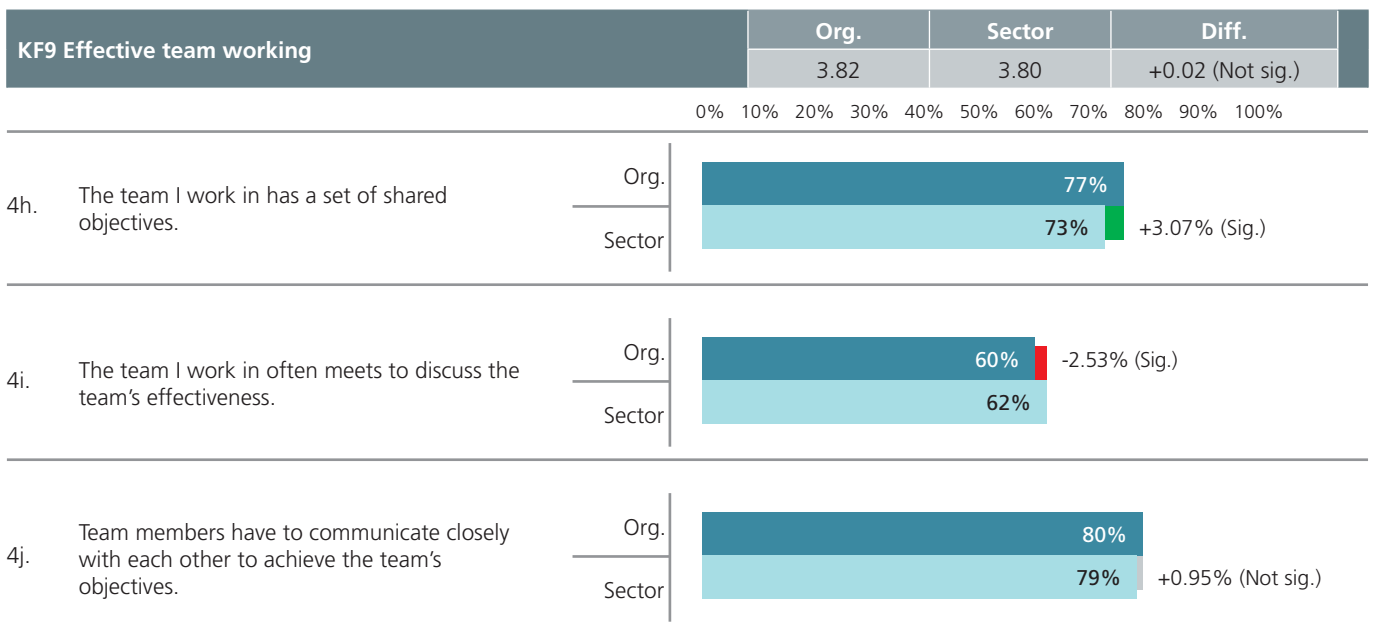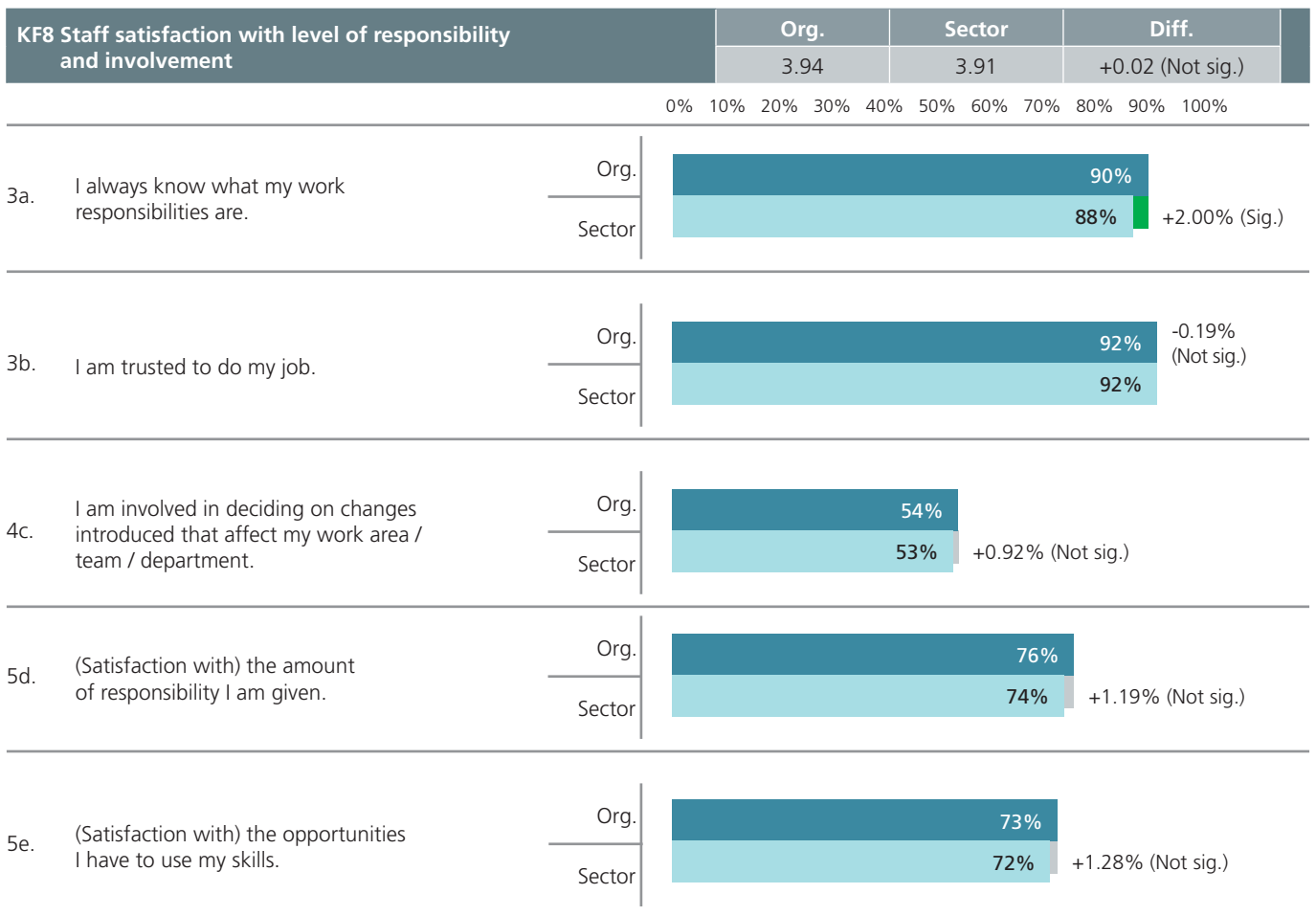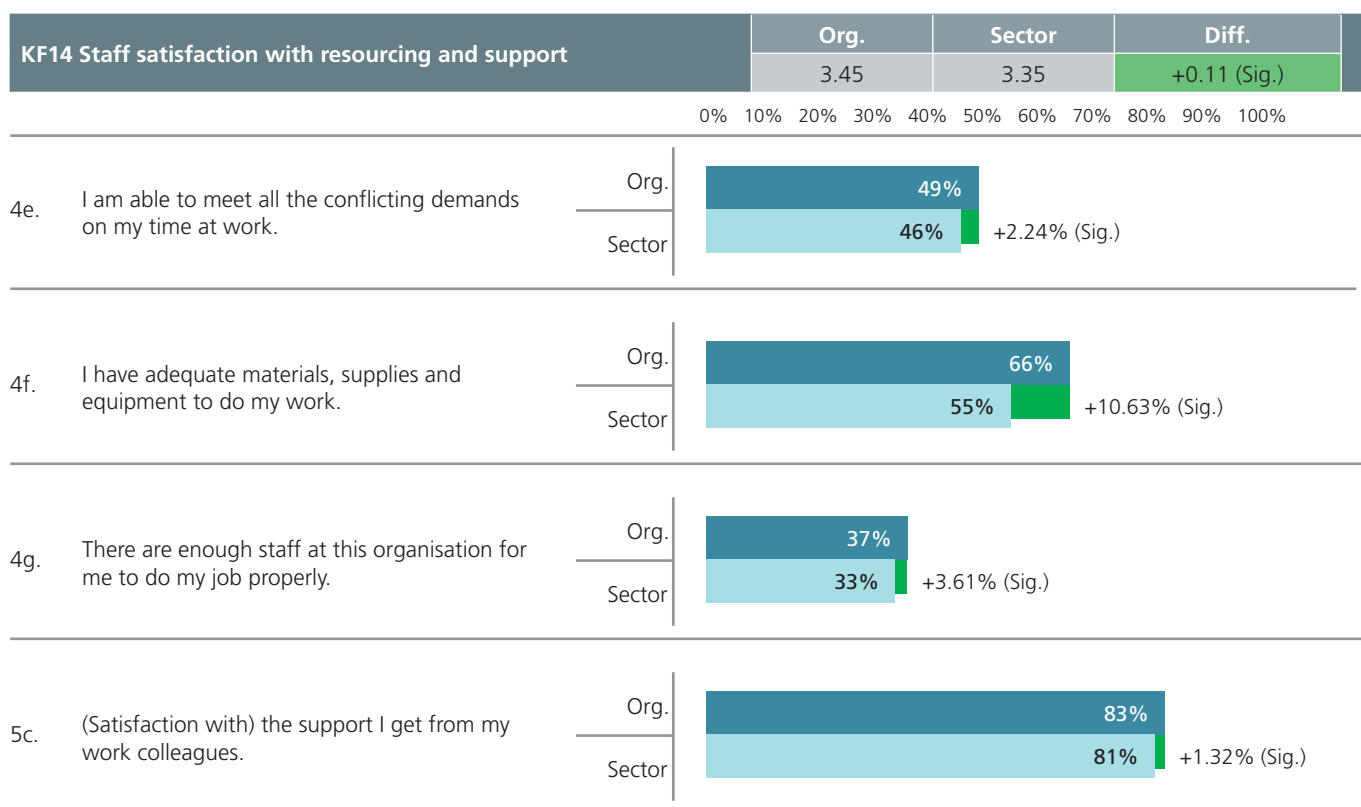
| 14a. | Experienced physical violence at work from patients / service users, their relatives or other members of the public in the last 12 months. | Org. | 12% -2.13% (Sig.) |
| | | Sector | 14% |
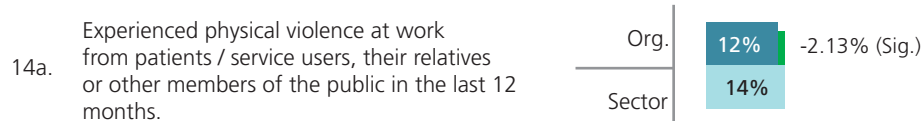
KF23 Percentage of staff experiencing physical violence from staff in last 12 months	Org.	Sector	Diff.	
	1%	2%	-0.70% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 14b. | Experienced physical violence at work from managers in the last 12 months. | Org. | -0.32% (Sig.) |
| | | Sector | 1% |

| 14c. | Experienced physical violence at work from other colleagues in the last 12 months. | Org. | -0.56% (Sig.) |
| | | Sector | 2% |
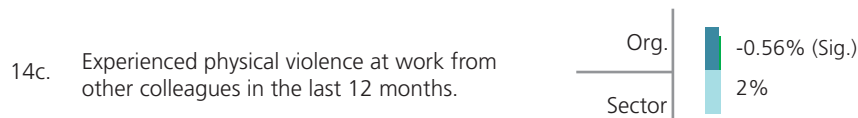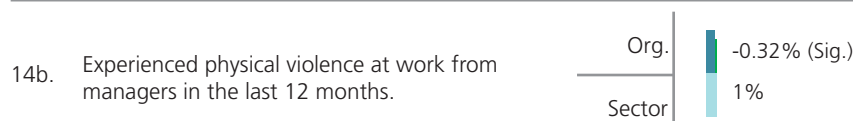
KF24 Percentage of staff / colleagues reporting most recent experience of violence	Org.	Sector	Diff.	
	60%	68%	-8.44% (Sig.)	

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 14d. | The last time you experienced physical violence at work, did you or a colleague report it? | Org. | 60% -8.44% (Sig.) |
| | | Sector | 68% |

KF25 Percentage of staff experiencing physical harassment, bullying or abuse from patients, relatives or the public in last 12 months	Org.	Sector	Diff.	
	25%	27%	-2.42% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 15a. | Experienced harassment, bullying or abuse at work from patients / service users, their relatives or other members of the public in the last 12 months. | Org. | 25% -2.42% (Sig.) |
| | | Sector | 27% |
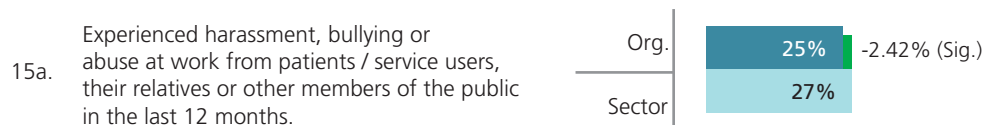
KF26 Percentage of staff experiencing harassment, bullying or abuse from staff in last 12 months	Org.	Sector	Diff.	
	22%	24%	-1.68% (Sig.)	

(lower score is better)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

| 15b. | Experienced harassment, bullying or abuse at work from managers in the last 12 months. | Org. | 10% -1.91% (Sig.) |
| | | Sector | 12% |

| 15c. | Experienced harassment, bullying or abuse at work from other colleagues in the last 12 months. | Org. | 18% -0.39% (Not sig.) |
| | | Sector | 18% |

KF27 Percentage of staff/colleagues reporting most recent experience of harassment, bullying or abuse	Org.	Sector	Diff.
	44%	48%	-4.11% (Sig.)

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%

15d. The last time you experienced harassment, bullying or abuse at work, did you or a colleague report it?

Org. **44%** -4.11% (Sig.)

Sector **48%**

Overall Summary of Key Findings

There is more detailed information in the main survey report which illustrates, in particular, the difference in response from different workforce/occupational groups. Of note, 29% of respondents were registered nurses and midwives, medical and dental staff comprised 11%, AHPs 25%, HCAs 5% with 30% coming from the wider Trust workforce population.

Regional and Shelford Group Comparison

Newcastle upon Tyne Hospitals NHS Foundation Trust compares very favourably to all other Shelford Trusts, with all key findings for Newcastle upon Tyne Hospitals NHS Foundation Trust ranked in the top three comparable to the Shelford Group Trusts.

Regionally the Trust is the highest ranked for staff engagement (3.91/5), as a place to work or receive treatment (4.10/5) and the percentage of staff agreeing that their role makes a difference to patients / service users (92%).

It should be noted that both regionally, and in comparison to Shelford group, that the majority of organisations have seen deterioration in their overall engagement score.

Involvement and engagement 2017/18

The Newcastle upon Tyne Hospitals NHS Foundation Trust is committed to patient, carer and public involvement and engagement at all levels to ensure our services are planned around the needs of patients and that continuing improvements in the patient experience are achieved.

Involvement and engagement activity is monitored in the Trust by the Patient Experience Steering Group and the Health Equality and Wellbeing Committee. Reporting to these forums, we have the Patient, Carer and Public Involvement Group and the Equality, Diversity and Human Rights Working Group. These groups bring together representatives from community, voluntary sector organisations and Trust staff to ensure that patients and the public have equal access to services and that we listen and respond to patient feedback. An action plan has been developed to ensure work is agreed and progressed through these engagement mechanisms.

There is also robust engagement within the Trust research activities with dedicated patient and career involvement leads in place.

In 2018/19 as part of the Quality Strategy the focus will be to facilitate the processes and mechanisms by which patient and public participation is embedded in quality improvement initiatives and support clinicians to understand how they can engage patients and public in their work to enhance or improve services.

Key National Priorities 2017/18

The key national priorities are performance targets for the NHS Monitoring Report. A wide range of measures are included and the Trust's performance against the key national priorities for 2017/18 are detailed in the table below:

Table - Trust Key National Priorities

Operating and Compliance Framework Target	Target	Annual Performance 2017/18
Incidence of *Clostridium difficile*	No more than 77	88 (10 appealed, 78 against target)
Incidence of MRSA Bacteraemia	No more than 0	4
All Cancer Two Week Waits	93%	95.1%
Two-Week Wait for Symptomatic Breast Patients (Cancer Not initially Suspected)	93%	93.4%
31-Day (Diagnosis To Treatment) Wait For First Treatment	96%	97.3%
31-Day Wait For Second Or Subsequent Treatment: Surgery	94%	95.8%
31-Day Wait For Second Or Subsequent Treatment: Drug treatment	98%	98.6%
31-Day Wait For Second Or Subsequent Treatment: Radiotherapy	94%	99%
62-Day (Urgent GP Referral To Treatment) Wait For First Treatment (Cancer)	85%	85.4%
62-Day Wait For First Treatment From Screening Service (Cancer)	90%	90.5%
RTT – Referral to Treatment - Admitted Compliance	90%	90.2%

Operating and Compliance Framework Target	Target	Annual Performance 2017/18
RTT – Referral to Treatment - Non-Admitted Compliance	95%	95.7%
Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway – Referral to Treatment - Incomplete Compliance	92%	94.7% (A)
Maximum six-week wait for diagnostic procedures	99%	98.3%
Maximum waiting time of four hours in A&E	95%	93.7% (A)
Delayed Transfers	35.86 beds average per day	42.24 days (total no. of bed days)
Breaches of standard (previously named cancelled operations – those not admitted within 28 days)	0	4.93%
Data completeness: Community Services comprising: Referral to treatment information	>50%	99.6%
Data completeness: Community Services comprising: Referral information	>50%	94.7%
Data completeness: Community Services comprising: Treatment activity information	>50%	98.2%
Certification against compliance with requirements regarding access to healthcare for people with learning disabilities	Ongoing Delivery	Continue to achieve as reported in Board Assurance Framework and Public Board Paper July 2017 and January 2018

Detail on Hospital-level Mortality Indicator please refer to page 139.

Detail on Venous Thromboembolism (VTE) risk assessment please refer to page 142.

(A) Mandatory Indicators

Maximum time of 18 weeks from point of referral to treatment (RTT) in aggregate – patients on an incomplete pathway – Referral to Treatment - Incomplete Compliance

The criteria for this indicator are defined in NHS guidance and details are on the NHS Digital indicator portal. These are used by NUTH and for ease of reference these are: "The percentage of patients waiting to start non-emergency consultant led treatment who were waiting less than 18 weeks at the end of the reporting period. Numerator is the number of incomplete pathways within 18 weeks at the end of the reporting period. Denominator is the total number of incomplete pathways at the end of the reporting period. Indicator is numerator/ denominator expressed as a percentage. RTT (referral to treatment) consultant-led waiting times only apply to services commissioned by English NHS commissioners and for those patients that English commissioners are responsible. Therefore, RTT pathways commissioned by non-English commissioners are excluded from the calculation." A number of NUTH specialities are currently excluded from 18 weeks RTT report. These are excluded because (as per national guidance) NUTH don't provide these services or they are non-consultant led activity.

This data was subject to External Audit assurance. (A)

Maximum waiting time of four hours in A&E

The criteria for this indicator are defined in NHS guidance and details are on the NHS Digital indicator portal. These are used by NUTH and for ease of reference these are:

"A&E attendances and emergency admissions data reported through a central return are split into two parts. These are A&E attendances which collects the number of A&E attendances, patients spending greater than four hours in A&E from arrival to discharge, transfer or admission and the number of patients delayed more than four hours from decision to admit to admission and Emergency Admissions which collects the total number of emergency admissions via A&E as well as other emergency admissions (i.e. not via A&E). These are reported for type 1, 2 and 3 department types."

This data was subject to External Audit assurance. (A)

Annex 1:

Statement on behalf of the Newcastle & Gateshead Clinical Commissioning Group Alliance

Corroborative statement from Newcastle Gateshead, Northumberland and North Tyneside Clinical Commissioning Groups (CCGs) for Newcastle Upon Tyne Hospitals NHS Foundation Trust Quality Accounts 2017/18

As commissioners, Newcastle Gateshead, Northumberland and North Tyneside Clinical Commissioning Groups (CCGs) are committed to commissioning high quality services from Newcastle Upon Tyne Hospitals NHS Foundation Trust and take seriously their responsibility to ensure that patients' needs are met by the provision of safe, high quality services and that the views and expectations of patients and the public are listened to and acted upon. The CCGs welcome the opportunity to submit a statement on the Annual Quality Account for Newcastle Upon Tyne Hospitals NHS Foundation Trust.

The CCGs can confirm to the best of their ability, the information provided within the Annual Quality Account is an accurate and fair reflection of the Trust's performance for 2017/18. The CCGs would like to provide the following statement:

The CCGs continue to hold regular quality review group meetings with the Trust which are well attended and provide positive engagement for the monitoring, review and discussion of quality issues. Newcastle Gateshead CCG has also continued throughout 2017/18 to conduct a programme of assurance visits to a number of Trust sites to gain assurances and an insight into the quality of care being delivered to patients. This has resulted in valuable partnership working with the Trust and has provided the CCG with an opportunity to make recommendations for suggested areas of improvement. A programme of CCG visits has been planned for 2018/19.

The report provides a comprehensive description of the quality improvement work undertaken within the Trust and an open account of where improvements in priorities have been made. It is acknowledged that a lot of work has been undertaken to deliver the Trust's ambitions in a number of key areas and the Trust is to be commended on their achievements during 2017/18. We are happy to see that quality remains the Trust's number one priority for 2018/19 and it is reassuring to see that this is reflective of the CCGs and national priorities.

The CCGs would like to congratulate the Trust on the excellent progress they have made over the last three years on the national 'Sign Up to Safety Campaign'; across all five safety priorities. As part of the commissioner assurance visit programme the CCGs have had the opportunity of seeing some of the initiatives introduced being used in practice by frontline staff, such as the electronic white boards and electronic sugar cube.

The CCGs acknowledge that there were 78 cases of hospital acquired *Clostridium Difficile* which is just above the annual trajectory of 77 cases; it is noted that the final number may decrease following the appeals process. It is disappointing that the Trust did not achieve the zero tolerance target for MRSA bacteraemia, with 4 cases reported, despite their best efforts. It is encouraging that the Trust has a proactive approach for reviewing each case, analysing themes arising from these and sharing lessons learned and best practice.

There has been a steady increase in the number of Methicillin-Sensitive Staphylococcus Aureus (MSSA) infections since 2014/15. It is acknowledged that reducing MSSA bacteraemia incidence is a top priority for the Trust and a robust action plan is in place to enable this. The CCGs welcome the collaborative work which is underway to reduce the number of gram-negative bloodstream infections (e.g. E.coli). The CCGs fully support the Trust's continued focus on reducing MSSA and E.coli and other gram-negative bloodstream infections in 2018/19. The collaborative Healthcare Associated Infection partnership group will continue its positive contribution to this agenda and remain sighted on these issues.

The CCGs recognise that sustaining the reduction in the total number of falls per 1000 bed days and falls resulting in serious harm has been a challenge for the Trust due to the consistent increase in the number of admissions of highest risk patients. However it is pleasing to note that the Trust has achieved a reduction in the total number of falls and sustained an average of 6.0 falls per 1000 occupied bed days, which is below the national average. For falls with serious harm the CCG is also pleased to note that the Trust continues to be below the national average per 1000 bed days.

The CCGs recognise that reducing pressure ulcers is very challenging for the Trust and although staff are working hard to deliver all elements of preventative care, despite their best efforts, incidents of pressure damage continue to occur. It is noted that the Trust did not achieve a reduction in incidents of pressure damage with a number of wards seeing an increase. The CCGs acknowledge that excellent progress has been made in some areas and would like to congratulate the 19 wards who achieved the Trust's internal reduction target. The CCGs fully support that pressure ulcer reduction will continue as a priority in 2018/19.

