NHS
North Tees and Hartlepool
NHS Foundation Trust

Annual report and accounts

2023-24

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North Tees and Hartlepool NHS Foundation Trust

Annual Report and Accounts 2023-2024

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

Contents

Welcome

This year, North Tees and Hartlepool NHS Foundation Trust agreed our joint group partnership with South Tees Hospitals NHS Foundation Trust.

We have appointed Stacey Hunter as our first group chief executive, who will be supported, from April 2024, by a new group executive team, to drive forward a new era in health and care for our region as follows:.

Group Managing Director, Neil Atkinson
Group Chief Medical Director, Dr Mike Stewart
Group Chief Nursing Officer, Dr Hilary Lloyd
Group Chief Finance Officer, Chris Hand
Group Chief People Officer, Rachael Metcalf

As we look to the future, we are confident our new group model, which still ensures both North Tees and Hartlepool NHS Foundation Trust and South Tees Hospitals NHS Foundation Trust remain separate statutory entities, will further strengthen our joint working opportunities and bring about more choice and better outcomes for our patients.

At North Tees and Hartlepool NHS Foundation Trust we are proud to play a leading role in the delivery of health and care for nearly half a million residents across Stockton, Hartlepool and parts of County Durham.

Patients are primarily treated at either the University Hospital of North Tees and University Hospital of Hartlepool. We also have a highly-valued community hospital in Peterlee, a hub in Lawson Street Health Centre in Stockton and in the One Life Centre in Hartlepool, supported by a further 50 community facilities across our region.

As well as our acute care offering, we also deliver commissioned breast and bowel screening and oral health services across the wider Tees Valley and North Yorkshire area.

To improve patient access, in the summer of 2024 we will be opening our new community diagnostic centre, in the town centre of Stockton-on-Tees. This is part of our partnership working between our Trust, South Tees Hospitals NHS Foundation Trust, North East and North Cumbria Integrated Care Board and Stockton-on-Tees Borough Council.

Providing services closer to home will improve access and timeliness of care. Important services provided will include local clinics and a range of essential diagnostic services including MRI scans, CT scans, ultrasound scans, cardiology, X-rays, blood tests and respiratory function checks. We estimate more than 100,000 tests will take place at the Tees Valley Community Diagnostic Centre every year, making a huge contribution to the health of the region.

We remain committed to ‘providing the best healthcare for everyone in our population’ and are confident that our work on integration and collaboration with partners locally, regionally and nationally will allow us to achieve this goal.

North Tees and Hartlepool NHS Foundation Trust employs more than 6,200 people who we are proud to support and develop in order to meet the changing requirements of our local population.

Our colleagues not only share but actively drive our ambitions to deliver the very best in health and care for our population.

1. Chair's Statement

As group chair of both North Tees and Hartlepool NHS Foundation Trust and South Tees Hospitals NHS Foundation Trust, it is both my duty and my honour to present this report for 2023-24.

I would like to begin by thanking all of my colleagues in our organisation for their continued effort to deliver the best quality of care for patients.

The incredible commitment and dedication of our clinical and non-clinical teams, governors, and executive and non-executive teams bears fruit on a daily basis for our local population.

Many examples exist but our current work on urgent treatment centres and community diagnostic hubs highlight our ambitions and signify our commitment to improve care and access.

I would also like to acknowledge and personally thank former chief executive Julie Gillon who retired in 2023. Julie was committed to North Tees and Hartlepool NHS Foundation Trust and her drive and determination was an inspiration to many. Her leadership during the COVID-19 pandemic was extraordinary and earned her widespread respect across the region. I hope she enjoys her well-earned retirement.

The key event of the last 12 months was most certainly the formal agreement of our group partnership with South Tees Hospitals NHS Foundation Trust. This partnership is perhaps the most fundamental change to the delivery of local healthcare in the Tees Valley since the formation of foundation trusts. It provides major opportunities to improve health and care as well as build strong relationships with local partners including Local Authorities, Universities, Colleges and Schools.

While each trust will remain a separate statutory entity, they will work in close partnership to ensure our patients receive the very best health care; the modern, results-driven health care that we are passionately committed to delivering.

To achieve this ambition, we appointed Stacey Hunter as our first group chief executive. Stacey joined us from Salisbury NHS Foundation Trust, where she was chief executive officer. Prior to that, she worked for, Bradford and Airedale Foundation Trusts, Leeds Teaching Hospitals NHS Trust and was also seconded to the Nightingale Hospital Yorkshire during the COVID-19 pandemic.

Stacey will provide a unified voice for our group partnership and in her short time with us, she has already made her mark in the most positive manner. Single leadership and vision will allow us to meet the challenges and maximise opportunities that will occur as we continue to bring our two Trusts into ever-closer alignment.

From the 1 April 2023 until Stacey took up post, the statutory role of Accountable Officer for the Trust was undertaken by Neil Atkinson, Managing Director. I would like to thank him, on behalf of the Board and senior team, for his commitment and drive during this period, ensuring the continued operational and financial success of the organisation.