The CCGs recognise the achievements made over the last year in reducing harm from catheter associated infections (CAUTI) and urinary tract infections (UTI). We welcome that this will remain a key focus as the Trust works towards the national ambition of reducing healthcare associated gram-negative bloodstream infections by 50% by March 2021.

The CCGs acknowledge the Trust's approach to safeguarding and the teams' continued focus in delivering a high quality service which promotes the safety and wellbeing of adults at risk and vulnerable children. The CCGs are pleased to see that a number of developments have been progressed including increased safeguarding supervision, bespoke training packages and multi-agency working.

The Trust continues to perform well with the Summary Hospital Mortality Indicator (SHMI) and Hospital Standardised Mortality Ratio (HSMR). It is noted that three SHMI indicators were higher than expected in 2017/18 however it is reassuring that a full case note review identified that a good standard of care had been provided and none of the deaths were avoidable. The CCGs would like to congratulate the Trust on their robust approach to implementing the National Guidance on Learning from Deaths ensuring that systems and processes are in place to identify, report, review, investigate and learn from deaths; and engage with bereaved families and carers.

The CCGs commend the Trust on their reduction in the usage of high risk antibiotics. Whilst there has been an overall increase in antibiotic usage it is acknowledged that reducing this has proved a challenge due to clinical activity and unprecedented antibiotic shortages. However the CCGs are assured by the strategies in place to focus on this key area, including education about the importance of antimicrobial stewardship and regular audits.

The CCGs recognise the hard work and continued focus on discharge to improve patient experience and achieve a safe and timely discharge. The CCGs congratulate the Trust on the work they have undertaken on the repatriation of patients to their local health authority area within 48 hours, the introduction of expected date of discharge and agreeing discharge standards with care home managers.

The CCGs acknowledge the progress made on the Ill Health Prevention priority including achieving the 'Gold Award' standard for Better Health at Work, the development of a Health and Wellbeing Strategy and the work in developing the infrastructure to support staff in Making Every Contact Count.

It is encouraging to see the commitment and dedication shown by the Trust throughout 2017/18 to improving palliative and end of life care. The CCGs support all of initiatives the Trust is implementing and in particular the Enhanced Supportive Care which has received national recognition.

The Trust is commended on its comprehensive approach in improving the patient experience and the excellent initiatives which have been implemented during 2017/18, including the work on implementing the Accessible Information Standard, online accessibility guides, working with carers. The Trust has achieved important improvements in dementia care, supporting patients at the point of diagnosis and providing ongoing review and support, working with partners, supporting carers of people with dementia.

Never Events are serious incidents which are preventable with appropriate procedures in place and can have significant effects on the people affected. It is noted that during 2017/18 the Trust reported seven never events however the CCGs acknowledge the Trust has continued to improve surgical safety, including implementing a new World Health Organisation (WHO) behavioural observational quality improvement tool, surgical safety learning event, revision of the operation note which will be rolled out in Spring 2018 and development of Local Safety Standards for Invasive Procedures (LocSSIPS) for higher risk areas. The CCGs welcome the Trust's continued commitment to improving surgical safety and fully support the further development of LocSSIPS and human factors training during 2018/19.

The CCGs welcome the specific priorities for 2018/19 which are highlighted within the report and consider that these are appropriate areas to target for continued improvement. The CCGs look forward to continuing to work in partnership with the Trust in delivering high quality effective care for patients.

Dr Neil Morris
Medical Director

Chris Piercy
Executive Director of Nursing, Patient Safety & Quality

For and on behalf of NHS Newcastle Gateshead Clinical Commissioning Group
NHS Northumberland Clinical Commissioning Group
NHS North Tyneside Clinical Commissioning Group

Annex 1:
Statement on behalf of the Health Scrutiny Committee

Newcastle City Council

Councillor Felicity Mendelson
South Jesmond Ward

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Ms Anne Marie Troy-Smith
Quality Development Manager
Newcastle upon Tyne Hospitals NHS
Foundation Trust
Royal Victoria Infirmary
Queen Victoria Road
Newcastle upon Tyne
NE1 4LP

14 May 2018

Our ref: FM/KC18

Dear Anne Marie,

Newcastle upon Tyne Hospitals NHS Foundation Trust Quality Account 2017/18
Response of Health Scrutiny Committee

As Vice-Chair of the Health Scrutiny Committee, I welcome the opportunity to comment on your draft Quality Account for 2017/18. We discussed the document at our meeting on 23 April 2018 and this letter provides a summary of the committee's response.

In relation to progress against the 2017/18 priorities:

- We discussed the range of actions being taken by the trust to reduce all forms of healthcare associated infection (priority 1). However, we are concerned that average rates of MSSA and E Coli infections, although lower than last year, remain above the national average. We note that you are continuing to monitor this and we will discuss this with you again next year.

- We welcome the positive impact that the Sign up to Safety Programme has had in relation to patients identified for Sepsis who receive antibiotics within an hour – increasing to 98%; and note the national and international acclaim that the programme has received.

- We are pleased to note that progress is being made in relation to reducing pressure ulcers (priority 3, delivery of harm free care), taking into account the frailty of patients. But we note that only 26% of wards have achieved their target reduction during the year. This was also a concern for us last year and we will continue to monitor the position next year.

- We discussed the significant reduction in falls as a result of the falls care bundle introduced during 2015/16 and welcome the ongoing focus on patients who are at risk of a fall, including investment in new equipment and a falls assessment process.

- We welcome inclusion of a specific priority on ill health prevention (priority 7) following discussion with us last year.

- We discussed the actions the trust is taking to support staff, including how the trust is dealing with staff absence due to stress. We welcome the achievement of the gold standard for the Better Health at Work Award and that the trust has signed up to Time to Change.

- We discussed action being taken by the trust to respond to the Accessible Information Standard and the support the trust provides to patients with language barriers, who are not covered by the standard. This is a priority area for us and we will continue to seek assurance from you that all residents have access to appropriate care, regardless of their gender, age or ethnic background.

- We note the increase in the number of complaints received during 2017/18, rising from 552 to 611 and we would like to return to this during the coming year to understand the background to the increase and how the trust uses the information to understand the quality of care provided and to encourage improvement.

In relation to the 2018/19 priorities:

- We recognise the priorities as being of high importance to local residents.

- We are particularly pleased to note that a joint working group will be established with NTW to consider how the experience of vulnerable patients with mental health problems can be improved. We would like an update on the work of this group next year.

Overall we found that the Quality Account document helped to provide an informative picture on progress being made against the priorities identified for 2017/18 and hope that the trust will continue to provide an easy read version as well.

Finally, I would like to welcome the ongoing open dialogue that the trust has established with us during the year and hope that this will continue.

Yours sincerely

Cllr Felicity Mendelson
Vice-Chair, Health Scrutiny Committee

If you need this information in another format or language, please contact the writer.

Annex 1:
Statement on behalf of Northumberland County Council

Northumberland
County Council

To:
Annemarie Troy-Smith, Newcastle upon
Tyne Hospitals NHS Foundation Trust

By email -
annemarie.troy-smith@nuth.nhs.uk

Your ref:
Our ref: MDB/OSC/QA/18/3
Enquiries to: Mike Bird
Email: Mike.Bird01@northumberland.gov.uk
Tel direct: (01670) 622616

Date: 18 May 2018

Dear Ms Troy-Smith

**NEWCASTLE UPON TYNE HOSPITALS NHS FOUNDATION TRUST ANNUAL PLAN AND
QUALITY ACCOUNT 2017/18**

**Statement from Northumberland County Council's Health and Wellbeing Overview and
Scrutiny Committee**

The Health and Wellbeing Overview and Scrutiny Committee welcomes the opportunity to submit a
commentary for inclusion in your Annual Plan and Quality Account for 2017/18 as presented to the committee
in draft.

At our 20 March 2018 meeting we received a presentation on your draft Quality Account for 2017/18 and your
priorities for 2018/19. At that meeting we also received presentations from the Northumbria, North East
Ambulance Service and Northumberland, Tyne and Wear NHS Foundation Trusts on their own quality
accounts; we believe this provides a good joined up picture of the many NHS services 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 2017/18, we request that the following key
points are taken into account:

- members welcomed the Trust's smoke free status and how further consideration continued to be given
  to vaping, given some concerns amongst some clinicians

- members noted how patients had the option of confirming their preferred place of death

- it was queried whether falls and antibiotics could have been priorities for the next year

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- regarding why protocols were not in place for how people were discharged to other areas, members acknowledged that monitoring of discharges did take place but needed to also take account of possible different support arrangements in Newcastle, Northumberland or elsewhere

- members welcomed that no concerns existed about cross-charging across Trust areas

- members welcomed good joint working between different Trusts, as for example some surgery would be delivered at Newcastle hospitals for Northumberland patients

- members noted how the list of priorities represented key challenges for Trust and that further key points included the public's wish for the use of more digital technologies, and a focus on patient involvement in all work.

From the information you have provided to the committee over the past year, including the presentation about your draft 2017/18 Quality Account and the full version of the document we received on 25 April, we believe the document is a fair and accurate representation of the services provided by the Trust and reflects the priorities of the community. Members also support your priorities for improvement planned for 2018/19, but also request that you note and consider the various points that they have raised in relation to your work going forward, including continuing good joined up working, as detailed in this letter.

We also would be very grateful if I could get in contact with you again soon to discuss possible agenda items for the Health and Wellbeing Overview and Scrutiny Committee to consider about the Trust's services during the next council year from 2 May 2018 onwards. If I can be of any further assistance about 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

Annex 1:

Statement on behalf of Healthwatch Newcastle and Healthwatch Gateshead

Healthwatch Newcastle, Healthwatch Gateshead and Healthwatch North Tyneside combined statement for the Newcastle upon Tyne Hospitals NHS Foundation Trust (NUTH) Quality Account 2017-18

Firstly we would like to congratulate the Trust on receiving the Festival of Learning Employer award in the Northern region and for achieving the Gold Award for Better Health at Work. We also welcome the collection of news stories at the end of the Quality Account and would like to congratulate the Trust on the achievements detailed in these news items.

We are pleased that the Trust continues to run a public engagement event for the Quality Account and we hope the Trust continues building on this initiative to further engage with the public.

Results from 2017-18 priorities

Priority 1: To reduce all forms of healthcare associated infections (HCAI)

It was good to read that the Trust has achieved a reduction in Methicillin Resistant *Staphylococcus Aureus (MRSA)* and *Escherichia coli (E. coli)* infections; however it is a shame that the target of zero cases for MRSA has not been met.

It is disappointing to read that there was an increase in *Clostridium difficile* infections (from 57 cases last year, to 78 this year), although we recognise that this figure may change dependant on the outcome of the active appeals.

It is also disappointing to read that there has been an increase in Methicillin Sensitive *Staphylococcus Aureus (MSSA)* infections (93 to 96 cases).

It is good that the Trust is carrying over targets for MSSA and E. coli into this year's quality priorities. We would have welcomed the inclusion of both MRSA and *Clostridium difficile* in this year's priorities as well and would suggest that if improvements do not occur, that they are included in next year's quality priorities.

Priority 2: Sign up to safety

We note that all five areas of this priority (deteriorating patient, medication safety, sepsis, surgical safety and obstetrics) have targets to reduce incidents by 50%; however the results to these specific targets are not obviously presented in the report, which makes it difficult for the reader to clearly understand the progress made.

However, it is very clear that a lot of work has been done within this priority which shows that the Trust is working really hard to embed 'Sign up to Safety'. We also understand that the Trust has received national and international acclaim for this work.

We are encouraged by the:

- results from the staff survey related to the safety culture
- progress made with the promotion, and speedy detection and management of sepsis
- significant reduction in spinal infection rates in Quarter 3 of 2017/18, dropping below the national average

- reduction in insulin errors, hypoglycaemia and patient harm events in high risk areas

We understand that the work on sepsis is still being evaluated. We would welcome receiving the outcome of this evaluation once it is completed.

Priority 3: Harm free care

We are pleased to see a sustained reduction of the rate of falls since 2011 and that the rate is always below the national acute Trust average.

It is also good to see a general reduction in the number of new urinary tract infections for patients with a catheter.

However, it's disappointing to read that overall, there has not been a reduction in incidents of pressure damage (pressure ulcers). We are pleased to see that this area will be carried over into next year's quality priorities.

Priority 5: Mortality

It is good to see that the Trust is performing well with regards to Summary Hospital Mortality Indicator (SHMI) and Hospital Standardised Mortality Ratio (HSMR) and that it is one of the best performers in our region.

Priority 6: Antimicrobial stewardship

It is admirable that the Trust has managed to maintain the reduction in consumption of the highest risk antibiotics considering the challenges in this area. Due to the importance of this priority, we hope to see continued progress in this area and would have welcomed this as a priority for this year.

Priority 7: Ill-health prevention

We are pleased to see that the Trust has made progress with 'Making every contact count' and that there are plans to extend this to physical activity, weight, and mental health and wellbeing in the future. We hope there is continued progress in this area.

It is good that the Trust has made efforts to reduce sales of high sugar/fat drinks and snacks and increased uptake of the flu vaccination amongst staff.

Priority 8: Palliative and end of life care

It is encouraging to see that response times and length of care episodes within the 7 day access to Specialist Palliative Care have improved since the 12 month pilot of weekend and bank holiday access. It is also fantastic that the Trust is working towards ensuring equality of access to this service for patients with learning disabilities, mental health and homeless people.

Priority 9: Safe and effective discharge

We are pleased with the introduction of the expected date of discharge and the increase in the number of patients having a date allocated early in their hospital stay. We expect this leads to discharge planning being at the forefront of the minds of patients, carers and health professionals.

We note that the Trust plans to work with the Clinical Commissioning Group to develop an implementation strategy for Continuing Health Care when the new guidelines come into practice in October 2018. We suggest that the Trust takes a look at Healthwatch Newcastle and Gateshead's recent work on Continuing Heath Care (published in March 2018) as it may have some information in to help inform that work.

The Trust should also note that Healthwatch North Tyneside continues to hear feedback about people's experiences of being discharged from hospital and is planning to begin a project later in the year to address this.

Annex 1:

Statement on behalf of Healthwatch Newcastle and Healthwatch Gateshead (continued)

Priority 10 and 11: Enhancing the quality of care through participation in research and patient participation in research

The number of research studies for patients to take part in is impressive and we are very pleased that efforts are made to involve patients in the design, planning and delivery of trials, and to gauge patient satisfaction.

Priority 12: Accessibility for service users/carers

We are encouraged by the progress the Trust has made to ensure it meets the Accessible Information Standard. As the Accessible Information Standard came into effect in August 2016 we suggest that the Trust sets an ambitious target to achieve full compliance in 2018-19. Next year, we hope to read that the Trust is able to send an automated email if that is the patient's preferred method.

The Trust's work with Disabled Go and the British Sign Language pilot are both admirable pieces of work. It is good to see the use of technology to meet patient's information or communication needs.

Priority 13: Dementia

We enjoyed reading about the support patients and carers receive at the Melville day unit. This service and the 'Memory Café' seem to be highly valued by its users. We would also like to congratulate the dementia care team for winning the 'Practice Development Award' for their work.

2018-19 priorities

Priority 3: Management of abnormal results

We are pleased that the Trust has recognised that improvements need to be made in this area and that it is proactively making changes to resolve the problem.

Priority 8: Deciding right

We welcome the Trust's plan to embed deciding right so that patients are involved in making plans and decisions about their care as early as possible. A measure of success will be to ensure that the Trust gets patient and relative feedback on their involvement. We would be open to discussing how we might be able to help the Trust get this feedback.

Priority 9: Enhancing patient and public involvement in quality improvement

We are pleased that this is a priority and look forward to hearing more about its progress at the Trust's Patient, Carer and Public Involvement Group.

Priority 10: Improving the experience of vulnerable patients

We welcome this priority's aim to take a holistic view of patients and achieve parity of esteem between physical and mental health.

We wish the Trust continued success with these priorities in the coming year and look forward to supporting the Quality Account engagement event next year.

Annex 1:
Statement on behalf of Northumberland Healthwatch

Healthwatch Northumberland
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Burn Lane
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Tel 03332 408 468
Fax 01434 605251
Email info@healthwatchnorthumberland.co.uk
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Anne Marie Troy-Smith
The Newcastle upon Tyne Hospitals NHS Foundation Trust
Freeman Hospital,
Freeman Road,
High Heaton,
Newcastle-upon-Tyne,
Tyne and Wear,
NE7 7DN

23 May 2018

Dear Anne Marie

Draft Quality Account for year ending 31 March 2018

Thank you for the draft quality account of Newcastle upon Tyne Hospitals NHS Foundation Trust and would like to congratulate the Trust on some excellent results. The report gives a lot of performance information which will be useful as reference material for Healthwatch Northumberland (HWN) in the coming year.

We felt that although the document is technical, it is in general, easy to read and understand. We found the report, on the whole, to be clear and concise although it would benefit from a 'dashboard' system to highlight progress on individual priorities and overall which could then be explained within the narrative. This point was raised in our response last year.

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.

We have identified below areas where we believe the Trust has performed well.

- The continued progress using the Sign Up to Safety campaign, the five patient safety priorities particularly the eRescue project

- The achievements with sepsis screening and antibiotic administration.

- The developments and improvements around accessible information

- The progress made in addressing the incidences of hospital acquired infections although it is noted that challenges remain.

Annex 1:
Statement on behalf of Northumberland Healthwatch (continued)

Regarding the Trust's priorities for 2018/19 in our view the plans to improve performance appear positive and achievable with priorities that align with areas highlighted for improvement.

As a Healthwatch, our focus is that "the health care system works for the people of Northumberland and that "the views, knowledge and experiences of health service users of Northumberland are listened to and influence health service developments in health in Northumberland and beyond".

We therefore welcome the Patient Experience priorities particularly Priority 9 Enhancing Patient and Public Involvement in Quality Improvement and Priority 10 Improving the Experience of Vulnerable Patients. We would ask that explicit actions are taken for this to include patients from Northumberland who are using Newcastle Hospitals.

Healthwatch Northumberland conducts an annual survey to hear the people of Northumberland's views and experiences of health and social care. This year's survey reached a record 579 people from a wide range of backgrounds and gave Healthwatch a wealth of information about how health services feel from the users' perspective.

One question asked about how easy people found services to use. Responses about hospital services included Newcastle Hospitals. Travel, parking and access to Patient Transport Services for people having to travel to Newcastle from Northumberland were raised as issues. While these are not the Trust's direct responsibility they do impact on patients' experience and are issues to be aware of when developing services that are intended to support people from across the region.

In summary, we consider the report does give a fair reflection of the service provided by the Trust and we look forward to working with the Trust in the coming year and continuing to build on the positive working relationship we have established.

Yours sincerely

Derry Nugent
Project Coordinator

Annex 2:

Statement of Directors responsibilities for the Quality Report

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations to prepare Quality Accounts for each financial year.

NHS Improvement has issued guidance to NHS foundation trust boards on the form and content of annual quality reports (which incorporate the above legal requirements) and on the arrangements that 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 2017/18 and supporting guidance

- The content of the Quality Report is not inconsistent with internal and external sources of information including:

  - Board minutes and papers for the period April 2017 to April 2018.

  - Papers relating to quality reported to the Board over the period April 2017 to April 2018.

  - Feedback from commissioners dated 24/05/2018

  - Feedback from governors dated 11/04/2018 and 01/05/2018

  - Feedback from local Healthwatch organisations dated 23/05/2018

  - Feedback from Overview and Scrutiny Committee dated 14/05/2018

  - Feedback from Northumberland Council dated 18/05/2018

  - The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30/06/2017

  - The 2017 national patient survey will be published in May/June 2018.

  - The 2017 national staff survey dated 06/03/2018

  - The Head of Internal Audit's annual opinion of the Trust's control environment dated 22/05/2018

  - CQC inspection report dated 06/06/2016

- 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 order of the board

Professor Sir John Burn
Chairman
25 May 2018

Dame Jackie Daniel
Chief Executive
25 May 2018

Independent Auditors' Limited Assurance Report

to the Board of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust on the Annual Quality Report

We have been engaged by the Board of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust to perform an independent assurance engagement in respect of The Newcastle upon Tyne Hospitals NHS Foundation Trust's Quality Report for the year ended 31 March 2018 (the 'Quality Report') and specified performance indicators contained therein.

Scope and subject matter

The indicators for the year ended 31 March 2018 subject to limited assurance (the "specified indicators") marked with the symbol Ⓐ in the Quality Report, consist of the following national priority indicators as mandated by Monitor:

Specified Indicators	Specified indicators criteria (exact page number where criteria can be found)
Percentage of patients with a total time in A&E of four hours or less from arrival to admission, transfer or discharge.	Criteria can be found on page 161 of the Annual Report and Accounts.
Percentage of incomplete pathways within 18 weeks for patients on incomplete pathways at the end of the reporting period.	Criteria can be found on page 161 of the Annual Report and Accounts.

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 specified indicators criteria referred to on pages of the Quality Report as listed above (the "Criteria"). The Directors are also responsible for the conformity of their Criteria with the assessment criteria set out in the NHS Foundation Trust Annual Reporting Manual ("FT ARM") and the "Detailed requirements for quality reports for foundation trusts 2017/18" issued by Monitor (operating as NHS Improvement) ("NHSI").

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 does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";

- The Quality Report is not consistent in all material respects with the sources specified below; and

- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

We read the Quality Report and consider whether it addresses the content requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18"; 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 the following documents:

- Board minutes for the financial year, April 2017 and up to April 2018;

- Papers relating to quality report reported to the Board over the period April 2017 to the date of signing this limited assurance report;

- Corroborative feedback from Newcastle Gateshead, Northumberland and North Tyneside Clinical Commissioning Groups (CCGs) for Newcastle upon Tyne Hospitals NHS Foundation Trust Quality Accounts dated 24th May 2018.

- Feedback from Governors dated 11th April 2018 and 1st May 2018;

- Feedback from Local Healthwatch organisations Healthwatch Newcastle, Gateshead and North Tyneside and Healthwatch Northumberland dated 23rd May 2018;

- Feedback from Overview and Scrutiny Committee dated 14th May 2018 and 18th May 2018;

- The Trust's complaints report published under regulation 18 of the Local Authority Social Services and NHS Complaints Regulations 2009, dated 30th June 2017;

- The latest national and local patient survey dated August 2017;

- The latest national and local staff survey dated 6th March 2018

- Care Quality Commission inspection, dated 6th of June 2016;

- The Head of Internal Audit's annual opinion over the Trust's control environment dated 22nd May 2018; and

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.

Our Independence and Quality Control

We applied the Institute of Chartered Accountants in England and Wales (ICAEW) Code of Ethics, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

We apply International Standard on Quality Control (UK) 1 and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Use and distribution of the report

This report, including the conclusion, has been prepared solely for the Board of Governors of The Newcastle upon Tyne NHS Foundation Trust as a body, to assist the Board of Governors in reporting The Newcastle upon Tyne NHS Foundation Trust's quality agenda, performance and activities. We permit the disclosure of this report within the Annual Report for the year ended 31 March 2018, to enable the Board of Governors to demonstrate they have discharged their governance responsibilities by commissioning an independent assurance report in connection with the indicators. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Governors as a body and The Newcastle upon Tyne NHS Foundation Trust for our work or this report save 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 (Revised)'). Our limited assurance procedures included:

- Reviewing the content of the Quality Report against the requirements of the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";

- Reviewing the Quality Report for consistency against the documents specified above;

- Obtaining an understanding of the design and operation of the controls in place in relation to the collation and reporting of the specified indicators, including controls over third party information (if applicable) and performing walkthroughs to confirm our understanding;

- Based on our understanding, assessing the risks that the performance against the specified indicators may be materially misstated and determining the nature, timing and extent of further procedures;

- Making enquiries of relevant management, personnel and, where relevant, third parties;

- Considering significant judgements made by the NHS Foundation Trust in preparation of the specified indicators;

- Performing limited testing, on a selective basis of evidence supporting the reported performance indicators, and assessing the related disclosures; and

- Reading the documents.

A limited assurance engagement is less in scope than a reasonable assurance engagement. The nature, timing and extent of procedures for gathering sufficient appropriate evidence are deliberately limited relative to a reasonable assurance engagement.

Limitations

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the subject matter and the methods used for determining such information.

The absence of a significant body of established practice on which to draw allows for the selection of different but acceptable measurement techniques which can result in materially different measurements and can impact comparability. The precision of different measurement techniques may also vary. Furthermore, the nature and methods used to determine such information, as well as the measurement criteria and the precision thereof, may change over time. It is important to read the Quality Report in the context of the assessment criteria set out in the FT ARM and "Detailed requirements for quality reports for foundation trusts 2017/18" and the Criteria referred to above.

The nature, form and content required of Quality Reports are determined by NHSI. This may result in the omission of information relevant to other users, for example for the purpose of comparing the results of different NHS Foundation Trusts.

In addition, the scope of our assurance work has not included governance over quality or non-mandated indicators in the Quality Report, which have been determined locally by The Newcastle upon Tyne NHS Foundation Trust.

Conclusion

Based on the results of our procedures, nothing has come to our attention that causes us to believe that for the year ended 31 March 2018:

- The Quality Report does not incorporate the matters required to be reported on as specified in the FT ARM and the "Detailed requirements for quality reports for foundation trusts 2017/18";

- The Quality Report is not consistent in all material respects with the documents specified above; and

- The specified indicators have not been prepared in all material respects in accordance with the Criteria set out in the FT ARM and the "Detailed requirements for external assurance for quality reports for foundation trusts 2017/18".

PricewaterhouseCoopers LLP
Chartered Accountants

Central Square
29 Wellington Street
Leeds
LS1 4DL

25th May 2018

The maintenance and integrity of The Newcastle upon Tyne NHS Foundation Trust 's website is the responsibility of the directors; the work carried out by the assurance providers does not involve consideration of these matters and, accordingly, the assurance providers accept no responsibility for any changes that may have occurred to the reported performance indicators or criteria since they were initially presented on the website.

Annex 3: Abbreviations

Abbreviations	
AIS	Accessible Information Standard
AHP	Allied Health Professional
ANTT	Aseptic Non Touch Technique
BAETS	British Association of Endocrine and Thyroid Surgeons
BAUS	British Association of Urological Surgeons
BPAT	Basic Prevent Awareness Training
CAT	Clinical Assurance Tool
CAUTI	Catheter Associated Urinary Tract Infection
CCAD	Central Cardiac Audit Database
CCGs	Clinical Commissioning Group
CD	Clinical Director
CEAG	Clinical Effectiveness Audit and Guideline Committee
C.diff (CDI)	*Clostridium difficile*
CGARD	Clinical Governance and Risk Department
CHC	Continuing Health Care
CP-IS	Child Protection Information Sharing
CRN NENC	Clinical Research Network North East and Cumbria
COPD	Chronic Obstructive Pulmonary Disease
CQC	Care Quality Commission
CQUIN	Commissioning for Quality and Innovation (CQUIN) payment framework
CSC	Children's Social Care
CTG	Cardiotocography
DNACPR	Do Not Attempt Cardiopulmonary Resuscitation
DoC	Duty of Candour
DOH	Department of Health
E.coli	*Escherichia coli*
EDD	Expected date of discharge
FFT	Friends and Family Test
FGM	Female Genital Mutilation
GDE	Global Digital Exemplar
GP	General Practitioner
GNBSI	Gram Negative Blood Stream Infections
GNCH	Great North Children's Hospital
HCA	Healthcare Assistant
HCAI	Healthcare Associated Infection
HDU	High Dependency Unit
HES	Hospital Episode Statistics
HSMR	Hospital Standardised Mortality Ratio
IBD	Inflammatory Bowel Disease

Abbreviations	
ICNARC	Intensive Care National Audit and Research Centre
ICU	Intensive Care Unit
IPC	Infection Prevention and Control
IPCC	Infection Prevention and Control Committee
ISBARD	Identification,Situation,Background,Assessment, Recommendation & Decision
IT	Information Technology
KF	Key Finding
Loc SSIPs	Local Safety Standards for Invasive Procedures
MCA	Mental Capacity Act
MDT	Multi-Disciplinary Team
M&M	Morbidity & Mortality
MRSA	Methicillin-Resistant *Staphylococcus Aureus*
MSSA	Methicillin Sensitive *Staphyloccus Aureus*
Nat SSIPs	National Safety Standards for Invasive Procedures
N/A	Not Applicable
NABCOP	National Audit of Breast Cancer in Older Patients
NCEPOD	National Confidential Enquiries into Patient Outcome & Death
NHS	National Health Service
NICE	National Institute for health and clinical excellence
NICOR	National Institute for clinical outcome research
NIHR	National Institute of Health Research
NPSA	National Patient Safety Agency
NRLS	National Reporting & Learning System
NSF	National Service Framework
NUTH	Newcastle upon Tyne NHS Foundation Trust
PCI	Percutaneous Coronary Intervention
PHE	Public Health England
PICU	Paediatric Intensive Care Unit
PIR	Post Infection Review
PO	Partner Organisation
POAC	Pre-Operative Assessment Clinic
PROMs	Patient Reported Outcome Measures
PSC	Patient Safety Collaborative
QI	Quality Improvement
SHOT	Serious Hazards of Transfusion
SHMI	Summary Hospital-level Mortality Indicator
SIRM	Serious Infection Review Meeting
SIs	Serious Incidents
SPC	Specialist Palliative Care
SUS	Secondary Users Service
TARN	Trauma Audit Research Network
VTE	Venous thromboembolism
WHO	World Health Organisation

Annex 3:
Glossary of Terms

1. CQC

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.

2. CQUIN – Commissioning for Quality and Innovation

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.

3. DATIX

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.

4. HSMR

The Hospital Standardised Mortality Ratio (HSMR) is an indicator of healthcare quality that measures whether the death rate at a hospital is higher or lower than would be expected.

5. Near Miss

An unplanned or uncontrolled event, which did not cause injury to persons or damage to property, but had the potential to do so.

6. NHS Safety Thermometer

The NHS Safety Thermometer is a local improvement tool for 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 venousthromboembolism (Pulmonary embolus or deep vein thrombosis DVT).

7. HOGAN evaluation score

Retrospective case record reviews of 1000 adults who died in 2009 in 10 acute hospitals in England were undertaken. Trained physician reviewers estimated life expectancy on admission, to identified problems in care contributing to death and judged if deaths were preventable taking into account patients' overall condition at that time. The Hogan scale, ranging from 1 (definitely not preventable) to 6 (definitely preventable), was used to determine if deaths were potentially avoidable, taking into account a patient's overall condition at the time.

Source: Dr Helen Hogan, Clinical Lecturer in UK Public Health

1	Definitely not preventable
2	Slight evidence for preventability
3	Possibly preventable, but not very likely, less than 50-50 but close call
4	Probably preventable more than 50-50 but close call
5	Strong evidence of preventability
6	Definitely preventable

Audit and Controls

Investment Manager
CCLA & Newton Investment
Management Ltd

Banker
HSBC, RBS (Government
Banking Service, Barclays,
Yorkshire Bank

Payroll
NHS Payroll Services

Internal Auditor
AuditOne

Legal advisors
Samuel Phillips Law Firm
Bond Dickinson Law Firm
Ward Hadaway
Sintons LLP
Berwin Leighton Paisner LLP
Addleshaw Goddard LLP

External Auditor
PricewaterhouseCoopers LLP

The principal objective of the Independent Auditor was to carry out an audit in accordance with paragraph 24(s) of Schedule 7 of the National Health Service Act 2006 and the requirements of the Audit Code issues by NHS Improvement, the independent regulator of NHS Foundation Trusts, which by necessity ensures compliance with International Standards of Audit (UK & Ireland) issued by the Auditing Practice Board. This required an opinion on the Annual Accounts and a review of arrangements for legality, financial standing, internal financial control, and standards of financial conduct, including fraud and corruption.

The Audit Committee met on a regular basis to assess a range of studies and work programmes, including detailed value for money scrutinies. The internal and external auditors attended all meetings of the Audit Committee and on each occasion there was the opportunity to meet privately with the Non-Executive Director membership. The auditors also had unrestricted access to the Audit Committee, its Chairman and individual members.

Sound corporate governance and all that entails was an over-riding priority. This included review and audit of established counter-fraud and corruption policies, reported to the Audit Committee by the internal auditors in the context of the national Fraud Awareness Review.

4. Annual Accounts 2017/18
The Newcastle upon Tyne Hospitals NHS Foundation Trust

Foreword to the Accounts

The Newcastle upon Tyne Hospitals NHS Foundation Trust

The accounts for the year ended 31 March 2018 are set out on the following pages and comprise the Consolidated Statement of Comprehensive Income, the NHS Foundation Trust Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the NHS Foundation Trust Statement of Financial Position, the Consolidated Statement of Changes in Taxpayers' and Others' Equity, the NHS Foundation Trust Statement of Changes in Taxpayers' Equity, the Statements of Cash Flows and the Notes to the Accounts.

The accounts have been prepared by The Newcastle upon Tyne Hospitals NHS Foundation Trust in accordance with Schedule 7, Paragraphs 24 and 25, of the National Health Services Act 2006, in the form which Monitor, the independent regulator of NHS Foundation Trusts has, with the approval of HM Treasury, directed.

The Consolidated Statement of Comprehensive Income has been presented in three columns for 2017/18 showing the Income & Expenditure of the NHS Foundation Trust (as shown in column 1), the impact of the Charitable Fund consolidation (column 2) and the consolidated final result for the year (column 3). It should be noted that prior year comparators include an additional column for exceptional items due to the significant financial impact of the asset valuation carried out in 2016/17. A similar format has been followed for the NHS Foundation Trust's Statement of Comprehensive Income.

Dame J Daniel
Chief Executive

24 May 2018

Independent Auditors' Report

to the Council of Governors of The Newcastle upon Tyne Hospitals NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion, The Newcastle upon Tyne Hospitals NHS Foundation Trust's Group and Trust financial statements:

- give a true and fair view of the state of the Group and Trust's affairs as at 31 March 2018 and of the Group and Trust's income and expenditure and cash flows for the year then ended 31 March 2018;

- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18.

We have audited the financial statements, included within the Annual Report (the "Annual Report"), which comprise: the Consolidated and Trust's Statement of Financial Position as at 31 March 2018; the Consolidated and Trust's Statements of Comprehensive Income for the year then ended; the Consolidated and Trust's Statement of Cash flows for the year then ended; the Consolidated Statement of Changes in Taxpayers' and Others' Equity for the year then ended; the Trust's statement of Changes in Taxpayers' Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with the National Health Service Act 2006, the Code of Audit Practice and relevant guidance issued by the National Audit Office on behalf of the Comptroller and Auditor General (the "Code of Audit Practice"), International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our audit approach

Context

Our audit for the year ended 31 March 2018 was planned and executed having regard to the fact that the Group and Trust's operations and financial stability were largely unchanged in nature from the previous year. In light of this, our approach to the audit in terms of scoping and areas of focus was largely unchanged.

Overview

Materiality

- Overall materiality: £20,855,600 which represents 2% of total revenue.

Audit Scope

- The audit was conducted at the Trust's Regent Point site where the finance function is based. The Freeman Hospital and the Royal Victoria Infirmary were also visited during the audit.

- In establishing our overall approach, we assessed the risks of material misstatement and applied our professional judgement to determine the extent of testing required over each balance in the financial statements.

Key audit matters

- Management override of control

- Risk of fraud in revenue and expenditure recognition

- Valuation of Property Plant and Equipment

The scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We gained an understanding of the legal and regulatory framework applicable to the Group and the industry in which it operates, and considered the risk of acts by the Group which were contrary to applicable laws and regulations, including fraud. We designed audit procedures at Group and significant component level to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. We focused on laws and regulations that could give rise to a material misstatement in the Group and Trust financial statements, including, but not limited to, the National Health Service Act 2006, UK tax legislation and equivalent local laws and regulations applicable to significant component teams. Our tests included, but were not limited to review of board minutes, review of correspondence from regularity bodies and HMRC and through inquiry of management. There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

We found risk of fraud in revenue and expenditure recognition and valuation of Property Plant and Equipment to be key audit matters, and these are discussed further below. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

Key audit matters

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, 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, and any comments we make on the results of our procedures thereon, 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. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the Key audit matter

Valuation of Property Plant and equipment – Trust

We focused on this area because Property Plant and Equipment ("PPE") represents the largest balance in the Trust's statement of financial position and is an area of judgement. As at 31st of March 2018 the carrying value of PPE is £486m of which 87% relates to land and buildings that have been subject to revaluation in year.

Land and buildings are initially measured at cost and subsequently measured at fair value. The valuations are carried out by the District Valuer using the Modern Equivalent Asset Method of valuation, which involves a range of assumptions being used. The District Valuer is an external independent valuer of the Trust who is a professionally qualified member of the Royal Institute of Chartered Surveyors.

Valuations are required to be performed with sufficient regularity to ensure that the carrying value is not materially different from fair value at the reporting date.

A full revaluation of the Trust's portfolio of land and buildings was undertaken during 2017/18 by the Trust's valuation experts resulting in an initial increase of £10.1m.

Management consistent with prior year have, valued its estate on a single site basis, exclusive of VAT, based on the intention to provide services that are currently split between two sites onto the one new site. Management have determined that any new site would be funded through PFI or PF2.

Specific areas of risk include:

- the accuracy and completeness of detailed information on assets;

- whether the Trust's assumptions underlying the classification of properties are appropriate; and

- The valuers' methodology, assumptions and underlying data, and our access to these.

PFI

The above also impacts on the Trust's PFI scheme. As well as the valuation of the PFI assets, the Trust needs to consider the accounting implications for the PFI scheme including the impact of the Unitary Payment and appropriate management of costs and cash flows. Further details of the Trust's PFI scheme can be found in note 12.3 to the accounts.

We obtained and read the relevant sections of the full valuation performed by the Trust's valuers. We used our valuation experts and our knowledge of the Trust to evaluate and challenge the assumptions and methodology applied in the valuation exercise. We found the assumptions and methodology applied to be consistent and in line with our expectations.

We assessed the competence and objectivity of the Trust's valuers, performing a review of the qualifications, resources, objectivity and approach in respect of their work for NHS bodies. No issues were identified as a result of this review or from the work of our own valuations experts.

We have reviewed management's business case for providing the Trust's services on a single site. We have considered the viability of funding the site through PFI.

We checked whether the change in valuation was appropriately disclosed in the Annual Report and that the accounting treatment had been recorded appropriately in the Trust's financial statements.

We physically verified a sample of assets to confirm existence and completeness and in doing so assessed if there was any indication of physical obsolescence which would indicate potential impairment.

Our testing did not identify any issues.

We tested management management's accounting for its PFI and found no issues to report.

Management override of controls – Group

We focused on this area because there is a heightened risk that the Trust's results will be materiality mistated due to:

- the agreement in February 2018 of the (£4.5m) control total in 2017/18 and the uncertainty of its achievement;

- the number of judgemental areas including valuation of property plant and equipment, accruals and accrued income;

- the inherent complexities in a number of contractual arrangements entered into by the Trust; and

- the timing and complexity of intra-nhs balance reconciliation process.

In the main we would expect a misstatement to be through the processing of journals or through bias in exercising judgement when calculating any significant estimates.

Journals

We have used data analysis techniques in order to identify journals with higher risk characteristics for detailed review:

Our sample of journal transactions selected, focused in particular on those with a combination of the following characteristics:

- Unusual account combinations that would result in a reduction in expenditure or an increase in revenue;

- Months where there was significant variance to budget; and

- Months where there was spikes in either the number of journals posted or the value of journals posted.

We traced these journal entries to supporting documentation (for example invoices, cash receipt and payments) and confirmed they were recognised in the correct accounting year.

Management estimates

For each management estimate considered we:

- understood the rationale for the transaction to confirm that the asset or liability was appropriately recognised in line with the requirements of the department of Health Group Accounting Manual 2017/18 ("DH GAM);

- looked for indications of management bias by inspecting underlying assumptions; and

- agreed a sample of transactions from within underlying data to source documentation.

Intra-NHS balances – *applicable to the Trust*

We obtained the Trust's mismatch reports received from NHS Improvement (Monitor) which identified balances (debtor, creditor, income or expenditure balances) that did not match the balances disclosed by the counterparty organisation. We considered the results of the Trust's investigation into significant mismatches and agreed the results to correspondence with the counter-party. Where the mismatch remained unresolved and was greater than £300,000 we obtained supporting documentation for the values recognised by the Trust in order to confirm the reported position.

Risk of fraud in revenue and expenditure recognition – Trust

We focused on this area because there is heightened risk due to:

- the Trust agreeing a Control Total of (£4.5m) with NHS improvement in February 2018. This has presented an incentive for management to maximise revenue and reduce costs, which could be achieved through manipulation of the timing of recognition of both revenue and expenditure;

- the inherent complexities in a number of contractual arrangements entered into by the Trust; and

- the timing and complexity of the intra-NHS balance reconciliation process.

Income

The Trust's principal source of income is from Clinical Commissioning Groups ("CCGs") and NHS England, accounting for 82% of income during the year. The most significant of these is with Newcastle Gateshead CCG. The contracts with the CCGs are renegotiated annually, with variations to the contract made for additional funding that becomes available throughout the year.

Expenditure

We focused our work on the elements of expenditure that are the most susceptible to manipulation, being operating expenses (excluding payroll costs). Our testing included non-standard journal transactions which would impact the completeness of expenditure.

Assertions

As the Trust agreed a Control Total in year, we considered the risk that income could be accelerated into 2017/18 and expenditure deferred in order to achieve the Control Total.

Our work therefore focused on the completeness of expenditure; and the existence/occurrence of revenue.

Income

We reconciled the income received from the CCGs to the signed contracts and traced significant contract variations received in year to correspondence from the CCGs. We traced all material invoices and a sample of immaterial invoices raised to cash receipt.

We traced a sample of cash receipts to supporting documentation and to the general ledger to assess completeness of the revenue balance disclosed in the financial statements.

Intra-NHS balances

Our procedures over Intra-NHS balances are outlined above under the risk of management override of controls.

Expenditure

Operating expenditure includes staff costs (56%), clinical supplies and services (12%) and drugs costs (17%).

For a sample of transactions recognised during the year and around (both before and after) the year end, we confirmed that the expenditure had been recognised in line with the accounting policies and in the correct accounting period by agreeing the transactions, including the date of delivery of the goods or services, to the supporting invoice to ensure that the service/receipt of goods had occurred in the period in which the expense/liability was recorded.

We have performed a high level analytical review of payroll costs, as well as testing a sample of monthly payments from payroll records to bank clearance, performed a year end payroll reconciliation and tested a number of payroll controls to gain evidence over the standing data on the ESR system.

How we tailored the audit scope

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the environment in which the Group operates.

The Group includes the parent, The Newcastle upon Tyne Hospitals NHS Foundation Trust, and The Newcastle upon Tyne Hospitals NHS Charity, which is consolidated as a subsidiary. The Trust also holds investments in six additional companies, only two of which traded in the year, with two not having commenced trading and two currently being dormant. The transactions for the six companies in 2017/18 are of such an immaterial level that these organisations have not been consolidated within the Group.

Materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

	Group financial statements	Trust financial statements
Overall materiality	£20,855,600 (2017: £20,667,000)	£20,855,600 (2017: £20,667,000)
How we determined it	2% of revenue (2017: 2% of revenue)	2% of revenue (2017: 2% of revenue)
		Group scoping exercise performed, the Trust is the only significant component.
Rationale for benchmark applied	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.	Consistent with last year, we have applied this benchmark, a generally accepted auditing practice, in the absence of indicators that an alternative benchmark would be appropriate.

Group scoping exercise performed and the Trust is considered the only significant component.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above £250,000 (Group audit) (2017: £250,000) and £250,000 (Trust audit) (2017: £250,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group and Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Trust's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Performance Report and the Accountability Report, we also considered whether the disclosures required by the NHS Foundation Trust Annual Reporting Manual 2017/18 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) and the Code of Audit Practice require us also to report certain opinions and matters as described below.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Accountability Report set out on page 37, the directors are responsible for the preparation of the financial statements in accordance with the Department of Health and Social Care Group Accounting Manual 2017/18, and for being satisfied that they give a true and fair view. The directors 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.

In preparing the financial statements, the directors are responsible for assessing the 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 the directors either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

The Trust is also responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

We are required under Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources and to report to you where we have not been able to satisfy ourselves that it has done so. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We have undertaken our work in accordance with the Code of Audit Practice, having regard to the criterion determined by the Comptroller and Auditor General as to whether the Trust has 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. Based our on risk assessment, we undertook such work as we considered necessary.

We will prepare an annual audit letter which will cover the Trust's key risks in securing economy, efficiency and effectiveness in its use of resources, how these have been discharged by the Trust, and our actions to review these. The Trust is responsible for publishing this annual audit letter, and ensuring that it is available to the public.

Use of this report

This report, including the opinions, has been prepared for and only for the Council of Governors of The Newcastle upon Tyne NHS Foundation Trust as a body in accordance with paragraph 24 of Schedule 7 of the National Health Service Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Opinions on other matters prescribed by the Code of Audit Practice

Performance Report and Accountability Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Performance Report and Accountability Report for the year ended 31 March 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we did not identify any material misstatements in the Performance Report or Accountability Report.

In addition, the parts of the Remuneration and Staff reports to be audited have been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2017/18.

Arrangements for securing economy, efficiency and effectiveness in the use of resources

Under the Code of Audit Practice we are required to report, by exception, if we conclude we are not satisfied that the Trust has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2018. We have nothing to report as a result of this requirement.

Other matters on which we report by exception

We are required to report to you if:

- information in the Annual Report is:
  - materially inconsistent with the information in the audited financial statements; or
  - apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group and Trust acquired in the course of performing our audit; or
  - otherwise misleading.
- the statement given by the directors on page 37, in accordance with provision C.1.1 of the NHS Foundation Trust Code of Governance, that they consider the Annual Report taken as a whole to be fair, balanced and understandable, and provides the information necessary for members to assess the Group and Trust's performance, business model and strategy is not materially consistent with our knowledge of the Trust acquired in the course of performing our audit.
- the section of the Annual report on page 39, as required by provision C.3.9 of the NHS Foundation Trust Code of Governance, describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee.
- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2017/18 or is misleading or inconsistent with our knowledge acquired in the course of performing our audit. We have not considered whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- we have referred a matter to Monitor under Schedule 10 (6) of the National Health Service Act 2006 because we had reason to believe that the Trust, or a director or officer of the Trust, was about to make, or had made, a decision which involved or would involve the incurring of expenditure that was unlawful, or was about to take, or had taken a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.
- we have issued a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006.
- we have not received all the information and explanations we require for our audit.

We have no exceptions to report arising from this responsibility.

Certificate

We certify that we have completed the audit of the financial statements in accordance with the requirements of Chapter 5 of Part 2 to the National Health Service Act 2006 and the Code of Audit Practice.