We have also appointed our group executive team and non-executive directors who will support Stacey on our ambitious agenda and I would like to congratulate them all on their appointments. Our first group appointees are trailblazers and I wish them every success for the future.

The development of health care provision is never straightforward with constant unforeseen twists, turns and obstacles– but I am confident we have the right people in place to navigate our journey and the course we have set.

This year has been challenging for the NHS and the next 12 months will also be challenging. We have been faced with industrial action and the continued recovery from the pandemic. Despite these challenges we are seeing evidence of recovery in the majority of areas related to emergency and elective care. Our staff rose to the occasion, reworking appointments, rotas and schedules to absorb and mitigate as much impact of the strikes as possible to ensure safe service and minimise any impact on patients.

I would like to especially thank our non-clinical teams for their invaluable, but often unrecognised, dedication to supporting our clinical colleagues. Every member of the North Tees and Hartlepool NHS Foundation Trust family is here to support our patients, no matter their role.

We continue our work to improve our Care Quality Commission Rating, with maternity being a particular example of how the Trust can rally support and bring about swift and decisive change.

Last year we welcomed newly elected governors and in 2024, we will go back out to our members to elect more governors for both Trusts.

We remain committed to reducing our carbon emissions to net zero by 2040, as evidenced by several projects including the installation of new solar panels at the University Hospital of Hartlepool.

Further estates developments include the state of the art £4m robotic and emergency maternity operating theatre opening in late 2024.

Everything we do at North Tees and Hartlepool NHS Foundation Trust has the patient in mind. I'm proud to lead a Trust which lives to this ethos and I am confident you will see that reflected in our annual report.

Professor Derek Bell OBE
Group Chair

2. Chief Executive's Statement

I would like begin my first annual report statement as the group chief executive for North Tees and Hartlepool NHS Foundation Trust and South Tees Hospitals NHS Foundation Trust with a note of heartfelt thanks.

Since my first day in the role in February 2024, the welcome I have received from colleagues across both Trusts has been overwhelming.

I have had the pleasure of meeting staff across all of our sites, who have all offered their views and opinions with an openness and honesty that I value and respect. No one has shied away from explaining the challenges they face, but time and again the common theme is one of pride in the service they provide.

I want to assure them all; it is a sense of pride I share.

As you read this annual report, you will see we have had challenging year but have also continued to deliver the levels of care our population deserve and expect.

Our group model, which will see both trusts remain their own statutory body, provides flexibility and scope for cross site working, sharing skills and growing together with the simple aim of improving services for the communities we serve.

In February we began an engagement exercise to gather views about our group name and strapline. After taking on board the views of staff, patients and our partner organisations, we chose the name and strapline we believe best expresses our ethos and ambitions

University Hospitals Tees - Caring better together

A key hallmark of our Trust is that innovation and development never ends, regardless of the daily demands on our time and resources.

This year alone we are developing the new Community Diagnostic Centre, investing some £4m in the creation of a new robotic and emergency maternity operating theatre at the University Hospital of North Tees and playing a leading role in the Health and Social Care Academy, which will be housed at the University Hospital of Hartlepool.

Ambitions and constant improvement will always endure, even during challenging times.

I would also like to take a moment to acknowledge those who play a role in Trust life, either by directly supporting our patients or helping to develop services, without being paid to do so. Our Trust volunteers are a valued and highly regarded team. From greeting patients to even driving them home after operations, they truly are an invaluable resource.

It would be remiss to not mention the volunteers who run our hospital radio station, Radio Stitch. Radio Stitch, which now broadcasts to The James Cook University Hospital, is also available online and enjoyed by listeners around the world.

Listening to the voices of patients is of paramount importance. We take feedback seriously, and encourage all patients to take part in the Friends & Family system of sharing their views and to contact our patient experience team to let us know how they feel about their care, good or bad.

I want to thank every patient who has taken the time to contact us and to reassure them that their comments are listened to and acted upon. Their views improve our services.

We do not just want to respond to patients, we believe in active engagement and this year we launched our new patient involvement bank. The ‘bank’ will see patients play an even larger role in using their lived experiences to inform and develop our services for the future.

We have had our share of challenges. Delivering safe, quality, value for money patient care has been made possible by sound financial management as much as operational skills. The NHS funding has always being a ‘hot button’ topic in the news and political agenda, but I am confident our use of financial resources remains appropriate and beneficial.

This past year has seen different groups of staff exercise their right to take industrial action. Going on strike is never an easy decision and the Trust fully respects the position of those who chose to take action and those who did not. Our colleagues who took action remain valued members of our trust family.

Population health and prevention continues to be of paramount importance and this year we are due to deliver a wide-ranging communications campaign to support bowel cancer screening.

Our dedicated tobacco dependency and alcohol support teams continue to do an outstanding job in delivering highly specialised support for our inpatients, and offering post-treatment advice and support to help tackle the multiple health issues connected to smoking and alcohol misuse.