Ian Looker (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Leeds

25 May 2018

(a) The maintenance and integrity of The Newcastle upon Tyne NHS Foundation Trust's website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2018

	Note	2017/18 NHS Foundation Trust £000	2017/18 Charitable fund £000	2017/18 Total £000
OPERATING INCOME				
Income from activities	3	898,528	0	898,528
Other operating income	4	144,252	3,875	148,127
TOTAL OPERATING INCOME		1,042,780	3,875	1,046,655
Operating expenses	5	(1,000,925)	(2,775)	(1,003,700)
OPERATING SURPLUS		41,855	1,100	42,955
FINANCE INCOME AND COSTS				
Finance income	7	341	755	1,096
Finance expense - financial liabilities	8	(24,976)	0	(24,976)
PDC dividends payable	9	(6,131)	0	(6,131)
Net finance costs		(30,766)	755	(30,011)
Losses on disposal of assets		(74)	0	(74)
SURPLUS FOR THE YEAR		11,015	1,855	12,870
SURPLUS FOR THE YEAR		11,015	1,855	12,870
Other Comprehensive Income				
Will not be reclassified to income and expenditure:				
Revaluation gains on property, plant and equipment		7,343	0	7,343
Other movements on reserves		1	0	1
May be reclassified to income and expenditure when certain conditions are met:				
Fair value gains on available-for-sale financial investments		0	136	136
Total Other Comprehensive Income		7,344	136	7,480
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		18,359	1,991	20,350
ALLOCATION OF PROFITS FOR THE YEAR				
(a) Surplus for the year attributable to:				
(i) non controlling interest; and		0	0	0
(ii) The Newcastle upon Tyne Hospitals NHS Foundation Trust		11,015	1,855	12,870
TOTAL		11,015	1,855	12,870
(b) Total comprehensive income for the year attributable to:				
(i) non controlling interest; and		0	0	0
(ii) The Newcastle upon Tyne Hospitals NHS Foundation Trust		18,359	1,991	20,350
TOTAL		18,359	1,991	20,350

Consolidated Statement of Comprehensive Income

for the year ended 31 March 2017

	Note	2016/17 Before Exceptional Items and Charitable fund* £000	2016/17 Exceptional Items* £000	2016/17 Charitable fund £000	2016/17 Total £000
OPERATING INCOME					
Income from activities	3	880,864	0	0	880,864
Other operating income	4	151,960	0	19,285	171,245
TOTAL OPERATING INCOME		1,032,824	0	19,285	1,052,109
Operating expenses	5	(989,789)	(50,240)	(2,292)	(1,042,321)
OPERATING SURPLUS		43,035	(50,240)	16,993	9,788
FINANCE INCOME AND COSTS					
Finance income	7	302	0	801	1,103
Finance expense - financial liabilities	8	(22,509)	0	0	(22,509)
Finance expense - unwinding of discount on provisions	22	(74)	0	0	(74)
PDC dividends payable	9	(7,691)	0	0	(7,691)
Net finance costs		(29,972)	0	801	(29,171)
Losses on disposal of assets		(104)	0	0	(104)
SURPLUS/(DEFICIT) FOR THE YEAR		12,959	(50,240)	17,794	(19,487)
SURPLUS/(DEFICIT) FOR THE YEAR		12,959	(50,240)	17,794	(19,487)
Other Comprehensive (Expense)/income					
Will not be reclassified to income and expenditure:					
Impairments		0	(47,625)	0	(47,625)
Revaluation gains on property, plant and equipment		0	0	0	0
Other movements on reserves		(2)	0	0	(2)
May be reclassified to income and expenditure when certain conditions are met:					
Fair value gains on available-for-sale financial investments		0	0	2,825	2,825
Total Other Comprehensive Expense		(2)	(47,625)	2,825	(44,802)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		12,957	(97,865)	20,619	(64,289)
ALLOCATION OF PROFITS/(DEFICIT) FOR THE YEAR					
(a) Surplus/(Deficit) for the year attributable to:					
(i) non controlling interest; and		0	0	0	0
(ii) owners of the parent		12,959	(50,240)	17,794	(19,487)
TOTAL		12,959	(50,240)	17,794	(19,487)
(b) Total comprehensive income/(expense) for the year attributable to:					
(i) non controlling interest; and		0	0	0	0
(ii) owners of the parent		12,957	(97,865)	20,619	(64,289)
TOTAL		12,957	(97,865)	20,619	(64,289)

* Exceptional items relate to the revaluation of land and buildings. Further detail can be found in Note 1.28.

NHS Foundation Trust
Statement of Comprehensive Income
for the year ended 31 March 2018

	Note	2017/18 Total £000	2016/17 Before Exceptional Items* £000	2016/17 Exceptional Items* £000	2016/17 Total £000
OPERATING INCOME					
Income from activities	3	**898,528**	880,864	0	880,864
Other operating income	4	**144,500**	152,490	0	152,490
TOTAL OPERATING INCOME		**1,043,028**	1,033,354	0	1,033,354
Operating expenses	5	**(1,000,925)**	(989,789)	(50,240)	(1,040,029)
OPERATING SURPLUS/(DEFICIT)		**42,103**	43,565	(50,240)	(6,675)
FINANCE INCOME AND COSTS					
Finance income	7	**341**	302	0	302
Finance expense - financial liabilities	8	**(24,946)**	(22,509)	0	(22,509)
Finance expense - unwinding of discount on provisions	22	**(30)**	(74)	0	(74)
PDC dividends payable	9	**(6,131)**	(7,691)	0	(7,691)
Net finance costs		**(30,766)**	(29,972)	0	(29,972)
Losses on disposal of assets		**(74)**	(104)	0	(104)
SURPLUS/(DEFICIT) FOR THE YEAR		**11,263**	13,489	(50,240)	(36,751)
SURPLUS/(DEFICIT) FOR THE YEAR		**11,263**	13,489	(50,240)	(36,751)
Other Comprehensive Income/(expense)					
Will not be reclassified to income and expenditure:					
Impairments		**0**	0	(47,625)	(47,625)
Revaluation gains on property, plant and equipment		**7,343**	0	0	0
Other movements on reserves		**1**	(2)	0	(2)
Total Other Comprehensive Income/(expense)		**7,344**	(2)	(47,625)	(47,627)
TOTAL COMPREHENSIVE INCOME/(EXPENSE) FOR THE YEAR		**18,607**	13,487	97,865	(84,378)

The NHS Foundation Trust's performance for the year against the agreed NHS Improvement control total is detailed in Note 1.29.

* Exceptional items relate to the revaluation of land and buildings. Further detail can be found in Note 1.28.

Consolidated Statement of Financial Position
as at 31 March 2018

		GROUP	
		31 March 2018	31 March 2017
	Note	**£000**	£000
NON-CURRENT ASSETS			
Intangible assets	11	**3,651**	2,756
Property, plant and equipment	12	**486,944**	474,965
Investments in subsidiaries and joint ventures	13	**0**	0
Other investments	14	**25,036**	24,900
Trade and other receivables	16	**12,319**	11,424
TOTAL NON-CURRENT ASSETS		**527,950**	514,045
CURRENT ASSETS			
Inventories	15	**14,756**	14,725
Trade and other receivables	16	**89,008**	71,248
Non current assets held for sale	17	**0**	895
Cash and cash equivalents	18	**98,891**	114,682
TOTAL CURRENT ASSETS		**202,655**	201,550
CURRENT LIABILITIES			
Trade and other payables	19	**(99,949)**	(98,582)
Other liabilities	20	**(7,687)**	(7,965)
Borrowings	21	**(8,399)**	(8,583)
Provisions	22	**(1,281)**	(1,547)
TOTAL CURRENT LIABILITIES		**(117,316)**	(116,677)
NON-CURRENT LIABILITIES			
Borrowings	21	**(236,121)**	(244,336)
Provisions	22	**(5,678)**	(5,818)
TOTAL NON-CURRENT LIABILITIES		**(241,799)**	(250,154)
TOTAL ASSETS EMPLOYED		**371,490**	348,764
TAXPAYERS' EQUITY			
Public dividend capital *		**232,957**	230,581
Revaluation reserve *		**86,698**	79,903
Income and expenditure reserve *		**13,037**	1,225
TOTAL TAXPAYERS' EQUITY		**332,692**	311,709
OTHERS' EQUITY			
Charitable fund reserves *		**38,798**	37,055
TOTAL TAXPAYERS' AND OTHERS' EQUITY		**371,490**	348,764

* Reserves:

a) Public dividend capital represents the Secretary of State for Health and Social Care's 'equity' investment in the NHS Foundation Trust.

b) The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment.

c) The NHS Foundation Trust's surplus for the year is recognised in the Income and Expenditure reserve.

d) Charitable reserves relate to those held by the Newcastle upon Tyne Hospitals NHS Charity. Further analysis can be found in Note 33.

The accounts on pages 193 to 242 were approved by the Board on 24 May 2018 and signed on its behalf by:

Dame J Daniel
Chief Executive
24 May 2018

NHS Foundation Trust
Statement of Financial Position
as at 31 March 2018

	Note	NHS FOUNDATION TRUST	
		31 March 2018	31 March 2017
		£000	£000
NON-CURRENT ASSETS			
Intangible assets	11	**3,651**	2,756
Property, plant and equipment	12	**486,433**	474,432
Investments in subsidiaries and joint ventures	13	**0**	0
Trade and other receivables	16	**12,319**	11,424
TOTAL NON-CURRENT ASSETS		**502,403**	488,612
CURRENT ASSETS			
Inventories	15	**14,732**	14,697
Trade and other receivables	16	**88,934**	71,483
Non current assets held for sale	17	**0**	895
Cash and cash equivalents	18	**85,667**	102,813
TOTAL CURRENT ASSETS		**189,333**	189,888
CURRENT LIABILITIES			
Trade and other payables	19	**(99,878)**	(98,542)
Other Liabilities	20	**(7,687)**	(7,965)
Borrowings	21	**(8,399)**	(8,583)
Provisions	22	**(1,281)**	(1,547)
TOTAL CURRENT LIABILITIES		**117,245**	116,637
NON-CURRENT LIABILITIES			
Borrowings	21	**(236,121)**	(244,336)
Provisions	22	**(5,678)**	(5,818)
TOTAL NON-CURRENT LIABILITIES		**(241,799)**	(250,154)
TOTAL ASSETS EMPLOYED		**332,692**	311,709
TAXPAYERS' EQUITY			
Public dividend capital *		**232,957**	230,581
Revaluation reserve *		**86,698**	79,903
Income and expenditure reserve *		**13,037**	1,225
TOTAL TAXPAYERS' EQUITY		**332,692**	311,709

* Reserves:

a) Public dividend capital represents the Secretary of State for Health and Social Care's 'equity' investment in the NHS Foundation Trust.

b) The revaluation reserve is used to record revaluation gains and losses on property, plant and equipment.

c) The NHS Foundation Trust's surplus for the year is recognised in the Income and Expenditure reserve.

The accounts on pages 193 to 242 were approved by the Board on 24 May 2018 and signed on its behalf by:

Dame J Daniel
Chief Executive
24 May 2018

Consolidated Statement of Changes in Taxpayers' and Others' Equity

for the year ended 31 March 2018

GROUP 2017/18	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable fund reserves £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 2017		230,581	79,903	1,225	37,055	**348,764**
Total comprehensive income for 2017/18						
Surplus for the year		0	0	11,015	1,855	**12,870**
Revaluation gains on property, plant and equipment		0	7,343	0	0	**7,343**
Fair value gains on available for sale financial investments		0	0	0	136	**136**
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits		0	(548)	548	0	**0**
Other reserve movements		0	0	1	0	**1**
Other reserve movements - Charitable funds consolidation movement		0	0	248	(248)	**0**
Total comprehensive income for 2017/18		**0**	**6,795**	**11,812**	**1,743**	**20,350**
Public dividend capital received		2,376	0	0	0	**2,376**
Total reserve movements for 2017/18		**2,376**	**6,795**	**11,812**	**1,743**	**22,726**
Taxpayers' and others' equity at 31 March 2018		**232,957**	**86,698**	**13,037**	**38,798**	**371,490**

GROUP 2016/17	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Charitable reserves £000	Total taxpayers' and others' equity £000
Taxpayers' and others' equity at 1 April 2016		226,299	128,298	37,208	16,966	**408,771**
Total comprehensive expense for 2016/17						
Deficit for the year		0	0	(37,281)	17,794	**(19,487)**
Impairments	12.1	0	(47,625)	0	0	**(47,625)**
Fair value gains on available for sale financial investments		0	0	0	2,825	**2,825**
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits		0	(770)	770	0	**0**
Other reserve movements		0	0	(2)	0	**(2)**
Other reserve movements - Charitable funds consolidation movement		0	0	530	(530)	**0**
Total comprehensive expense for 2016/17		**0**	**(48,395)**	**(35,983)**	**20,089**	**(64,289)**
Public dividend capital received		4,282	0	0	0	**4,282**
Total reserve movements for 2016/17		**4,282**	**(48,395)**	**(35,983)**	**20,089**	**(60,007)**
Taxpayers' and others' equity at 31 March 2017		**230,581**	**79,903**	**1,225**	**37,055**	**348,764**

NHS Foundation Trust Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2018

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total taxpayers' equity £000
Taxpayers' equity at 1 April 2017		230,581	79,903	1,225	**311,709**
Total comprehensive income for 2017/18					
Surplus for the year		0	0	11,263	**11,263**
Revaluation gains on property, plant and equipment	12.1	0	7,343	0	**7,343**
Impairments		0	0	0	**0**
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits		0	(548)	548	**0**
Other reserve movements		0	0	1	**1**
Total comprehensive income for 2017/18		**0**	**6,795**	**11,812**	**18,607**
Public dividend capital received		2,376	0	0	**2,376**
Total reserve movements for 2017/18		**2,376**	**6,795**	**11,812**	**20,983**
Taxpayers' equity at 31 March 2018		**232,957**	**86,698**	**13,037**	**332,692**

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total taxpayers' equity £000
Taxpayers' equity at 1 April 2016	226,299	128,298	37,208	**391,805**
Total comprehensive expense for 2016/17				
Deficit for the year	0	0	(36,751)	**(36,751)**
Impairments	0	(47,625)	0	**(47,625)**
Transfer from revaluation reserve to I&E reserve for impairments arising from consumption of economic benefits	0	(770)	770	**0**
Other reserve movements	0	0	(2)	**(2)**
Total comprehensive expense for 2016/17	**0**	**(48,395)**	**(35,983)**	**(84,378)**
Public dividend capital received	4,282	0	0	**4,282**
Total reserve movements for 2016/17	**4,282**	**(48,395)**	**(35,983)**	**(80,096)**
Taxpayers' equity at 31 March 2017	**230,581**	**79,903**	**1,225**	**311,709**

Statements of Cash Flows

for the year ended 31 March 2018

	Note	GROUP		NHS FOUNDATION TRUST	
		2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Cash flows from operating activities					
Net cash generated from operating activities	23	**41,998**	82,554	**41,150**	65,151
Cash flows from investing activities					
Interest received		**312**	307	**312**	307
Purchase of intangible assets		**(1,553)**	(728)	**(1,553)**	(728)
Purchase of property, plant and equipment		**(21,473)**	(18,510)	**(21,473)**	(18,510)
Sales of property, plant and equipment		**951**	62	**951**	62
Receipt of cash donations to purchase capital assets		**209**	363	**457**	893
NHS Charitable funds - net cash flows from investing activities		**755**	(14,521)	**0**	0
Net cash used in investing activities		**(20,799)**	(33,027)	**(21,306)**	(17,976)
Cash flows from financing activities					
Public dividend capital received		**2,376**	4,282	**2,376**	4,282
Loans repaid to the Department of Health and Social Care	21	**(3,500)**	(3,500)	**(3,500)**	(3,500)
Capital element of private finance initiative obligations		**(4,899)**	(6,785)	**(4,899)**	(6,785)
Interest paid		**(230)**	(333)	**(230)**	(333)
Interest element of private finance initiative obligations		**(24,746)**	(22,207)	**(24,746)**	(22,207)
Public dividend capital dividend paid		**(5,991)**	(8,895)	**(5,991)**	(8,895)
Net cash used in financing activities		**(36,990)**	(37,438)	**(36,990)**	(37,438)
(Decrease)/Increase in cash and cash equivalents		**(15,791)**	12,089	**(17,146)**	9,737
Cash and cash equivalents at 1 April		**114,682**	102,593	**102,813**	93,076
Cash and cash equivalents at 31 March	18	**98,891**	114,682	**85,667**	102,813

Notes to the Accounts

1 Accounting policies and other information

NHS Improvement, in exercising the statutory functions conferred on Monitor, has directed that the annual report and accounts of NHS Foundation Trusts shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM) which shall be agreed with HM Treasury. Consequently, the following accounts have been prepared in accordance with the GAM 2017/18 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards (IFRS) to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy judged to be most appropriate to the particular circumstances of the NHS Foundation Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below.

Change in accounting policies

The NHS Foundation Trust's accounting policies have been applied consistently in the current and prior year in relation to items considered material in relation to the accounts.

Going concern

Following enquiries the directors have an expectation that the NHS Foundation Trust has adequate resources to continue in operation for the foreseeable future. The accounts therefore continue to be prepared on a going concern basis.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and the investments held within the charitable fund. NHS Foundation Trusts, in compliance with the GAM, are not required to comply with IAS 16 regarding the disclosure of historical cost carrying amounts.

Critical accounting judgements and key sources of estimation in applying the NHS Foundation Trust's accounting policies

The preparation of the annual report and accounts requires the use of certain critical accounting estimates and also requires the NHS Foundation Trust's directors and senior managers to exercise their judgement in the process of applying the NHS Foundation Trust's accounting policies.

The directors and senior managers make estimates and assumptions concerning the future. As a result the accounting estimates may not equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below:

a) Incomplete patient spells at the year end:

The NHS Foundation Trust prepares an estimate of income generated for incomplete in-patient spells at the year end. This work in progress estimate is based on an equivalent month end date occurring earlier in the year to provide a basis for calculation.

b) Legal claims:

Legal claims are based upon professional assessments, which are uncertain to the extent that they are an estimate of the likely outcome of individual cases.

c) Indices:

The valuation of land and buildings is based on building cost indices provided by the Royal Institution of Chartered Surveyors (RICS) and used by the District Valuer in his valuation work. These indices are based on an indication of trend of accepted tender prices within the local construction industry as applied to the Public Sector.

d) Private Finance Initiative (PFI) schemes:

As part of the Transforming Newcastle Hospitals (TNH) PFI scheme, the NHS Foundation Trust is required to pay the operator for lifecycle replacement assets. A judgement has been made that payment for these assets is accounted for in equal annual instalments over the period of the scheme, rather than when payments are made. This results in a prepayment for assets being established in the early years of the scheme, which is used in later years when the asset replacement occurs.

As part of a negotiated settlement with the PFI provider the final stage of the TNH scheme has now been excluded from the agreement with regard to completion, service charge and lifecycle payments. The capital element continues to be repayable over the remaining life of the agreement.

e) Valuation of land and buildings:

The directors have made the assumption that the NHS Foundation Trust's PFI and relevant exchequer buildings should be valued exclusive of VAT. This is based on the assumption that any new provision of these buildings would be procured via a special purpose vehicle or via a PFI/PF2 route attracting VAT exemption. The directors have also assumed that the NHS Foundation Trust would provide services from a single site if the opportunity arose as a single site would provide advantages for patient care. Therefore the district valuer was instructed to prepare a valuation of the NHS Foundation Trust's land and buildings at 31 March 2018 which excludes VAT on relevant buildings and uses a single site approach.

1.2 Consolidation and investments in subsidiaries and joint ventures

1.2.1 Charitable Fund

The NHS Foundation Trust is the corporate trustee to the Newcastle Upon Tyne Hospitals NHS charitable fund. The NHS Foundation Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the NHS Foundation Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.2.1 Charitable Fund (continued)

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

 - recognise and measure them in accordance with the NHS Foundation Trust's accounting policies; and

 - eliminate intra-group transactions, balances, gains and losses.

With effect from 1 April 2016 the NHS Foundation Trust was appointed as Trustee of charitable funds formerly held on behalf of the NHS Foundation Trust by Newcastle Healthcare Charity (Reg. 502473) under a scheme formally approved by the Charity Commission for England & Wales on 21 March 2016. The funds were subsequently merged under the umbrella of the NHS Foundation Trust's appointed charitable body, Newcastle upon Tyne Hospitals NHS Charity (Reg. 1057213) and form part of that Charity's and therefore also the NHS Foundation Trust Group accounts for the years ended 31 March 2017 onwards.

1.2.2 Other investments in subsidiaries and joint ventures

Subsidiary entities are those over which the NHS Foundation Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Joint ventures are arrangements in which the NHS Foundation Trust has joint control with one or more other parties, and where it has the rights to the net assets of the arrangement.

The NHS Foundation Trust consolidates the results of investments in subsidiaries and joint ventures where results are material to the NHS Foundation Trust's financial position. The consolidated accounts do not incorporate the results of the additional subsidiaries and joint ventures detailed in Note 13 on the grounds of immateriality to the Group. As a consequence the investments in subsidiaries and joint ventures are stated at cost less impairment losses.

1.3 Income

Income in respect of services provided is recognised when, and to the extent that performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the NHS Foundation Trust is contracts with commissioners in respect of healthcare services.

The NHS Foundation Trust follows the Department of Health and Social Care's Payment by Results (PbR) methodology in the form of its main contracts with NHS commissioners. Other contracts particularly those for specialised services, those with local authorities in respect of Public Health services and CCGs in respect of Community services are agreed predominantly on a block (fixed price) basis.

For partially completed patient spells, which commenced prior to the financial year end and for which the date of discharge is not known, the income relating to the activity is accrued. The accrued income is estimated based on the length of stay in the financial year multiplied by a standard income per day differentiated by speciality.

For patient income where the spell has been completed at the year end but not invoiced, an accrual is calculated based on the relevant price by activity.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

Income in respect of the NHS Injury Compensation Scheme is recognised in accordance with standard guidance, when the NHS Foundation Trust receives confirmation from the Compensation Recovery Unit that a patient has lodged a claim.

Research and development income is recognised when the conditions attached to the grant or payment are met.

Education and training income is recognised either in equal instalments over the financial year or if the income can be identified with specific expenditure, in line with this expenditure.

1.4 Expenditure on goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

1.5 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the NHS Foundation 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 NHS Foundation Trust and where the cost of the asset can be measured reliably.

Notes to the Accounts (continued)

1   Accounting policies and other information (continued)

1.5   Intangible assets (continued)

Internally generated intangible assets

Expenditure on research is not capitalised, it is written off to the Statement of Comprehensive Income in the period to which it relates.

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 NHS Foundation Trust intends to complete the asset and sell or use it;

- The NHS Foundation 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 NHS Foundation Trust to complete the development and sell or use the asset; and

- The NHS Foundation 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 and software licences, is capitalised as an intangible asset when expenditure of at least £5,000 is incurred.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluation gains and losses and impairments are treated in the same manner as for property, plant and equipment. (See 1.6 below). An intangible asset which is surplus with no plan to bring it back into use is valued at fair value under IFRS13, if it does not meet the requirement of IAS 40 or IFRS 5.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits, normally between 5-10 years.

Intangible assets under development are not amortised.

1.6   Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if it is capable of being used for a period which exceeds one financial year, it is probable that future economic benefits will flow to, or service potential be supplied to the NHS Foundation Trust, the cost of the item can be measured reliably and it is held for use in delivering services or for administrative purposes.

Also the assets:

a)   individually have a cost of at least £5,000; or

b)   form a group of assets which collectively have a cost of at least £5,000, and individually have a cost of more than £250, where the assets are functionally interdependent, they have broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or

c)   form part of the initial setting-up cost of a new building, or refurbishment of a ward or unit, and their individual cost exceeds £250.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Measurement

Valuation

All property, plant and equipment is measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Property assets are measured subsequently at valuation, plant and equipment is not revalued.

Property, plant and equipment (excluding specialised land and buildings) - On initial recognition these items are measured at cost, including any costs, such as installation, directly attributable to bringing them into working condition. Subsequently they are measured at fair value which is the lower of replacement cost and recoverable amount. Any costs arising from financing the construction of the property, plant and equipment are not capitalised but are charged to the Statement of Comprehensive Income in the year to which they relate. Non-specialised operational buildings are valued on a current value in existing use basis.

Notes to the Accounts (continued)

1   Accounting policies and other information (continued)

1.6   Property, plant and equipment (continued)

Valuation (continued)

Specialised land and buildings - Specialised operational buildings are measured on a modern equivalent asset basis. The NHS Foundation Trust adopts an 'optimal build' valuation and a 'single site approach'. These approaches recognise any efficiencies that could be obtained if the buildings were to be rebuilt on a single site, whilst allowing for the current level of service provision to be maintained. The valuation of all specialised buildings excludes VAT. For non-operational buildings, including surplus land, the valuations are carried out at open market value.

All land and buildings are valued on a frequent basis to ensure that the fair value is not materially misstated. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual. The latest asset valuation exercise concluded as at 31 March 2018 when the District Valuer prepared an updated valuation.

Property in the course of construction is carried at cost. Cost includes professional fees but not borrowing costs, which are recognised as an expense immediately, as allowed by IAS 23 for assets held at fair value. Property in the course of construction once brought into use is valued by professional valuers as part of the standard valuation process.

An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS13, if it does not meet the requirements of IAS 40 or IFRS 5.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition. The carrying amount of the part replaced is derecognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where and to the extent that they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss are reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'Held for sale' once 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; and

• 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, 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 disposed of 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 derecognised when disposal or demolition occurs.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.6 Property, plant and equipment (continued)

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits which is normally on a straight line basis. The useful economic lives and hence depreciation rates for equipment assets are determined by staff within the Medical Electronics department. Freehold land is considered to have an infinite life and is not depreciated.

Property in the course of construction and payments on account are not depreciated until the property is brought into use. Property, plant and equipment reclassified as 'Held for sale' ceases to be depreciated upon reclassification.

Buildings, installations and fittings are depreciated on their modern equivalent asset value over their estimated accountancy based lives. Accountancy based lives differ from the remaining life of the asset as assessed by the NHS Foundation Trust's professional valuers. The impact is to increase the asset life of building components and therefore reduce annual depreciation. The accountancy based approach to asset lives was agreed by the NHS Foundation Trust's Board prior to implementation on the basis it provides a more realistic representation of the remaining useful life of the NHS Foundation Trust's buildings.

Equipment is depreciated on fair value evenly over the estimated life of the asset. Useful economic lives reflect the total life of an asset and not the remaining life of an asset.

- Land - Not depreciated

- Buildings - 4 years - 90 years

- Dwellings - 31 years - 39 years

- Assets under construction - Not depreciated

- Plant and machinery - 5 years - 10 years

- Transport equipment - 3 years - 10 years

- Information technology - 5 years - 10 years

- Furniture and fittings - 5 years - 10 years

Donated, government grant and other grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation or grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation or grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

1.7 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 government grant is used to fund revenue expenditure the grant is taken to the Statement of Comprehensive Income to match that expenditure.

1.8 Private Finance Initiative (PFI) transactions

HM Treasury has determined that the NHS Foundation Trust shall account for infrastructure PFI schemes where the NHS Foundation Trust controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12, Service Concession Agreements. The NHS Foundation Trust therefore recognises PFI assets as items of property, plant and equipment together with the liability to pay for them. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

a) payment for the fair value of services received;

b) payment for the PFI asset, including finance costs;

c) payment for the replacement of components of the asset during the contract (lifecycle replacement).

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'. Finance interest and contingent rent in relation to services received are recorded under 'Finance expense - financial liabilities' in the Statement of Comprehensive Income.

PFI asset

The PFI assets are recognised as property, plant and equipment when the unitary payment becomes payable. The assets are measured at fair value which is kept up to date in accordance with the NHS Foundation Trust's approach for each relevant class of asset in accordance with the principles of IAS 16, Property, Plant and Equipment.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.8 Private Finance Initiative (PFI) transactions (continued)

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17, Leases.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the lease liability for the year, and is charged to 'Finance costs' within the Statement of Comprehensive Income.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase which is due to inflation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as contingent finance cost within the Statement of Comprehensive Income.

Lifecycle replacement

An amount is set aside from the unitary payment each year into a lifecycle replacement prepayment to reflect the fact that the NHS Foundation Trust is effectively pre-funding some elements of future lifecycle replacement by the PFI operator.

When the operator replaces a capital asset, the fair value of this replacement item is recognised as property, plant and equipment.

Where the item was planned for replacement and therefore its value is being funded through the unitary payment, the lifecycle prepayment is reduced by the amount of the fair value.

The prepayment is reviewed annually to ensure that its carrying amount will be realised through future lifecycle components to be provided by the operator. Any unrecoverable balance is written out of the prepayment and charged to operating expenses.

Where the lifecycle item was not planned for replacement during the contract it is effectively being provided free of charge to the NHS Foundation Trust. A deferred income balance is therefore recognised instead and this is released to operating income over the life of the replacement component.

Other assets contributed by the NHS Foundation Trust to the operator

Assets contributed (e.g. cash payments) by the NHS Foundation Trust to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the NHS Foundation Trust, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

1.9 Non-current assets held for sale

The NHS Foundation Trust has no current assets held for sale.

1.10 The NHS Foundation Trust as a lessee

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 commencement of the lease. Thereafter the asset is accounted for as an item of property, plant and equipment. The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to finance costs in the Statement of Comprehensive Income. The lease liability is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Other leases are regarded as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Leases of land and buildings

Where a lease is for land and buildings, the land and building components are separated and the classification for each is assessed separately.

1.11 The NHS Foundation Trust as a lessor

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term. Assets leased to others are accounted for in accordance with the accounting policy for property, plant and equipment.

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value, by reference to supplier information on a first-in first-out basis. This is considered to be a reasonable approximation to fair value due to the high turnover of inventory. The de minimis level for inventory items is £100.

Provision is made for obsolete and defective stock whenever evidence exists that a provision is required.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. Cash and bank balances are recorded at the current values of these balances in the NHS Foundation Trust's cash book. Interest earned on bank accounts is recorded as 'finance income' in the year to which it relates. Bank charges are recorded as operating expenditure in the years to which they relate.

As the NHS Foundation Trust has no bank overdrafts there is no difference between the amount disclosed as cash and cash equivalents in the Statement of Financial Position and in the Statement of Cash Flows.

1.14 Provisions

The NHS Foundation Trust recognises a provision where it has a present legal obligation or constructive obligation of uncertain timing or amount, for which it is probable that there will be a future outflow of cash or other resources, and where a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's short term discount rate of minus 2.42% (2016/17 minus 2.70%) in real terms, except for early retirement provisions and injury benefit provisions which both use the HM Treasury's pension discount rate of 0.10% (2016/17 0.24%) in real terms.

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the NHS Foundation Trust pays an annual contribution to NHS Resolution which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the NHS Foundation Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the NHS Foundation Trust is disclosed in Note 22 but is not recognised in the NHS Foundation Trust's accounts.

Annual premiums under the scheme are charged to operating expenses and provision is made for the 'excess' payable on a case when the liability arises.

Non-clinical risk pooling

The NHS Foundation Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the NHS Foundation Trust pays an annual contribution to NHS Resolution and, in return, receives assistance with the costs of claims arising. The annual membership contributions, and any 'excesses' payable in respect of specific claims, are charged to operating expenses as and when the liability arises.

Other provisions

Other provisions relate predominantly to building works resulting from on-going developments. The provision and amount is recognised and determined following professional advice from independent qualified property surveyors. The timing of payments is dependent on work programme estimates.

1.15 Contingencies

Contingent liabilities are not recognised in the accounts but are disclosed in Note 26, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

a) Possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events, not wholly within the NHS Foundation Trust's control; or

b) Present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise, or for which the amount of the obligation cannot be measured with sufficient reliability.

The NHS Foundation Trust has no contingent assets to disclose.

1.16 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 accounts to the extent that employees are permitted to carry forward leave into the following period.

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme (the scheme). The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed in a way that would enable the NHS Foundation Trust to identify its share of the underlying scheme liabilities. Therefore the scheme is accounted for as if it were a defined contribution scheme.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the NHS Foundation Trust commits itself to the retirement, regardless of the method of payment.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.17 Value Added Tax (VAT)

Most of the activities of the NHS Foundation Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.18 Corporation tax

NHS Foundation Trusts are exempt from corporation tax on their principal health care income under section 519A Income and Corporation Taxes Act 1988. The NHS Foundation Trust does not have any corporation tax liability in the current or prior year.

1.19 Foreign exchange

The functional and presentational currency of the NHS Foundation Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

The NHS Foundation Trust has no monetary assets or liabilities denominated in a foreign currency at the Statement of Financial Position date.

1.20 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 in Note 30 to the accounts in accordance with the requirements of the HM Treasury Financial Reporting Manual.

1.21 Public Dividend Capital and Public Dividend Capital - Dividend

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS Trust. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from the NHS Foundation Trust. PDC is recorded at the value received.

A charge reflecting the cost of capital utilised by the NHS Foundation Trust is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the NHS Foundation Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for (i) donated assets, (ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, (iii) any PDC dividend balance receivable or payable and (iv) any incentive or bonus Sustainability and Transformation Fund (STF) funding receivable . In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the 'pre-audit' version of the annual accounts. The dividend thus calculated is not revised should any adjustments to net assets occur as a result of the audit of the annual accounts. However any movement in net assets would be reflected in the calculation for the following year.

1.22 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 general payments. They are divided into different categories, which govern the way that individual cases are handled.

Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis, (excluding any provisions in relation to such payments), including losses which would have been made good through insurance cover had NHS Foundation Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accruals basis with the exception of provisions for future losses.

1.23 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 NHS Foundation 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 above.

All other financial assets and financial liabilities are recognised when the NHS Foundation Trust becomes a party to the contractual provisions of the instrument.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the NHS Foundation Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement

Financial assets are categorised as loans and receivables and available for sale financial assets. Financial liabilities are classified as other financial liabilities.

1 Accounting policies and other information (continued)

1.23 Financial instruments and financial liabilities (continued)

Loans and receivables

The NHS Foundation Trust's loans and receivables comprise cash and cash equivalents, trade and other receivables and accrued income.

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. Loans from the Department of Health and Social Care are not held for trading and are measured at historic cost with any unpaid interest accrued separately. They are included in non-current and current assets.

Available for sale financial assets

Available-for-sale financial assets are non-derivative financial assets which are either designated in this category or not classified in any of the other categories. They are included in long-term assets unless the NHS Foundation Trust intends to dispose of them within 12 months of the Statement of Financial Position date.

Available-for-sale financial assets are recognised initially at fair value, including transaction costs, and measured subsequently at fair value, with gains or losses recognised in reserves and reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'. When items classified as 'available-for-sale' are sold or impaired, the accumulated fair value adjustments recognised are transferred from reserves and recognised in 'finance costs' in the Statement of Comprehensive Income.

Other financial liabilities

The NHS Foundation Trust's other financial liabilities comprise trade and other payables, other liabilities, PFI obligations, other borrowings and provisions under contract.

All other financial liabilities are recognised initially at cost, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest rate method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as non-current liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest rate method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value

The NHS Foundation Trust considers that all of its financial assets which are designated as 'loans and receivables' and all of its financial liabilities are included at cost. The fair value of these financial assets and liabilities is considered to be approximately the same as the carrying value. The 'available for sale financial assets' are included at market value, the value of which are determined by the portfolio manager by reference to relevant share prices at the year end date.

Impairment of financial assets

At the Statement of Financial Position date, the NHS Foundation Trust assesses whether any financial assets are impaired. Financial assets are impaired and impairment losses are recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

An asset's carrying value is either written down or a provision made on a judgement basis, based upon past experience. Once it has been established that an amount provided for will not be recovered, this amount is written off against the carrying amount of the financial asset.

1.24 Trade payables

Trade payables are initially recognised at fair value and subsequently at amortised cost using the effective interest rate method.

1.25 Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the NHS Foundation Trust will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delay in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Income within operating expenses. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Comprehensive Income.

1.26 Carbon Reduction Commitment (CRC) scheme

The CRC scheme is a mandatory cap and trade scheme for non-transport CO_2 emissions. The NHS Foundation Trust is registered with the CRC scheme and is therefore required to surrender to the Government an allowance for every tonne of CO_2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO_2 emissions are made. Participation in this scheme is mandatory based on the consumption of electricity by the NHS Foundation Trust in the 2010/11 footprint year. The cost of the CRC scheme for 2017/18 is £15k (2016/17 £184k).

Notes to the Accounts (continued)

1   Accounting policies and other information (continued)

1.26   Carbon Reduction Commitment (CRC) scheme (continued)

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

1.27   Accounting standards that have been issued but have not yet been adopted

The GAM does not require the following Standards and Interpretations to be applied in 2017/18. These standards are still subject to HM Treasury FReM adoption, with IFRS 9 and IFRS 15 being for implementation in 2018/19 and the government implementation date for IFRS 16 still subject to HM Treasury consideration.

IFRS 9 Financial Instruments - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 15 Revenue from Contracts with Customers - Application required for accounting periods beginning on or after 1 January 2018, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 16 Leases - Application required for accounting periods beginning on or after 1 January 2019, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRS 17 Insurance Contracts - Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

IFRIC22 Foreign Currency Transactions and Advance Consideration - Application required for accounting periods beginning on or after 1 January 2018.

IFRIC23 Uncertainty over Income Tax Treatments - Application required for accounting periods beginning on or after 1 January 2019.

No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue. The NHS Foundation Trust is required to adopt IFRS 15 Revenue from contracts with customers from 1 January 2018 however the standard has not as yet been adopted by the FReM.

The NHS Foundation Trust has assessed the estimated impact that the initial application of IFRS 15 will have on its consolidated financial statements and anticipates no material effect.

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is mandatory for reporting periods commencing on or after 1 January 2018. However IFRS 9 has not yet been adopted by the FReM. Provided here is an explanation of the likely effect of its adoption on the financial statements.

In summary, whilst there will be changes in disclosure, there are not expected to be any material changes in the quantification or measurement of financial assets or financial liabilities.

Financial assets

These financial statements have been prepared using IAS 39 financial instruments. IAS 39 classifies financial assets into classes according to their nature i.e. loans and receivables, held to maturity or available for sale. IFRS 9, by contrast, classifies assets according to the business model for their realisation, as determined by the expected contractual cashflows.

This classification determines the accounting treatment, and the new classification under IFRS 9 is by reference to the accounting treatment i.e. amortised cost, fair value through other comprehensive income or fair value through profit and loss.

Impairment of financial assets

IAS 39 adopts an incurred loss approach for measuring impairment while IFRS 9 adopts an expected credit loss approach (ECL). The IAS 39 incurred loss approach relied on a credit event occurring (an actual loss or a debt past a number of days due) before an impairment could be recognised.

The *IFRS 9* approach does not require a credit event to occur but is based on changes in expectations of credit losses. IFRS 9 also requires that impairment of financial assets be shown as a separate line item in either the statement of comprehensive income or the income statement.

Under *IAS 39* the NHS Foundation Trust records the impairment of its financial assets (trade and other receivables) within operating expenses.

Financial liabilities

IFRS 9 largely retains the classification requirements of IAS 39 so there are not expected to be any material differences.

The NHS Foundation Trust has assessed the estimated impact that the initial application of IFRS 9 will have on its consolidated financial statements and anticipates no material effect.

Notes to the Accounts (continued)

1 Accounting policies and other information (continued)

1.28 Exceptional items

Exceptional items are those items which are considered to be both material and for which separate disclosure in the accounts provides further understanding of the NHS Foundation Trust's results.

Exceptional items reported relate to i) movements on property, plant and equipment values as a result of revaluations due to market price changes and impairments due to a reduction in anticipated economic benefit when buildings are declared surplus, ii) impairment of non current assets held for sale to their fair value and iii) impairment of financial assets which are not supported by the underlying net assets of the investment.

A full valuation (including building inspections) of the NHS Foundation Trust's estate was carried out as at 31 March 2018 by a qualified valuer within the Valuation Office Agency.

The revaluation in year resulted in a net increase in land and building values of £10,085k. Of this increase a net £2,742k was credited to income and expenditure representing a reversal of prior year impairments and £7,343k was credited directly to the revaluation reserve representing the remaining increase in asset values. The £10,085k increase in asset values is deemed to not be material and therefore the impact has not been disclosed separately within the Group and NHS Foundation Trust's Statements of Comprehensive Income as exceptional items. Prior year reporting remains unchanged.

1.29 Sustainability and transformation fund (STF) receipts and control total

The NHS Foundation Trust receives contributions from the sustainability and transformation fund subject to the delivery of agreed financial and operational performance. These amounts are credited to income in the year in which they are earned. In the year 2017/18 the NHS Foundation Trust earned £13,876k (2016/17 £6,623k). Detail is noted below:

During 2017/18 the Group and NHS Foundation Trust earned the following STF monies:

	2017/18 £000	2016/17 £000
Core award	6,300	4,850
Incentive bonus - over achievement of control total	93	554
Bonus STF	1,561	1,219
General distribution	5,922	0
Total STF receivable	**13,876**	6,623

	2017/18 £000	2016/17 £000
Reconciliation to control total		
Surplus/(deficit) for the year (SOCI Trust)	**11,263**	(36,751)
Less/Add: Reversal of impairments/impairments	**(2,742)**	50,240
Add: Loss on asset disposals (2016/17 only)	**0**	104
Less: STF monies receivable	**(13,876)**	(6,623)
Add: Donated asset depreciation	**1,405**	1,540
Less: Donated income received for asset purchases	**(457)**	(893)
Underlying result	**(4,407)**	7,617
Plan control total	**(4,500)**	7,500
Underlying result plus STF funding	**9,469**	14,240

Notes to the Accounts (continued)

2   Segmental Analysis

The NHS Foundation Trust has determined that the Chief Operating Decision Maker is the Board of Directors, on the basis that all strategic decisions are made by the Board. Segmental information is not provided to the Board of Directors and therefore it has been determined that there is only one business segment, that of Healthcare.

The NHS Foundation Trust conducts the majority of its business with Health Bodies in England. Transactions with entities in Scotland, Ireland and Wales are conducted in the same manner as those within England. The NHS Foundation Trust generates its income predominantly from the provision of secondary care services.

Organisations that contributed 5% or more of the NHS Foundation Trust's operating income in either year are set out in the table below. Further information can be found in Note 27, Related Party Transactions. Operating income used in the calculation is before the impact of impairments and consolidation.

	2017/18 %	2016/17 %
NHS England	41	39
NHS Newcastle Gateshead CCG	25	24
NHS Northumberland CCG	6	6
NHS North Tyneside CCG	6	6
Health Education England	5	6

The following is an analysis of the financial information provided to the Board of Directors in relation to the years ended 31 March 2018 and 31 March 2017.

	2017/18 £000	2016/17 £000
Operating income (within EBITDA)	1,042,571	1,032,461
Operating expenses (within EBITDA)	(983,887)	(961,989)
Earnings before interest, tax, depreciation and amortisation (EBITDA)	58,684	70,472
Operating expenses (outside EBITDA)	(19,733)	(27,363)
Non-operating income	798	1,195
Non-operating expenditure	(31,228)	(30,815)
Surplus for the year excluding reversal of impairments/(impairments)	8,521	13,489
Net reversal of impairments/(impairments)	2,742	(50,240)
Surplus/(deficit) for the year after reversal of impairments/(impairments)	11,263	(36,751)

Differences between the amounts presented to the Board in May 2018 and those included within these accounts are purely presentational.

The figures presented to the Board of Directors do not include those of the Newcastle upon Tyne Hospitals NHS Charity.

Notes to the Accounts (continued)

3   Operating income

3.1   Income from activities by nature

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
Acute Trusts		
Elective income	**168,681**	169,747
Non elective income	**166,727**	150,602
First outpatient income	**75,376**	69,708
Follow up outpatient income	**51,375**	58,403
A & E income	**16,336**	14,765
High cost drugs income from commissioners	**127,285**	115,602
Other NHS clinical income *	**235,124**	248,550
	840,904	827,377
Community Trusts		
Income from CCGs and NHS England	**34,011**	34,390
Income from other sources	**10,767**	11,980
	44,778	46,370
All Services		
Private patient income	**3,882**	3,498
Other clinical income **	**8,964**	3,619
	12,846	7,117
	898,528	880,864
Of which:		
Income from Commissioner Requested services	**880,455**	865,230
Income from Non-Commissioner Requested services ***	**18,073**	15,634
	898,528	880,864

The NHS Foundation Trust's Terms of Authorisation set out the mandatory goods and services that the NHS Foundation Trust is required to provide. All of the income from activities shown above, excluding private patient income and other clinical income, is derived from the provision of mandatory services.

*   Other NHS clinical income consists primarily of income received outside of the 'Payment by Results' payment mechanism, e.g., specialised services activity, services unbundled from tariff and income for drugs and devices.

**   Other clinical income comprises non-protected clinical income and relates to the NHS Injury Compensation Scheme and overseas patients.

***   Non-Commissioner Requested services includes overseas patient income, private patient income, income from Scottish, Welsh and Irish Health bodies and NHS Injury Scheme income.

3.2   Income from activities by source

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
NHS Foundation Trusts	**4,807**	4,166
NHS Trusts	**153**	154
CCGs and NHS England	**859,563**	843,309
Local Authorities	**11,197**	12,933
Department of Health Other	**48**	28
NHS Other	**4,687**	4,640
Non NHS (including non-English NHS):		
- Private patients	**3,882**	3,498
- Overseas patients (chargeable to patient)	**272**	287
- NHS Injury Scheme *	**3,493**	3,332
- Other **	**10,426**	8,517
	898,528	880,864

All income relates to continuing operations

*   NHS Injury Compensation Scheme income is subject to a provision for impaired receivables to reflect expected rates of collection. The provision is based on the value of receivables not recovered in previous years which is assessed at 22.94% (2016/17 21.99%). Any movement in year is adjusted against the receivable balance in the Statement of Financial Position.

**   Non-NHS other income relates primarily to healthcare activity income from Scottish, Welsh and Irish health bodies.

Notes to the Accounts (continued)

3 Operating income (continued)

3.3 Income from overseas visitors

	2017/18 £000	2016/17 £000
Income recognised in the year	272	287
Cash payments received in-year (relating to invoices raised in the current and previous years)	203	62
Amounts added to the provision for impairment of receivables (relating to invoices raised in the current and prior years)	215	279
Amounts written off in-year (relating to invoices raised in the current and previous years)	143	81

4 Other operating income

	GROUP		NHS FOUNDATION TRUST	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Research and development	32,829	35,297	32,829	35,297
Education and training	55,373	58,018	55,373	58,018
Cash donations for the purchase of capital assets - received from NHS charities	0	0	248	530
Received from other bodies - cash donations for capital expenditure	209	363	209	363
Non-patient care services to other bodies *	13,738	13,019	13,738	13,019
Sustainability and Transformation Fund income	13,876	6,623	13,876	6,623
Rental income from operating leases	736	832	736	832
Income in respect of staff costs where accounted on gross basis	0	25	0	25
Education and training - notional income from apprenticeship fund	25	0	25	0
Other income **	27,466	37,783	27,466	37,783
NHS Charitable funds income	3,875	19,285	0	0
	148,127	171,245	144,500	152,490

*   Non-patient care services to other bodies includes the hosting of Northern Medical Physics and Clinical Engineering (NMPCE) (formerly known as Regional Medical Physics Department (RMPD) Services) and Regional Drugs and Therapeutics Services.

** Other income includes Department of Health and Social Care funding for clinical excellence awards, clinical test income, property utilities income and catering and nursery income.

4.1 Fees and charges

The Group and NHS Foundation Trust had no schemes which individually had a cost exceeding £1,000k in the current or preceding year.

4.2 Operating lease income

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
Building rental recognised in other income	736	832
Future minimum lease payments due		
- not later than one year	562	817
- later than one year and not later than five years	885	1,441
- later than five years	97	181
	1,544	2,439

The NHS Foundation Trust acts as lessor of certain buildings and office accommodation, principally for healthcare purposes.

5   Operating Expenses

5.1   Operating expenses comprise:

	GROUP		NHS FOUNDATION TRUST	
	2017/18 **£000**	2016/17 £000	**2017/18** **£000**	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	**8,366**	8,062	**8,366**	8,062
Purchase of healthcare from non NHS bodies	**8,105**	12,352	**8,105**	12,352
Employee expenses - non-executive directors	**171**	178	**171**	178
Employee expenses - staff and executive directors	**564,637**	549,462	**564,637**	549,462
Supplies and services - clinical (excluding drugs costs)	**109,434**	120,148	**109,434**	120,148
Supplies and services - general	**12,537**	12,394	**12,537**	12,394
Establishment	**4,874**	5,497	**4,874**	5,497
Research and development - staff costs	**17,830**	19,227	**17,830**	19,227
Research and development - non staff costs	**13,450**	14,189	**13,450**	14,189
Transport - other	**4,497**	4,417	**4,497**	4,417
Transport - business	**1,989**	1,871	**1,989**	1,871
Premises - business rates payable to Local Authorities	**4,794**	6,059	**4,794**	6,059
Premises - other	**37,171**	37,447	**37,171**	37,447
Increase in provision for impairment of receivables	**2,029**	3,734	**2,029**	3,734
Provisions arising /(released) in year	**65**	(4,199)	**65**	(4,199)
Change in provisions - discount rate	**48**	437	**48**	437
Inventories written down (net, including inventory drugs)	**392**	251	**392**	251
Charges to operating expenditure for on-SoFP IFRIC 12 schemes on an IFRS basis - PFI schemes	**7,388**	6,831	**7,388**	6,831
Drugs inventories consumed	**166,610**	157,087	**166,610**	157,087
Rentals under operating leases - minimum lease payments	**2,648**	2,738	**2,648**	2,738
Amortisation on intangible assets (Note 11)	**856**	873	**856**	873
Depreciation on property, plant and equipment (Note 12)	**18,878**	26,491	**18,878**	26,491
NHS charitable funds: Depreciation and amortisation on charitable fund assets (Note 12)	**22**	22	**0**	0
Net reversal of impairments of property, plant and equipment * (Note 12)	**(2,742)**	50,240	**(2,742)**	50,240
External audit fees - Statutory audit	**63**	63	**63**	63
External audit fees - Other auditors' remuneration	**10**	35	**10**	35
External audit fees - Charitable Fund accounts	**10**	14	**0**	0
Clinical negligence - amounts payable to NHS Resolution (premium)	**13,540**	9,671	**13,540**	9,671
Internal audit costs not included within employee expenses	**220**	217	**220**	217
Legal fees	**374**	1,305	**374**	1,305
Consultancy costs	**269**	491	**269**	491
Education and training - non-staff	**1,318**	1,885	**1,318**	1,885
Education and training - notional expenditure funded from apprenticeship fund	**25**	0	**25**	0
Hospitality	**0**	16	**0**	16
Insurance	**533**	560	**533**	560
Losses ex-gratia and special payments	**50**	35	**50**	35
Redundancy costs - non-staff	**151**	0	**151**	0
NHS Charitable fund - other resources expended	**2,743**	2,256	**0**	0
Other**	**345**	(10,035)	**345**	(10,035)
	1,003,700	1,042,321	**1,000,925**	1,040,029

*   Net impairments total £2,742k credit (2016/17 £50,240k charge). In the prior year the net impairment charge of £50,240k is disclosed as an exceptional item within the statement of comprehensive income. In 2017/18 the net reversal of impairments of £2,742k credit is not considered to be exceptional. Non exceptional operating expenses total £1,003,700k (2016/17 £ 992,081k).

**   The 'other' figure for 2016/17 includes credits for SOFP releases. These credits were not allocated to the relevant expense category.

Notes to the Accounts (continued)

5   Operating Expenses (continued)

5.2   Auditors' remuneration

To comply with technical advice, the amounts paid by the Newcastle Upon Tyne Hospitals NHS Foundation Trust for auditors' remuneration are disclosed excluding non recoverable VAT.

'Statutory audit' remuneration excludes the charge for the audit of the NHS Foundation Trust's Quality Report which is included within 'Other auditors' remuneration.'

'Other auditors' remuneration' of £10k (2016/17 £35k) was paid in the year for the audit of the NHS Foundation Trust's Quality Report.

Auditors remuneration of £4k was paid in 2017/18 for additional work carried out in relation to the 2016/17 statutory audit which was not included in the 2016/17 accounts. This expenditure is included within 'Other'.

The NHS Foundation Trust approved the principal terms of engagement with its auditors, PricewaterhouseCoopers LLP, on 23 April 2018, covering the period of PricewaterhouseCoopers LLP's engagement as auditors. The terms include a limitation on their liability to pay damages for losses arising as a direct result of breach of contract or negligence, of £1m.

5.3   Arrangements containing an operating lease:

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
Minimum lease rentals	2,648	2,738

	2017/18 £000 Buildings	2017/18 £000 Plant and machinery	2017/18 £000 Total	2016/17 £000 Buildings	2016/17 £000 Plant and machinery	2016/17 £000 Total
Future minimum lease payments due:						
- not later than one year	574	1,778	2,352	644	1,782	2,426
- later than one year and not later than five years	210	3,724	3,934	527	4,197	4,724
- later than five years	0	2,525	2,525	0	3,883	3,883
Total	**784**	**8,027**	**8,811**	1,171	9,862	11,033

The NHS Foundation Trust leases certain buildings and equipment under operating leases where financial assessment has provided evidence that leasing provides better value for money than outright purchase. Operating leases for buildings are predominantly for residential and office space. Significant equipment operating leases relate to managed service contracts, as detailed below:

Picture Archiving and Communication System (PACS)

The NHS Foundation Trust entered into a 10 year PACS contract with Carestream during 2015/16. The contract expires on 31 January 2026.

Laboratory managed equipment services contract

The NHS Foundation Trust entered into a managed services contract with Roche Diagnostics Limited from 1 April 2010 for a period of 10 years for laboratory services. The provision of the equipment under this contract has been assessed as an operating lease under the requirements of IAS 17, Leases.

Print managed service contract

The NHS Foundation Trust entered into a seven year print managed service contract with Xerox on 31 August 2012. The provision of the equipment under this contract has been assessed as an operating lease under the requirements of IAS 17, Leases.

Notes to the Accounts (continued)

5   Operating Expenses (continued)

5.4   Directors' remuneration and other benefits

The single total figure table, the total pension entitlement disclosures and the fair play multiple are included within the remuneration report.

	2017/18 £000	2016/17 £000
Executive directors' remuneration	804	851
Employer's contribution to pension	44	46
	848	897
Non-executive director's remuneration *	160	164
Total	1,008	1,061

The remuneration costs disclosed above exclude employer's national insurance contributions

The total number of directors accruing benefits under the NHS Pension Scheme	2	2

* Non-executive directors are not members of the NHS Pension Scheme.

Highest paid executive director		
Total remuneration	256	249

5.5.   Staff costs and numbers

5.5.1   Staff costs

GROUP and NHS FOUNDATION TRUST	Permanently employed		Other		Total	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Salaries and wages *	420,229	410,520	68,595	67,641	488,824	478,161
Social security costs	41,254	40,068	0	0	41,254	40,068
Apprenticeship levy	2,156	0	0	0	2,156	0
Pensions cost - Employer's contributions to NHS Pensions	53,796	52,690	0	0	53,796	52,690
Pensions cost - Other	43	32	0	0	43	32
Termination benefits	0	0	0	0	0	0
Agency and contract staff	0	0	3,822	4,613	3,822	4,613
Total gross staff costs	517,478	503,310	72,417	72,254	589,895	575,564
Recoveries from DHSC Group bodies in respect of staff cost netted off expenditure	(4,144)	(4,026)	0	0	(4,144)	(4,026)
Recoveries from Other bodies in respect of staff cost netted off expenditure	(3,093)	(2,735)	0	0	(3,093)	(2,735)
Total staff costs	510,241	496,549	72,417	72,254	582,658	568,803
included within:						
Costs capitalised as part of assets	191	114	0	0	191	114
Analysed into operating expenditure - Note 5.1						
Employee expenses - staff and executive directors	492,220	477,208	72,417	72,254	564,637	549,462
Research and development	17,830	19,227	0	0	17,830	19,227
Total employee benefits excluding capitalised costs	510,050	496,435	72,417	72,254	582,467	568,689

*   Included within salaries and wages is an amount of £34,250k (2016/17 £33,557k) relating to recharges from County Durham and Darlington NHS Foundation Trust, the host body for Junior Doctors in training.

Notes to the Accounts (continued)

5 Operating Expenses (continued)

5.5.2 Staff numbers

Staff numbers are included within the staff report section of the Annual Report.

5.5.3 Retirements due to ill-health

During 2017/18 there were 5 (2016/17 9) early retirements from the NHS Foundation Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £143k (2016/17 £445k).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions.

5.5.4 Reporting of other compensation packages

During 2017/18 there were 2 compulsory redundancies at a cost of £151k. (2016/17 No redundancies - £Nil). No special payments were made in the current or prior year.

Further details can be found within the staff report section of the Annual Report.

6 Better payment practice code

6.1 Better payment practice code - measure of compliance

GROUP and NHS FOUNDATION TRUST	2017/18 Number	2017/18 Value £000	2016/17 Number	2016/17 Value £000
Total Non-NHS trade invoices paid in the year	215,539	413,311	221,942	431,903
Total Non-NHS trade invoices paid within target	196,655	369,181	204,624	380,621
Percentage of Non-NHS trade invoices paid within target	**91%**	**89%**	92%	88%
Total NHS trade invoices paid in the year	5,637	117,247	6,627	108,560
Total NHS trade invoices paid within target	4,327	107,712	5,332	95,843
Percentage of NHS trade invoices paid within target	**77%**	**92%**	80%	88%

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

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

No payments were made under this legislation during the current or previous financial year.

7 Finance income

	GROUP 2017/18 £000	GROUP 2016/17 £000	NHS FOUNDATION TRUST 2017/18 £000	NHS FOUNDATION TRUST 2016/17 £000
Interest on bank accounts	332	291	332	291
Interest on loans and receivables	9	11	9	11
NHS Charitable funds - investment income	755	801	0	0
Total	**1,096**	1,103	**341**	302

8 Finance expense - financial liabilities

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
PFI - Main finance costs	15,872	14,173
PFI - Contingent finance costs	8,874	8,033
Capital loans from the Department of Health and Social Care	200	303
Total interest expense	**24,946**	22,509
Unwinding of discount on provisions	30	74
Total finance expense	**24,976**	22,583

Notes to the Accounts (continued)

9 PDC dividends payable

The NHS Foundation Trust is required to pay a dividend to the Department of Health and Social Care equal to 3.5% of the average of opening and closing net relevant assets for the year. As set out in the Foundation Trust Annual Reporting Manual, the calculation of the dividend excludes donated assets.

PDC dividend payable for the year is £6,131k (2016/17 £7,691k).

10 Impairments and gains/(losses) on disposal

10.1 Impairments of assets

GROUP and NHS FOUNDATION TRUST	2017/18 £000 Net impairments	2017/18 £000 Impairments	2017/18 £000 Reversals	2016/17 £000 Net impairments	2016/17 £000 Impairments	2016/17 £000 Reversals
Changes in market price and optimal site valuation	(2,742)	7,948	(10,690)	38,651	38,812	(161)
Other *	0	0	0	11,589	11,589	0
Total impairments (credited)/charged to operating surplus	**(2,742)**	**7,948**	**(10,690)**	50,240	50,401	(161)
Net impairments credited to the revaluation reserve	(7,343)	3,377	(10,720)	47,625	53,934	(6,309)
Total impairments	**(10,085)**	**11,325**	**(21,410)**	97,865	104,335	(6,470)

* Other impairments are due to loss of economic benefit from buildings declared surplus when activities have been transferred to other NHS Foundation Trust facilities.

10.2 Gains/(losses) on disposal/derecognition of assets

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
Gains on disposal of other property, plant and equipment	38	58
Losses on disposal of other property, plant and equipment	(112)	(162)
	(74)	(104)

Notes to the Accounts (continued)

11 Intangible Assets

	Software and software licences (purchased) £000	Assets under development £000	Total £000
Cost at 1 April 2017	**7,107**	**325**	**7,432**
Additions purchased	**296**	**1,257**	**1,553**
Reclassifications *	**363**	**(165)**	**198**
Disposals	**0**	**0**	**0**
Cost at 31 March 2018	**7,766**	**1,417**	**9,183**
Accumulated amortisation at 1 April 2017	**4,676**	**0**	**4,676**
Provided during the year	**856**	**0**	**856**
Disposals	**0**	**0**	**0**
Accumulated amortisation at 31 March 2018	**5,532**	**0**	**5,532**
Net book value			
Purchased	**2,234**	**1,417**	**3,651**
Donated	**0**	**0**	**0**
Total at 31 March 2018	**2,234**	**1,417**	**3,651**
Cost at 1 April 2016	6,787	92	6,879
Additions purchased	495	233	728
Reclassifications	(132)	0	(132)
Disposals	(43)	0	(43)
Cost at 31 March 2017	7,107	325	7,432
Accumulated amortisation at 1 April 2016	3,846	0	3,846
Provided during the year	873	0	873
Disposals	(43)	0	(43)
Accumulated amortisation at 31 March 2017	4,676	0	4,676
Net book value			
Purchased	2,431	325	2,756
Donated	0	0	0
Total at 31 March 2017	2,431	325	2,756

There is no difference between the Group and the NHS Foundation Trust's intangible assets.

The NHS Foundation Trust does not hold any donated or leased intangible assets (31 March 2017 £Nil) and has no intangibles funded by government grant (31 March 2017 £Nil).

Reclassifications*

Reclassifications relate to the transfer of software costs to information technology within note 12.

Revaluations

At the year end a review was carried out to determine if the fair value of intangible assets was still appropriately stated. No adjustment to fair value was deemed necessary.

Notes to the Accounts (continued)

12 Property, Plant and Equipment

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2017/18 Financial Year

GROUP

	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Charity assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2017	31,368	384,119	665	6,140	158,704	452	19,584	826	555	**602,413**
Additions purchased	0	4,050	0	8,936	7,558	30	91	0	0	**20,665**
Additions leased	0	0	0	0	0	0	0	0	0	**0**
Additions purchased from cash donations	0	0	0	0	436	0	21	0	0	**457**
Reclassifications	0	1,318	0	(5,761)	3,994	0	251	0	0	**(198)**
Impairments charged to operating expenses	0	(7,948)	0	0	0	0	0	0	0	**(7,948)**
Impairments charged to the revaluation reserve	(3,329)	(48)	0	0	0	0	0	0	0	**(3,377)**
Reversal of impairments credited to the revaluation reserve	24	10,642	54	0	0	0	0	0	0	**10,720**
Depreciation eliminated on revaluation	0	(7,877)	(19)	0	0	0	0	0	0	**(7,896)**
Reversal of impairments credited to operating expenses	0	10,690	0	0	0	0	0	0	0	**10,690**
Disposals	0	0	0	0	(7,853)	(166)	0	0	0	**(8,019)**
Cost or valuation at 31 March 2018	**28,063**	**394,946**	**700**	**9,315**	**162,839**	**316**	**19,947**	**826**	**555**	**617,507**
Accumulated Depreciation at 1 April 2017	0	365	0	0	109,737	385	16,160	779	22	**127,448**
Provided during the year	0	7,512	19	0	9,656	18	1,652	21	22	**18,900**
Depreciation eliminated on revaluation	0	(7,877)	(19)	0	0	0	0	0	0	**(7,896)**
Disposals	0	0	0	0	(7,723)	(166)	0	0	0	**(7,889)**
Accumulated Depreciation at 31 March 2018	**0**	**0**	**0**	**0**	**111,670**	**237**	**17,812**	**800**	**44**	**130,563**
Net book value As at 31 March 2018	**28,063**	**394,946**	**700**	**9,315**	**51,169**	**79**	**2,135**	**26**	**511**	**486,944**
Net book value As at 31 March 2017	31,368	383,754	665	6,140	48,967	67	3,424	47	533	**474,965**
Financing of property, plant and equipment										
Owned	28,063	202,328	700	9,315	46,450	79	1,928	23	511	**289,397**
PFI	0	183,292	0	0	0	0	0	0	0	**183,292**
Government granted	0	330	0	0	22	0	0	0	0	**352**
Donated	0	8,996	0	0	4,697	0	207	3	0	**13,903**
Total at 31 March 2018	**28,063**	**394,946**	**700**	**9,315**	**51,169**	**79**	**2,135**	**26**	**511**	**486,944**

12 Property, Plant and Equipment (continued)

Reclassifications

The reclassifications relate to transfers from assets under construction to other asset categories once the projects to which they relate to have been completed.

Impairments and revaluations

During 2017/18 the following took place which resulted in movements to the income and expenditure account, the revaluation reserve and the income and expenditure reserve.

a) A full valuation (including building inspections) of the NHS Foundation Trust's estate was carried out as at 31 March 2018 by a qualified valuer within the Valuation Office Agency. The resulting valuation was based on both national and regional Building Cost Indices. The district valuer was instructed, as in the prior year, to prepare the valuation on a single site basis. This recognises any efficiencies that could be obtained if the NHS Foundation Trust's buildings were to be rebuilt maintaining the current level of service provision on a single site. In addition the district valuer was instructed to prepare the valuation excluding VAT from the value of buildings acquired via PFI procurement methods and NHS Foundation Trust direct purchases. The valuation resulted in the following income and reserve movements:

Income and expenditure account

i) a £7,948k charge to operating expenditure relating to impairments in year.

ii) a £10,690k credit to operating expenditure reversing prior year impairments.

Revaluation reserve

i) a £3,377k charge to the revaluation reserve for impairments in year.

ii) a £10,720k credit to the revaluation reserve relating to an increase in asset values.

Depreciation

Depreciation eliminated on revaluation amounted to £7,896k.

The dwelling held by the Charitable Trust was not included within the NHS Foundation Trust's year end valuation exercise. This dwelling was valued under a separate exercise as at 31 March 2016 by Sanderson Weatherall, Chartered Surveyors. The property is valued every five years.

Donated assets

None of the assets donated during the financial year have had restrictions in use imposed upon them by the donor.

There is no difference between the cash donated and the fair value of the assets acquired.

Transfer to assets held for sale

The NHS Foundation Trust has no assets held for sale.

NHS FOUNDATION TRUST

The only differences between the Group property, plant and equipment and the NHS Foundation Trust property, plant and equipment is in the treatment of donated assets and the inclusion of the Charity's dwelling at a net book value of £511k.

For the NHS Foundation Trust this would result in a movement of £249k between additions purchased and additions donated and the removal of the Charitable dwelling. The overall net book value at 31 March 2018 is reduced by £511k to £486,433k. As a result the NHS Foundation Trust's property, plant and equipment note has not been included within the accounts.

12 Property, Plant and Equipment (continued)

12.1 Property, plant and equipment at the Statement of Financial Position date comprise the following elements:

2016/17 Financial Year

GROUP

	Land	Buildings	Dwellings	Assets under construction	Plant and Machinery	Transport Equipment	Information Technology	Furniture & fittings	Charity assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2016	57,569	452,924	1,090	3,422	154,877	414	20,774	853	0	**691,923**
Additions purchased	0	3,774	0	6,110	8,477	18	138	0	555	**19,072**
Additions leased	0	11,397	0	0	0	0	0	0	0	**11,397**
Additions purchased from cash donations	0	0	0	0	336	0	27	0	0	**363**
Reclassifications	0	2,798	0	(3,392)	55	20	651	0	0	**132**
Impairments charged to operating expenses	(9,988)	(40,087)	0	0	0	0	0	0	0	**(50,075)**
Impairments charged to the revaluation reserve	(21,647)	(32,287)	0	0	0	0	0	0	0	**(53,934)**
Reversal of impairments credited to the revaluation reserve	5,925	356	28	0	0	0	0	0	0	**6,309**
Depreciation eliminated on revaluation	0	(14,805)	(18)	0	0	0	0	0	0	**(14,823)**
Reversal of impairments credited to operating expenses	112	49	0	0	0	0	0	0	0	**161**
Transfers to assets held for sale	(603)	0	(435)	0	0	0	0	0	0	**(1,038)**
Disposals	0	0	0	0	(5,041)	0	(2,006)	(27)	0	**(7,074)**
Cost or valuation at 31 March 2017	**31,368**	**384,119**	**685**	**6,140**	**158,704**	**452**	**19,584**	**826**	**555**	**602,413**
Accumulated Depreciation at 1 April 2016	0	202	0	0	104,974	370	16,350	780	0	**122,676**
Provided during the year	0	14,968	28	0	9,646	15	1,811	23	22	**26,513**
Depreciation eliminated on revaluation	0	(14,805)	(18)	0	0	0	0	0	0	**(14,823)**
Transfers to assets held for sale	0	0	(10)	0	0	0	0	0	0	**(10)**
Disposals	0	0	0	0	(4,883)	0	(2,001)	(24)	0	**(6,908)**
Accumulated Depreciation at 31 March 2017	**0**	**365**	**0**	**0**	**109,737**	**385**	**16,160**	**779**	**22**	**127,448**
Net book value As at 31 March 2017	**31,368**	**383,754**	**665**	**6,140**	**48,967**	**67**	**3,424**	**47**	**533**	**474,965**
Net book value As at 31 March 2016	57,569	452,722	1,090	3,422	49,903	44	4,424	73	0	**569,247**
Financing of property, plant and equipment										
Owned	31,368	193,947	665	6,140	43,567	67	3,047	41	533	**279,375**
PFI	0	180,809	0	0	0	0	0	0	0	**180,809**
Government granted	0	354	0	0	41	0	0	0	0	**395**
Donated	0	8,644	0	0	5,359	0	377	6	0	**14,386**
Total at 31 March 2017	**31,368**	**383,754**	**665**	**6,140**	**48,967**	**67**	**3,424**	**47**	**533**	**474,965**

Notes to the Accounts (continued)

12 Property, Plant and Equipment (continued)

Reclassifications

The reclassifications relate to transfers from assets under construction to other asset categories once the projects to which they relate to have been completed.

Impairments and revaluations

During 2016/17 the following took place which resulted in movements to the income and expenditure account, the revaluation reserve and the income and expenditure reserve.

a) Phase 9 of the TNH PFI scheme was handed over in December 2016 at a value of £11,397k and the value immediately impaired. Phase 9 per the contract was valued at £13,397k however the NHS Foundation Trust estimated that £2,000k of works were still to be completed and, as a result of the negotiated settlement, responsibility for this work was transferred to the NHS Foundation Trust. This resulted in an impairment of £11,397k charged to operating expenses which was included within impairments charged to operating expenses of £50,075k. Phase 9 of the TNH scheme relates predominantly to demolitions and landscaping works.

b) A desktop update to the valuation of the NHS Foundation Trust's estate was also carried out as at 31 March 2017 by a qualified valuer within the Valuation Office Agency. The valuation was based on both national and regional Building Cost Indices. The District valuer was instructed to prepare the valuation on a single site basis. This recognises any efficiencies that could be obtained if the site were to be rebuilt maintaining the current level of service provision. In addition the District Valuer was instructed to remove VAT from the buildings acquired via PFI procurement methods and Trust direct purchases. This was carried out in line with guidance from the Department of Health and Social Care and in agreement with the NHS Foundation Trust's external auditors. The valuation resulted in the following income and reserve movements:

Income and expenditure account

i) an impairment charge of £50,075k; made up of £11,397k from a) above and £38,678k resulting from the revaluation;

ii) a £161k credit to operating expenditure as a reversal of prior year impairments;

Revaluation reserve

i) a £53,934k charge to the revaluation reserve for impairments in year;

ii) a £6,309k credit to the revaluation reserve relating to a reversal of prior years' impairments;

Depreciation

Depreciation eliminated on revaluation amounted to £14,823k.

The dwelling held by the Charitable Trust was not included within the NHS Foundation Trust's year end valuation exercise. This dwelling was valued under a separate exercise as at 31 March 2016 by Sanderson Weatherall, Chartered Surveyors. The property is valued every five years.

Donated assets

None of the assets donated during the financial year have had restrictions in use imposed upon them by the donor.

There is no difference between the cash donated and the fair value of the assets acquired.

Transfer to assets held for sale

During 2016/17 the NHS Foundation Trust placed on the open market property and land known as Grainger Park Road and Westville. Completion of the sale occurred during 2017/18.

NHS FOUNDATION TRUST

The only differences between the Group property, plant and equipment and the NHS Foundation Trust property, plant and equipment is in the treatment of donated assets and the inclusion of the Charity's dwelling at a net book value of £533k.

For the NHS Foundation Trust this would result in a movement of £530k between additions purchased and additions donated and the removal of the Charitable dwelling. The overall net book value at 31 March 2017 is reduced by £533k to £474,432k. As a result the NHS Foundation Trust's property, plant and equipment note has not been included within the accounts.

Notes to the Accounts (continued)

12 Property, Plant and Equipment (continued)

12.2 Assets held at open market value

Of the closing balance at 31 March 2018, £13,725k (2016/17 £16,045k) relates to land valued at open market value.

12.3 Analysis of assets held under PFI contracts

PFI assets	£000
Valuation at 1 April 2017	**181,173**
Additions	1,328
Revaluation - including depreciation eliminated	791
Valuation at 31 March 2018	**183,292**
Accumulated Depreciation at 1 April 2017	**364**
Provided during the year	3,516
Depreciation eliminated on revaluation	(3,880)
Accumulated Depreciation at 31 March 2018	**0**
Net book value at 31 March 2018	**183,292**
Valuation at 1 April 2016	210,838
Additions	12,767
Revaluation - including depreciation eliminated *	(42,432)
Valuation at 31 March 2017	**181,173**
Accumulated Depreciation at 1 April 2016	202
Provided during the year	7,040
Depreciation eliminated on revaluation	(6,878)
Accumulated Depreciation at 31 March 2017	**364**
Net book value at 31 March 2017	**180,809**

The PFI arrangements relate to the Transforming Newcastle Hospitals scheme and the Boiler Houses at the RVI and Freeman sites. See Note 21 for further information.

The PFI assets detailed above are included within the column headed 'Buildings excluding dwellings' in Note 12.1.

* The impairment in the prior year is a result of the NHS Foundation Trust adopting a single site approach to the valuation of relevant land and buildings. VAT is excluded from the valuation of the NHS Foundation Trust's PFI buildings in both the current and prior year.

13 Investments in Subsidiaries and Joint Ventures

GROUP AND NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
Cost and NBV at 1 April	**0**	193
Impairments in the year	**0**	(193)
Cost and NBV at 31 March	**0**	0

The investments relate to the shareholdings detailed below. The investments in companies which would qualify as subsidiaries have not been consolidated into the group accounts on the basis of immateriality. The results of the Newcastle upon Tyne Hospitals NHS Charity are consolidated.

The investments in subsidiaries and joint ventures are not supported by the underlying net assets of these companies and therefore the investments are impaired to £Nil (2016/17 £Nil).

Freeman Clinics Limited

The NHS Foundation Trust holds 100% (2016/17 100%) of the ordinary share capital of Freeman Clinics Limited, a company incorporated in the UK for the purpose of providing primary care services. The NHS Foundation Trust's investment is in ordinary shares at a cost of £80k which has previously been impaired to £Nil. The result after tax for the year 2017/18 is estimated at £Nil based on management accounts pro rated for twelve months (2016/17 profit £8k).

Notes to the Accounts (continued)

13 Investments in Subsidiaries and Joint Ventures (continued)

Pulse Diagnostics Limited

The NHS Foundation Trust holds 89% (2016/17 89%) of the total share capital of Pulse Diagnostics Limited (86% of the ordinary share capital and 93% of the preference share capital). The company is incorporated in the UK for the purpose of developing a method of measuring and analysing pulse wave data for application in early detection of Peripheral Vascular Disease. The NHS Foundation Trust's investment of £113k (2016/17 £113k) has previously been impaired. The company has not yet commenced trading.

Newgene Limited

The NHS Foundation Trust owns 55% of the £100 ordinary share capital of Newgene Limited, a company incorporated in the UK for the purpose of providing DNA diagnostics and rapid DNA sequencing services. The profit after tax for the year is estimated at £259k based on unaudited management accounts to 31 December 2017 pro rated for twelve months (2016/17 profit £251k). During the year the company made a loan repayment to the NHS Foundation Trust of £100k. The loan balance outstanding at 31 March 2018 amounts to £325k (2016/17 £425k).

Limbs Alive Limited

The NHS Foundation Trust owns 25% (2016/17 25%) of the ordinary share capital of Limbs Alive Limited, a company incorporated in the UK for the development of interactive software, primarily for the therapy of medical disorders in children, in particular for movement disorders such as stroke and cerebral palsy. The company is currently not trading.

Changing Health Limited

The NHS Foundation Trust owns 12.5% of the ordinary share capital of Changing Health Limited, a company incorporated in the UK to provide health education support services.

The NHS Foundation Trust also has a shareholding in the following dormant company:

Newcastle Healthcare Property Limited

The NHS Foundation Trust owns 100% of the £1 ordinary share capital of Newcastle Healthcare Property Limited, a company incorporated in the UK for general commercial activities. The company has not yet commenced trading.

The NHS Foundation Trust acts as Corporate Trustee for the Newcastle upon Tyne Hospitals NHS Charity the results of which are consolidated into the Group accounts.

14 Other investments

GROUP	2017/18 £000	2016/17 £000
Market value at 1 April	**24,900**	7,309
Acquisitions in year - other *	**0**	14,766
Movement in fair value of available for sale financial assets recognised in Other Comprehensive Income	**136**	2,825
Market value at 31 March	**25,036**	24,900

The 'other investments' are held within the Newcastle upon Tyne Hospitals NHS Charity. The NHS Foundation Trust does not hold any 'other investments'.

The Investments are held in a Common Deposit Fund or a Common Investment Fund and are administered on behalf of the Newcastle upon Tyne Hospitals NHS Charity by CCLA Investment Management Ltd. The investments include equities, property and cash. The equities comprise shareholdings in public companies with stock market quotations, however the portfolio manager refrains from direct investment in companies that derive a substantial amount of their profit from investment in tobacco.

* Acquisitions in 2016/17 include the transfer of funds from the former Newcastle Healthcare Charity. Further detail can be found in note 1.2.1.

Notes to the Accounts (continued)

15 Inventories

GROUP	2017/18 £000 Total	2017/18 £000 Drugs	2017/18 £000 Consumables	2017/18 £000 Charitable funds inventory
As at 1 April	14,725	5,431	9,266	28
Additions	278,959	166,913	112,046	0
Inventories recognised in expenses	(278,532)	(165,666)	(112,866)	0
Write down of inventories	(392)	(234)	(158)	0
Movement in Charitable funds inventories	(4)	0	0	(4)
As at 31 March	14,756	6,444	8,288	24

	2016/17 £000 Total	2016/17 £000 Drugs	2016/17 £000 Consumables	2016/17 £000 Charitable funds inventory
As at 1 April	18,533	5,461	13,045	27
Additions	274,437	156,037	118,400	0
Inventories recognised in expenses	(277,995)	(155,875)	(122,120)	0
Write down of inventories	(251)	(192)	(59)	0
Movement in Charitable funds inventories	1	0	0	1
As at 31 March	14,725	5,431	9,266	28

NHS FOUNDATION TRUST	2017/18 £000 Total	2017/18 £000 Drugs	2017/18 £000 Consumables
As at 1 April	14,697	5,431	9,266
Additions	278,959	166,913	112,046
Inventories recognised in expenses	(278,532)	(165,666)	(112,866)
Write down of inventories	(392)	(234)	(158)
As at 31 March	14,732	6,444	8,288

	2016/17 £000 Total	2016/17 £000 Drugs	2016/17 £000 Consumables
As at 1 April	18,506	5,461	13,045
Additions	274,437	156,037	118,400
Inventories recognised in expenses	(277,995)	(155,875)	(122,120)
Write down of inventories	(251)	(192)	(59)
As at 31 March	14,697	5,431	9,266

Notes to the Accounts (continued)

16 Trade and Other Receivables

16.1 Analysis of trade and other receivables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2018 £000	31 March 2017 £000	31 March 2018 £000	31 March 2017 £000
Current				
NHS receivables - revenue	26,900	24,092	26,900	24,092
Other receivables - revenue	18,398	17,191	18,660	17,804
Provision for impaired receivables	(8,194)	(7,925)	(8,194)	(7,925)
PFI prepayment (lifecycle replacement)	1,381	1,328	1,381	1,328
Other prepayments	12,218	6,579	12,218	6,579
Accrued income	35,655	25,798	35,655	25,798
PDC dividend receivable	369	509	369	509
VAT receivable	1,901	3,283	1,901	3,283
Interest receivable	44	15	44	15
NHS Charitable funds: Trade and other receivables	336	378	0	0
Total current trade and other receivables	89,008	71,248	88,934	71,483
Non-current				
PFI prepayment (lifecycle replacement)	12,134	11,106	12,134	11,106
Other prepayments	185	318	185	318
Other receivables - revenue	325	425	325	425
Provision for impaired receivables	(325)	(425)	(325)	(425)
Total non-current trade and other receivables	12,319	11,424	12,319	11,424

16.2 Provision for impairment of receivables

GROUP and NHS FOUNDATION TRUST	2017/18 £000	2016/17 £000
At 1 April	8,350	20,223
Increase in provision	7,313	7,201
Amounts utilised	(1,860)	(15,607)
Unused amounts reversed	(5,284)	(3,467)
At 31 March	8,519	8,350

Included within the above is a provision of £1,491k (2016/17 £1,436k) relating to the NHS Injury Cost Recovery Scheme, which is classified as a non-financial asset. The Compensation Recovery Unit have advised that the probability of not receiving income is 22.84% (2016/17 22.94%).

Notes to the Accounts (continued)

16 Trade and Other Receivables (continued)

16.3 Credit quality of financial assets

	31 March 2018 £000 Trade receivables	31 March 2017 £000 Trade receivables
Ageing of impaired financial assets		
0-30 days	614	267
30-60 days	110	142
60-90 days	86	263
90-180 days	3,022	3,293
Over 180 days	4,687	4,385
	8,519	8,350
Ageing of non-impaired financial assets past their due date		
0-30 days	22,428	20,882
30-60 days	5,868	4,164
60-90 days	1,906	2,133
90-180 days	762	768
Over 180 days *	4,886	4,132
	35,850	32,079

*   Non-impaired financial assets over 180 days old include the NHS Injury Cost Recovery Scheme receivables.

The NHS Foundation Trust does not hold any collateral over these balances.

17 Non current assets held for sale

	GROUP		NHS FOUNDATION TRUST	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Assets classified as available for sale in year	0	1,028	0	1,028
Impairment of assets held for sale	0	(133)	0	(133)
	0	895	0	895

The NHS Foundation Trust holds no non current assets held for sale as at 31 March 2018. The sale of the 'assets held for sale' in the prior year was completed on 18 August 2017.

18 Cash and cash equivalents

	GROUP		NHS FOUNDATION TRUST	
	2017/18 £000	2016/17 £000	2017/18 £000	2016/17 £000
Balance at 1 April	114,682	102,593	102,813	93,076
Net change in year	(15,791)	12,089	(17,146)	9,737
Balance at 31 March	98,891	114,682	85,667	102,813
Made up of:				
Cash at commercial banks and in hand	21,367	17,219	8,143	5,350
Cash with the Government Banking Service	77,524	97,463	77,524	97,463
Deposits with National Loans Fund	0	0	0	0
Cash and cash equivalents as per the Statement of Financial Position	98,891	114,682	85,667	102,813

There is no difference between cash and cash equivalents as detailed above and cash and cash equivalents in the Statement of Cash Flows.

Notes to the Accounts (continued)

19 Trade and other payables

	GROUP		NHS FOUNDATION TRUST	
	31 March 2018 £000	31 March 2017 £000	**31 March 2018 £000**	31 March 2017 £000
Current				
Receipts in advance	**20,266**	18,622	**20,266**	18,622
Other taxes payable	**258**	10,867	**258**	10,867
Accruals	**46,956**	33,823	**46,956**	33,823
Other trade payables - capital	**5,022**	4,292	**5,022**	4,292
Other trade payables - revenue	**9,717**	15,130	**9,717**	15,130
Other payables	**17,614**	15,734	**17,614**	15,734
PDC dividend payable	**0**	0	**0**	0
Accrued interest on loans	**45**	74	**45**	74
NHS Charitable funds: Trade and other payables	**71**	40	**0**	0
Total trade and other payables	**99,949**	98,582	**99,878**	98,542

The Group and NHS Foundation Trust have no non-current trade and other payables.

20 Other liabilities

GROUP and NHS FOUNDATION TRUST	**31 March 2018 £000**	31 March 2017 £000
Current		
Deferred income	**7,687**	7,965
Total other liabilities	**7,687**	7,965

21 Borrowings

21.1 Total Borrowings

GROUP and NHS FOUNDATION TRUST	**31 March 2018 £000**	31 March 2017 £000
Current		
Capital loans from the Department of Health and Social Care	**3,500**	3,500
Obligations under PFI agreements	**4,899**	5,083
Total current borrowings	**8,399**	8,583
Non-current		
Capital loans from the Department of Health and Social Care	**1,750**	5,250
Obligations under PFI agreements	**234,371**	239,086
Total non-current borrowings	**236,121**	244,336
Total borrowings	**244,520**	252,919

Notes to the Accounts (continued)

21 Borrowings (continued)

21.2 Loans

GROUP and NHS FOUNDATION TRUST	31 March 2018 £000	31 March 2017 £000
Current	**3,500**	3,500
Non-current	**1,750**	5,250
Total loans	**5,250**	8,750

During 2009/10 the NHS Foundation Trust entered into a £28,000k loan agreement with the Department of Health and Social Care. The loan bears interest at a fixed rate of 2.92%. Repayments commenced in December 2011 and are payable in 16 equal six monthly instalments. The loan is held at fair value through profit or loss, as amortised value is not materially different.

21.3 Obligations under PFI arrangements

GROUP and NHS FOUNDATION TRUST	31 March 2018 £000	31 March 2017 £000
Gross liabilities which are due:		
Not later than one year	**20,422**	20,955
Later than one year and not later than five years	**82,570**	82,813
Later than five years	**372,957**	392,914
Total gross liabilities	**475,949**	496,682
Finance charges allocated to future periods	**(236,679)**	(252,513)
Net obligations	**239,270**	244,169
Net PFI obligations which are due:		
Not later than one year	**4,899**	5,083
Later than one year and not later than five years	**24,615**	23,165
Later than five years	**209,756**	215,921
	239,270	244,169

21.4 PFI schemes

The NHS Foundation Trust has three PFI schemes which are included within the Statement of Financial Position.

The NHS Foundation Trust has determined that in accordance with the relevant accounting standards, it should recognise an asset of the relevant buildings as an item of property, plant and equipment and a corresponding finance lease liability. This then requires the NHS Foundation Trust to apportion the Unitary Payment for accounting purposes only into the following components: (a) a finance lease rental/ asset financing component, (b) a services component and (c) a component in respect of funding for the replacement of parts of the asset over the life of the contract (lifecycle replacement).

Transforming Newcastle Hospitals (TNH) PFI scheme:

Capitalised value to 31 March 2018	£281,635k
Contract Start date	May 2005
Contract End date	May 2043

The Transforming Newcastle Hospitals PFI scheme, for a major service configuration at the Freeman Hospital and Royal Victoria Infirmary, reached financial close on 27 April 2005. After a negotiated settlement the final phase of the scheme, Phase 9, was handed over to the NHS Foundation Trust during 2016/17.

The initial Unitary Payment became payable from April 2005, when the scheme became partly operational (Freeman Multi-Storey Car Park). Construction of the Freeman Multi-Storey Car Park commenced prior to contract completion and was subsequently incorporated into the scheme. The District Valuer has prepared a Modern Equivalent Asset valuation for the separate elements of the scheme and this value was used when capitalising the assets.

The NHS Foundation Trust pays the operator a monthly Unitary Payment covering the provision of the assets and services. These cash flows can vary due to the following factors:

a) The Unitary payment is adjusted each year for the effects of price changes by applying changes in the RPI to the whole Unitary Payment.

b) The contract provides for the NHS Foundation Trust to deduct amounts from the Unitary Payment to the extent that any part of the buildings are unavailable for use, or if services are not provided to the standards set out in the contract.

Notes to the Accounts (continued)

21 Borrowings (continued)

21.4   PFI schemes (continued)

Transforming Newcastle Hospitals (TNH) PFI scheme: (continued)

The operator is responsible for ensuring the buildings remain in the required condition over the life of the contract, undertaking property maintenance and replacement of components of assets when required. The contract does not include the provision of any 'soft' facilities management provision, e.g. security, cleaning or portering.

At the completion of the PFI contract the buildings will revert to the NHS Foundation Trust at no additional cost. There is no option in the contract for its extension.

RVI Boiler House PFI scheme:

Capitalised value	£5,704k
Contract Start date	October 2002
Contract End date	June 2023

The RVI Boiler House PFI scheme is for the provision of energy through the RVI Boiler House. The scheme commenced on 22 December 2000, with the NHS Foundation Trust paying the PFI contractor to run the transferred plant.

The Unitary Payment became payable from October 2002 when the PFI scheme became fully operational.

Freeman Boiler House PFI scheme:

Capitalised value	£5,428k
Contract Start date	December 1997
Contract End date	June 2027

The Freeman Boiler House PFI scheme covers two stages, both for the upgrade of facilities and the provision of energy through the Freeman Boiler House. The first stage became operational on 1 December 1997 and the second on 1 January 2008.

21.5   Analysis of amounts payable to service concession operators

	31 March 2018 £000	31 March 2017 £000
Unitary payment payable to service concession operators	39,443	38,240
Consisting of:		
Service element	7,388	6,831
Repayment of finance lease liability	4,899	6,785
Interest charge	15,872	14,173
Contingent rent	8,874	8,033
Capital lifecycle costs - including prepayment element	2,410	2,418
Total amount paid to service concession operators	39,443	38,240

The NHS Foundation Trust made additional payments of £Nil (2016/17 £Nil) to the PFI operator during the year. The NHS Foundation Trust has recognised £Nil (2016/17 £6,866k) PFI support income within the Statement of Comprehensive Income.

21.6   Total PFI arrangements - commitments

Maturity analysis of unitary payments

The NHS Foundation Trust is committed to make the following Unitary Payments over the remaining period of the PFI schemes:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed	1,281,456	1,302,836
Of which payments due:		
Not later than one year	40,906	39,325
Later than one year and not later than five years	175,084	168,532
Later than five years	1,065,466	1,094,979
	1,281,456	1,302,836

The amounts shown in the category 'Not later than one year' include an actual inflation rate charge of 4.0% (2016/17 3.2%). Other amounts are shown inclusive of an anticipated annual inflation rate of 2.5% as per the contract. The actual inflation rate incorporated into the Unitary Payment is based on the Retail Price Index (RPI) issued in the February preceding the financial year, therefore the figures above will vary depending on the actual rate issued.

Notes to the Accounts (continued)

21 Borrowings (continued)

21.7 Asset financing component of PFI schemes

	Gross payments		Present value of payments	
	31 March 2018 £000	31 March 2017 £000	**31 March 2018 £000**	31 March 2017 £000
Not later than one year	**20,422**	20,955	**4,899**	5,083
Later than one year and not later than five years	**82,570**	82,813	**24,615**	23,165
Later than five years	**372,957**	392,914	**209,756**	215,921
Sub-total	**475,949**	496,682	**239,270**	244,169
Less: finance cost attributable to future periods	**(236,679)**	(252,513)		
Total	**239,270**	244,169		

The RPI indexation increase which would be applied to the lease element of the unitary payment is not included in payments detailed above. Instead, and in accordance with IAS17, the RPI indexation amount is treated as contingent rent when paid and, because in substance it is part of the cost of financing, it is treated and disclosed as a finance cost.

During 2017/18 £8,874k (2016/17 £8,033K) was expensed as a contingent finance cost.

21.8 Services component of PFI schemes

	Gross payments	
	31 March 2018 £000	31 March 2017 £000
Not later than one year	**7,686**	7,270
Later than one year and not later than five years	**31,818**	30,459
Later than five years	**135,928**	138,655
	175,432	176,384

The services component excludes the impact of inflation in future years.

The amount charged to operating expenses during the year in respect of services was £7,388k (2016/17 £6,831k).

The actual amounts paid vary to forecast due to inflation, contract variations and credits received for service failures.

21.9 Lifecycle replacement component of PFI schemes

	Gross payments	
	31 March 2018 £000	31 March 2017 £000
Not later than one year	**2,506**	2,410
Later than one year and not later than five years	**10,026**	9,640
Later than five years	**52,628**	50,604
	65,160	62,654

The lifecycle component excludes the impact of inflation in future years.

Notes to the Accounts (continued)

22 Provisions

GROUP and NHS FOUNDATION TRUST	31 March 2018 £000	31 March 2017 £000
Pensions - early departure costs	**2,442**	2,541
Legal claims - other	**831**	1,163
Other	**3,686**	3,661
Total	**6,959**	7,365
Analysed by:		
Current	**1,281**	1,547
Non-current	**5,678**	5,818
Total	**6,959**	7,365

Movement in year:	Pensions early departure costs £000	Legal claims - other £000	Other £000	Total £000
At 1 April 2017	2,541	1,163	3,661	**7,365**
Change in the discount rate	48	0	0	**48**
Arising during the year	14	458	68	**540**
Utilised during the year - cash	(110)	(439)	0	**(549)**
Reversed unused	(81)	(351)	(43)	**(475)**
Unwinding of discount *	30	0	0	**30**
At 31 March 2018	**2,442**	**831**	**3,686**	**6,959**
Expected timing of cash flows				
- not later than one year	111	831	339	**1,281**
- later than one year and not later than five years	2,331	0	3,347	**5,678**
- later than five years	0	0	0	**0**
Total	**2,442**	**831**	**3,686**	**6,959**

Pensions - relates to sums payable to former employees having retired prematurely due to injury at work. The outstanding liability is based upon current and expected benefits advised by the NHS Pensions Agency and the computed life expectancies of pension recipients.

Legal Claims - based upon professional assessments, which are uncertain to the extent that they are an estimate of the likely outcome of individual cases. Due dates of settlement of claims are based upon estimates supplied by the NHS Litigation Authority and/or Legal Advisers.

Other - the opening balance relates to building related provisions resulting from the on-going development of the Royal Victoria Infirmary (RVI) and the Campus for Ageing and Vitality (CAV) sites. The reversed unused amount in year arises as a result of an updated asbestos removal survey.

The NHS Foundation Trust has an insurance arrangement through the NHS Litigation Authority in respect of clinical negligence, with liabilities covered by an annual insurance premium payment. Excluded from this note therefore is a sum of £352,319k (2016/17 £267,877k) which is included within the provisions of the NHS Litigation Authority in respect of clinical negligence liabilities of the NHS Foundation Trust.

Where it is not considered probable that a payment will be made, non-provided amounts are disclosed in Note 26, Contingent Liabilities.

*   Unwinding of discount relates to the inflation effect on existing provisions of their payment in the future.

Notes to the Accounts (continued)

23 Notes to the Statement of Cash Flows

23.1 Reconciliation of operating surplus to net cash flow from operating activities

	GROUP		NHS FOUNDATION TRUST	
	2017/18	2016/17	**2017/18**	2016/17
	£000	£000	**£000**	£000
Total operating surplus/(deficit)	**42,955**	9,788	**42,103**	(6,675)
Depreciation and amortisation	**19,756**	27,386	**19,734**	27,364
Net impairments	**(2,742)**	50,240	**(2,742)**	50,240
Income recognised in relation to donated assets - cash	**(209)**	(363)	**(457)**	(893)
(Increase)/decrease in inventories	**(35)**	3,809	**(35)**	3,809
(Increase)/decrease in trade and other receivables	**(17,727)**	1,582	**(17,376)**	1,087
Increase in trade and other payables	**635**	3,348	**635**	3,348
Decrease in other liabilities	**(278)**	(8,300)	**(278)**	(8,300)
Decrease in provisions	**(436)**	(4,858)	**(436)**	(4,858)
Other movements in operating cash flows	**2**	29	**2**	29
NHS Charitable funds: other movements in operating cash flows	**4**	0	**0**	0
NHS Charitable funds: net adjustments for working capital movements, non-cash transactions and non-operating cash flows	**73**	(107)	**0**	0
Net cash generated from operating activities	**41,998**	**82,554**	**41,150**	**65,151**

24 Contractual Capital Commitments

Commitments under capital expenditure contracts as at 31 March 2018 amount to £14,052k (2016/17 £6,937k).

25 Events after the Reporting Date

There were no events after the reporting date which are required to be incorporated into the accounts in the current or prior year.

26 Contingent Liabilities

GROUP and NHS FOUNDATION TRUST	**31 March 2018**	31 March 2017
	£000	£000
Gross and net value of contingent liabilities - other	**(61)**	(84)

The contingent liability figure relates to the non-provided risks for Employer and Public Liability claims based upon risk assessments supplied by the NHS Litigation Authority.

27 Related Party Transactions

27.1 Ultimate parent

The NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. Monitor (operating as NHS Improvement) the Independent Regulator for NHS Foundation Trusts, has the power to control the NHS Foundation Trust within the meaning of IAS 27 Consolidated and Separate Financial Statements. Monitor does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS Foundation Trust Consolidated Accounts are included within the Whole of Government Accounts. Monitor is accountable to the Secretary of State for Health and Social Care and therefore the NHS Foundation Trust's ultimate parent is HM Government.

27.2 Whole of Government Accounts Bodies

All government bodies which fall within the Whole of Government accounts boundary are regarded as related parties because they are all under the common control of HM Government and Parliament. This includes for example all NHS bodies, all local authorities and central government bodies.

27 Related Party Transactions (continued)

27.3 Transactions with other related parties

The NHS Foundation Trust had no transactions with board members in the current or previous financial year and had no outstanding payable or receivable balances at 31 March 2018 or 31 March 2017. The table below details the total value of other related party transactions in the current and previous year and the outstanding balances as at 31 March 2018 and 31 March 2017. This table excludes balances with other whole of government entities.

	31 March 2018 £000 Payables	31 March 2018 £000 Receivables	31 March 2018 £000 Income	31 March 2018 £000 Expenditure
Non-consolidated subsidiaries and associates / joint ventures	7	431	1,166	1,068
Other bodies or persons outside of the whole of government accounting boundary	818	3,334	18,494	10,768
Total value of transactions with other related parties and balances as at 31 March	**825**	**3,765**	**19,660**	**11,836**

	31 March 2017 £000 Payables	31 March 2017 £000 Receivables	31 March 2017 £000 Income	31 March 2017 £000 Expenditure
Non-consolidated subsidiaries and associates / joint ventures	5	183	1,653	1,018
Other bodies or persons outside of the whole of government accounting boundary	1,145	3,508	16,330	15,838
Total value of transactions with other related parties and balances as at 31 March	**1,150**	**3,691**	**17,983**	**16,856**

27.4 Significant transactions and balances with other NHS and whole of government bodies

The table below identifies the ten organisations with which the NHS Foundation Trust has had the largest value of revenue transactions during the current and previous year. The NHS Pension Scheme and HM Revenues and Customs (excluding VAT) are also included due to the material value of payments made.

	31 March 2018 £000 Payables	31 March 2018 £000 Receivables	31 March 2018 £000 Income	31 March 2018 £000 Expenditure
NHS England	93	21,587	423,489	38
NHS Newcastle Gateshead CCG	49	9,442	254,837	12
NHS North Tyneside CCG	0	2,194	64,691	194
NHS Northumberland CCG	0	473	64,234	95
Health Education England	0	219	55,944	5
DHSC (excluding PDC)	0	120	26,396	7
NHS North Durham CCG	0	404	15,680	37
NHS South Tyneside CCG	0	1,127	14,300	33
NHS North Cumbria CCG	0	119	12,177	0
NHS Sunderland CCG	0	149	11,115	0
NHS Pension Scheme (Employer's contributions)	429	0	0	53,796
HM Revenues and Customs (excluding VAT)	258	0	0	43,410

	31 March 2017 £000 Payables	31 March 2017 £000 Receivables	31 March 2017 £000 Income	31 March 2017 £000 Expenditure
NHS England	22	17,883	401,710	31
NHS Newcastle Gateshead CCG	1,010	8,658	252,435	228
NHS Northumberland CCG	70	1,493	66,849	41
NHS North Tyneside CCG	203	2,777	63,989	51
Health Education England	0	111	58,631	12
DHSC (excluding PDC)	0	69	29,671	7
NHS North Durham CCG	37	542	15,099	11
NHS South Tyneside CCG	28	950	13,966	39
NHS Cumbria CCG	0	95	12,631	8
NHS Sunderland CCG	0	146	11,322	5
NHS Pension Scheme (Employer's contributions)	7,348	0	0	52,690
HM Revenues and Customs (excluding VAT)	10,867	0	0	40,068

None of the receivable or payable balances are secured. Amounts are usually due within 30 days and will be settled in cash.

Notes to the Accounts (continued)

27 Related Party Transactions (continued)

27.5 Commitments at 31 March 2018

The NHS Foundation Trust continues to negotiate income contracts with the organisations detailed above. Negotiations are expected to be concluded at an overall value not significantly different to those entered into for 2017/18.

27.6 Charitable funds

The NHS Foundation Trust receives revenue and capital payments from a number of charitable funds, including the Newcastle upon Tyne Hospitals NHS Charity, for which the NHS Foundation Trust acts as 'Corporate Trustee'. The results for this Charity are consolidated within these group accounts.

27.7 Directors

A non-executive director, Mrs H A Parker, is a former partner of and currently a consultant to Sintons LLP solicitors. During the year the NHS Foundation Trust engaged Sintons LLP to provide legal advice in relation to specific projects. The legal services were provided on commercial terms and amounted to expenditure of £282k (2016/17 £450k) and a year end payable balance of £40k (2016/17 £47k).

A non-executive director, Mr E Weir is the Director for People for Newcastle City Council. During the year the NHS Foundation Trust had the following transactions with Newcastle City Council. Income of £10,853k (2016/17 £12,700k) relating to genitourinary medical services and the joint community loan equipment store and expenditure of £9,577k (2016/17 £7,100k). The year end receivable balance was £114k (2016/17 £Nil) and payable balance was £575k (2016/17 £17k).

During the year the NHS Foundation Trust had the following non-executive directors in common with Newcastle University, Professor C P Day and Professor D Burn. Professor C P Day resigned as a non-executive director on 3 July 2017 and Professor D Burn was appointed as a non-executive director on the same date. Professor D Burn holds the post of Pro -Vice chancellor, Faculty of Medical Sciences. Transactions with the University were both financial and non financial relating principally to income received of £6,634k (2016/17 £2,800k) and expenditure of £9,577k (2016/17 £14,300k) in relation to staff who work across both organisations. The year end receivable balance was £1,990k (2016/17 £891k) and payable balance was £575k (2016/17 £1,100k).

During the year the following director and senior managers of the NHS Foundation Trust were directors of Freeman Clinics Limited, Mrs H Lamont, Mr D Reynolds and Dr J S Skinner. Mrs H Lamont resigned on 31 March 2018 and Dr J S Skinner resigned on 4 September 2017. Transactions during the year were income of £889k (2016/17 £162k) and expenditure of £372k (2016/17 £374k). Year end balances were £343k (2016/17 £1,600k) receivable and £Nil (2016/17 £Nil) payable. All transactions were undertaken on a commercial basis.

The NHS Foundation Trust's finance director Mrs A Dragone and senior manager Dr M J Wright were directors of Newgene Limited during the year. Transactions during the year were income of £277k (2016/17 £20k) and expenditure of £695k (2016/17 £644k). Year end balances were £89k (2016/17 £38k) receivable and £7k (2016/17 £5k) payable. All transactions were undertaken on a commercial basis.

The NHS Foundation Trust's former chief executive Sir L R Fenwick, non-executive director Mrs H A Parker and former senior manager Mr D D Ward, were directors of Newcastle Healthcare Property Company Limited during the year. Both Sir L F Fenwick and Mr D D Ward resigned from Newcastle Healthcare Property Company Limited on 24 November 2017. Mr A Welch the NHS Foundation Trust's medical director was appointed as a director on 24 November 2017. The company has not yet commenced trading.

The NHS Foundation Trust's former chairman Mr K W Smith and senior manager Dr A J Sims, were chairman and a director respectively of Pulse Diagnostics Limited during the year. Mr K W Smith resigned on 30 November 2017. The NHS Foundation Trust's current chairman, Professor Sir John Burn, was appointed as a director on 1 December 2017. The company is not currently trading.

The NHS Foundation Trust's former chief executive Sir L R Fenwick resigned as a director of AHS Network North East and North Cumbria (AHSN NENC) on 1 March 2018. The NHS Foundation Trust's non-executive director Professor David Burn continues as a director having been appointed on 1 February 2017. The NHS Foundation Trust provides financial services support to AHSN NENC. Transactions during the year, excluding funds transfers in respect of receipts and payments made to and by the NHS Foundation Trust on behalf of AHSN NECN, were income of £233k (2016/17 £347k) and expenditure of £34k (2016/17 £31k). Year end balances were £6k (2016/17 £400k) receivable and £Nil (2016/17 £Nil) payable.

A non-executive director, Professor K McCourt, is a pro-chancellor at Northumbria University. During the year the NHS Foundation Trust had the following transactions with Northumbria University. Income of £7k (2016/17 £3k) and expenditure of £122k (2016/17 £146k). Year end balances were receivable £1k (2016/17 £6k) and payable £1k (2016/17 £22k).

27.8 Remuneration of key management personnel

The remuneration of the executive and non-executive directors, who are the key management personnel of the NHS Foundation Trust, is set out in Note 5.4. Further information about the remuneration of individual directors is provided in the Remuneration report.

There were no amounts owing to key management personnel at the beginning or end of the financial year.

Notes to the Accounts (continued)

28 Financial Instruments and Financial Risk Management

IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. Because of the continuing service-provider relationship that the NHS Foundation Trust has with local Clinical Commissioning Groups (CCGs) and the way those CCGs are financed, the NHS Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which the financial reporting standards mainly apply. Financial assets and liabilities are generated by day-to-day operational activities rather than being held in order to change the risks facing the NHS Foundation Trust.

The NHS Foundation Trust's capital and treasury management operations are carried out by the finance department, within parameters defined formally within the NHS Foundation Trust's standing financial instructions and policies agreed by the Board of directors.

IFRS 7 also requires disclosures relating to the risks associated with financial instruments. There are three types of risk:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. For the NHS Foundation Trust, credit risk arises mainly from NHS and other receivable balances. Credit risk is mitigated as a substantial part of the NHS Foundation Trust's activity is carried out with other Health Bodies. For other transactions specific checks are made regarding credit worthiness before the NHS Foundation Trust enters into any new contracts. The NHS Foundation Trust manages this risk by regular review of aged receivable balances, prompt follow up on those which are overdue and provides for any deemed to be impaired. Once the balance is determined to be irrecoverable the amount is written off.

Of the Group's cash and cash equivalents balance at the year end, 78% was held with the Government Banking Service and the remaining 22% with the NHS Foundation Trust's and Charity's bankers, HSBC, Barclays and Clydesdale Bank plc. (Yorkshire Bank). The credit risk arising, i.e., that the banks may default on repayment, is considered to be low.

The NHS Foundation Trust held no short term deposits at the year end. During the year the NHS Foundation Trust placed no cash with the National Loans Fund. The average investment with the National Loans Fund over the year April 2017 to March 2018 was £Nil. (April 2016 to March 2017 £81,865k).

An analysis of aged and impaired receivables is given in Note 16.

The credit risk associated with all other financial instruments is considered to be low. The Group's maximum exposure to credit risk at the balance sheet date is £184,656k (2016/17 £198,264k restated). There are no amounts held as collateral against these balances.

At 31 March 2018 a review was undertaken of financial assets not past their due date. Those where the credit risk was anticipated to be significant were impaired. Therefore the credit risk of those remaining financial assets neither past their due date nor impaired is deemed to be low.

At 31 March 2018 there are £Nil (2016/17 £Nil) financial assets that would otherwise be past due or impaired whose terms have been renegotiated.

Liquidity risk

Liquidity risk is the risk that the NHS Foundation Trust will encounter difficulty in meeting obligations associated with financial liabilities. The NHS Foundation Trust's net operating costs are incurred under contracts with various commissioning bodies, which are financed from resources voted annually by Parliament. The NHS Foundation Trust receives such income month by month, based on a contracted annual level of activity, with quarterly corrections made to adjust for actual activity carried out and resultant income due.

The NHS Foundation Trust largely finances its capital expenditure from internally generated resources. Funds have also been made available from Government, in the form of additional Public Dividend Capital, to progress specific capital schemes. In addition, the NHS Foundation Trust can borrow from commercial sources to finance capital schemes. Such financing would be drawn down to match the spend profile of the scheme concerned and the NHS Foundation Trust is not, therefore, exposed to significant liquidity risk in this area.

The NHS Foundation Trust has a loan agreement with the Department of Health and Social Care with an outstanding balance at 31 March 2018 of £5,250k (balance at 31 March 2017 £8,750k). Further details can be found in Note 21. An extended five year plan was prepared and submitted to Monitor prior to this loan being authorised.

The NHS Foundation Trust is also subject to liquidity risk in relation to the long term PFI contracts into which it has entered. The maturity analysis for payments under these schemes can be found in Note 21. Expenditure savings have been identified to mitigate the liquidity risk of the PFI contracts. Prior to the contract being entered into the scheme was reviewed by HM Treasury and, subsequently, by Monitor when the NHS Foundation Trust was applying for Foundation Trust status.

28 Financial Instruments and Financial Risk Management (continued)

Market Risk - Interest-rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Of the NHS Foundation Trust's cash and cash equivalents 100% attract variable rates. Deposits held with HSBC attract interest at base rate less 0.05% currently 0.45%. Deposits with the Government banking service (RBS) currently attract interest at 0.39%. Any reduction in the base rate or interest rate would have an immaterial impact on cash flows and hence interest rate risk on these financial assets is deemed to be immaterial.

An element of the Newcastle upon Tyne Hospitals NHS Charity's cash balance is held on a 95 day fixed term deposit with Yorkshire Bank plc. The interest rate on this deposit is currently fixed at 0.5%. The Newcastle upon Tyne Hospitals NHS Charity also holds a variable cash balance with HSBC which attracts an interest rate at 0.15%.

The cash held within the Newcastle upon Tyne Hospitals NHS Charity investment portfolio is held within a Charities' Deposit Fund account which attracts interest on a variable basis. The interest rate at 31 March 2018 was 0.24%.

Within trade and other receivables falling due after more than one year is a loan to a company of which the NHS Foundation Trust owns 55%. This loan bears interest at 2%.

The NHS Foundation Trust has a loan agreement with the Department of Health and Social Care . This loan bears interest at a fixed rate of 2.92%.

The NHS Foundation Trust's PFI arrangements are on fixed interest terms.

Other than as described above, none of the other remaining NHS Foundation Trust financial assets or liabilities carry interest rates which vary with market rates and therefore interest rate risk is not deemed material and a sensitivity analysis is not considered necessary.

Notes to the Accounts (continued)

29 Financial Assets and Liabilities

29.1 Carrying values of financial assets

	GROUP		NHS FOUNDATION TRUST	
	31 March 2018 £000	31 March 2017 £000 Restated	**31 March 2018 £000**	31 March 2017 £000 Restated
Loans and receivables				
Trade and other receivables (excluding non financial assets) - with NHS and DHSC bodies	**45,945**	41,684	**45,945**	41,684
Trade and other receivables (excluding non financial assets) - with other bodies	**14,448**	16,620	**14,448**	16,620
Cash and cash equivalents - NHS Foundation Trust	**85,667**	102,813	**85,667**	102,813
Other financial assets - NHS Charitable Fund	**38,596**	37,147	**0**	0
Total	**184,656**	198,264	**146,060**	161,117

Fair value is not considered significantly different from book value.

29.2 Carrying values of financial liabilities

	GROUP		NHS FOUNDATION TRUST	
	31 March 2018 £000	31 March 2017 £000	**31 March 2018 £000**	31 March 2017 £000
Other financial liabilities				
Borrowings excluding finance lease and PFI liabilities	**5,250**	8,750	**5,250**	8,750
Trade and other payables (excluding non financial liabilities) - with other bodies	**73,933**	66,914	**73,933**	66,914
Trade and other payables (excluding non financial liabilities) - with NHS and DHSC bodies	**4,687**	2,139	**4,687**	2,139
Provisions under contract	**6,959**	7,364	**6,959**	7,364
PFI finance lease obligations	**239,270**	244,169	**239,270**	244,169
NHS Charitable fund - financial liabilities	**71**	40	**0**	0
Total	**330,170**	329,376	**330,099**	329,336

Fair value is not considered significantly different from book value.

Maturity of financial liabilities				
In one year or less	**88,371**	79,223	**88,371**	79,183
In more than one year but not more than two years	**7,489**	8,913	**7,489**	8,913
In more than two years but not more than five years	**22,661**	23,339	**22,661**	23,339
In more than five years	**211,649**	217,901	**211,578**	217,901
Total	**330,170**	329,376	**330,099**	329,336

30 Third Party Assets

The NHS Foundation Trust held £3k (2016/17 £2k) cash at bank, which relates to monies held by the NHS Foundation Trust on behalf of patients. These monies have not been included in the cash and cash equivalents figure reported in the accounts.

Notes to the Accounts (continued)

31 Losses and Special Payments

There were 281 cases of losses and special payments totalling £1,035k during the year (2016/17 304 cases totalling £931k). No cases in the current year (2016/17 1 case) cost the NHS Foundation Trust £300k or more. Losses and special payments are accounted for on an accruals basis but excluding provisions for future losses. An analysis of losses and special payments by category is given in the table below.

Analysis of losses and special payments by category

Category	2017/18 Total number of cases No.	2017/18 Total value of cases £000	2016/17 Total number of cases No.	2016/17 Total value of cases £000
Losses				
Cash losses - theft and fraud	2	0	3	2
Cash losses - overpayment of salaries	21	3	16	8
Bad debts and claims abandoned in relation to:				
a) private patients	7	1	25	5
b) overseas visitors	17	143	28	81
c) other	84	339	79	374
Damage to buildings, property etc. (including stores losses) due to:				
a) theft, fraud etc.	0	0	0	0
b) stores losses	13	392	8	250
c) other	64	29	57	28
Total losses	**208**	**907**	216	748
Special payments				
Ex-gratia payments in respect of:				
a) loss of personal effects	39	15	36	5
b) personal injury with advice	13	97	19	168
c) other	20	8	31	6
d) maladministration, no financial loss	1	8	2	4
Total special payments	**73**	**128**	88	183
Total losses and special payments	**281**	**1,035**	304	931

32 NHS Retirement Benefit Scheme

32.1   NHS Retirement Benefit Scheme

Past and present employees are covered by the provisions of the two NHS Pensions Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsba.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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Foundation Trust of participating in each scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the annual report and accounts do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that 'the period between formal valuations shall be four years, with approximate assessments in intervening years'. An outline of these follows:

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period.

This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2018, is based on valuation data at 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

Notes to the Accounts (continued)

32 NHS Retirement Benefit Scheme (continued)

32.1 NHS Retirement Benefit Scheme (continued)

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account their recent demographic experience), and to recommend the 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 and Social Care, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final revaluation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment , any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health and Social Care after consultation with the relevant stakeholders.

The NHS Foundation Trust estimates that its employer contributions into the scheme in 2018/19 will be £55,565k.

32.2 National Employment Savings Trust (NEST)

During the year the NHS Foundation Trust made contributions into the National Employment Savings Trust. This is a defined contribution scheme into which eligible staff are automatically enrolled. These employees are not eligible to join the NHS Retirement Benefit scheme. Employers contributions by the NHS Foundation Trust for the year were £43k (2016/17 £33k).

33 The Newcastle upon Tyne Hospitals NHS Charity

33.1 Merger of funds

With effect from 1 April 2016 the NHS Foundation Trust was appointed as Trustee of charitable funds formerly held on behalf of the NHS Foundation Trust by Newcastle Healthcare Charity (Reg. 502473) under a scheme formally approved by the Charity Commission for England & Wales on 21 March 2016. The funds were subsequently merged under the umbrella of the NHS Foundation Trust's appointed charitable body, Newcastle upon Tyne Hospitals NHS Charity (Reg. 1057213) and form part of that Charity's and therefore also the NHS Foundation Trust Group accounts for the year ended 31 March 2018 and 31 March 2017.

33.2 Funds

	31 March 2018 £000	31 March 2017 £000
Restricted	18,842	18,516
Unrestricted	19,956	18,539
	38,798	37,055

As at 31 March 2018 the total funds as disclosed in the Newcastle Upon Tyne Hospitals NHS Charity accounts amount to £32,435k. This balance has been adjusted for IFRS accounting policies and is disclosed in the group accounts as £38,798k. The adjustment to funds of £6,363k has been included within unrestricted funds.

Restricted funds

Restricted funds are those funds on which a legal restriction has been placed for the purpose to which the fund may be put.

Unrestricted funds

Unrestricted funds are those funds on which no legal restriction has been placed for the purpose to which the fund may be put.

The aim of the Charitable fund is to use the available funds to complement NHS resources in The Newcastle upon Tyne Hospitals NHS Foundation Trust to increase patient comfort and enhance facilities for both patients and staff.

33.3 Further information

Further information relating to the use of the Charitable funds and the Trustees' report can be found within the Newcastle upon Tyne Hospitals NHS Charity Annual Report and Accounts which form part of The Newcastle upon Tyne Hospitals NHS Foundation Trust Annual Report and Accounts.

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