We have continued the roll out of Making Every Contact Count (MECC) and ‘Waiting Well’ and have further increased patient choice and accessibility by developing the NHS app to able to manage appointments for most outpatient services.

The Trust continues to play a significant role in the wider Integrated Care Board, influencing health care provision on a regional basis.

The appointment of our first group executive team will ensure our group model has the right people in the right positions to deliver positive change for the communities in the wider Tees Valley, North Yorkshire and County Durham.

The group executive shares my ambition to improve the health outcomes of each and every patient and proactively inspire greater health aspirations for those who have not needed to walk through our doors.

While I have only been the group chief executive for a short time, I can see the watchword for all of our successes is ‘empowerment’. We empower staff, each and every one, to be leaders in their own right, to feel confident with suggesting improvements and brining about positive change.

Indeed this was reflected in the annual staff survey which saw our colleagues’ rate North Tees and Hartlepool NHS Foundation Trust as being above the national average for the theme of ‘We each have a voice that counts’.

Listening to staff is key to our success and we host many drop in sessions, Schwartz Rounds and other engagement opportunities to learn from their views. As I stated earlier, I learn from every visit I make to any service – colleagues are always happy to share their thoughts.

Work continues at pace to move our Care Quality Commission rating back to ‘good’ – indeed, we still hold the collective ambition of attaining ‘outstanding’ and are working towards this aim every day.

I’m confident that our Trust and the wider group partnership remains in a strong position to deliver for our communities, to develop and invest in our colleagues and estates and to deliver the health care each one of us aspires to deliver every time we come into work.

As I look to the future, I see opportunity triumphing over challenge, innovation taking precedence over stagnation, inspiration overcoming adversity; all in the service of the bright future for our Trust and community deserves.

Stacey Hunter
Group Chief Executive

3. Performance report

3.1 Overview of the Trust

The Chief Executive's statement outlines our success in operational performance and highlights some of the challenges we have faced. A more in depth overview and how we are addressing them can be found in this section.

Our History

North Tees and Hartlepool NHS Foundation Trust was formed when North Tees Health NHS Trust and Hartlepool and East Durham NHS Trust merged on 1 April 1999. We were authorised as an NHS Foundation Trust in December 2007. Since then, we have grown and employ over 6,200 staff who provide a wide range of health and healthcare services across and beyond its catchment area.

Key facts about us:

- The Trust is an integrated hospital and community services healthcare organisation;
- We provide a range of health and care services to support more than 400,000 people living in Hartlepool, Stockton and parts of County Durham;
- Care is delivered from two main acute hospital sites, the University Hospital of Hartlepool and the University Hospital of North Tees in Stockton-on-Tees;
- Care for patients in the community has been provided since 2008 and these services are provided in a number of community facilities across the area, including Peterlee Community Hospital and the One Life Centre, Hartlepool;
- Integrated Urgent Care Services are delivered, in alliance with Hartlepool and Stockton Health (the local GP Federation) and the North East Ambulance Service, at both hospital sites;
- The Trust provides bowel and breast screening services, as well as community dental services to a wider population in Teesside and Durham and has an annual turnover of around £430 million, and
- The Trust has a Council of Governors with 39 members; representing the public, staff and stakeholder organisations.

Being a foundation trust means the Trust does not report directly to the Department of Health and Social Care; instead, we report to the local people through our Council of Governors and are regulated, independently, by NHS England and the Care Quality Commission.

Our vision for the Trust of *'Providing the best possible healthcare for everyone in our Population'* means that our primary focus is about ensuring that we have the right health and care services for every member of the community, and that this may not necessarily be the traditional community of North Tees and Hartlepool. With integrated care a priority and a focus for system working, as a Foundation Trust we will work even more closely with our partners within the immediate geography of Tees Valley and further afield across North East and North Cumbria.

In support of system working and increased collaboration the Trust has agreed to form a hospital group with South Tees Hospitals NHS Foundation Trust, to enable closer working across the two organisations.

This development has come about following years of joint working but is now well underway following the recruitment of the group chief executive. The group model means that the two organisations remain separate so they can represent their communities effectively, but

enables flexibility for the trusts to work at scale and take strategic decisions which benefit the group as a whole and the patients that we serve.

The two trusts are the area's largest employers, with a budget of around £1.2billion and more than 15,000 staff who deliver acute, tertiary and community health and care services across the Tees Valley, North Yorkshire, County Durham and beyond.

The formal Partnership Agreement, which was jointly developed, was agreed in November 2023 and officially signed in February 2024.

We know that health inequalities is not defined by geographic boundaries, so the hospital group model will enable us to continue to work closely with key stakeholders so that local people, service users and carers, including those who support and represent them, can have much more influence over how those services are managed and improved, ensuring accessibility to all. We now have around circa 11,200 members, drawn from the local community and our staff.

Our Services

The map below shows the current catchment population of the Trust, reflecting the service developments around screening programmes and bariatric surgery collaboration. The general catchment population of the Trust is shown by the darker shading.

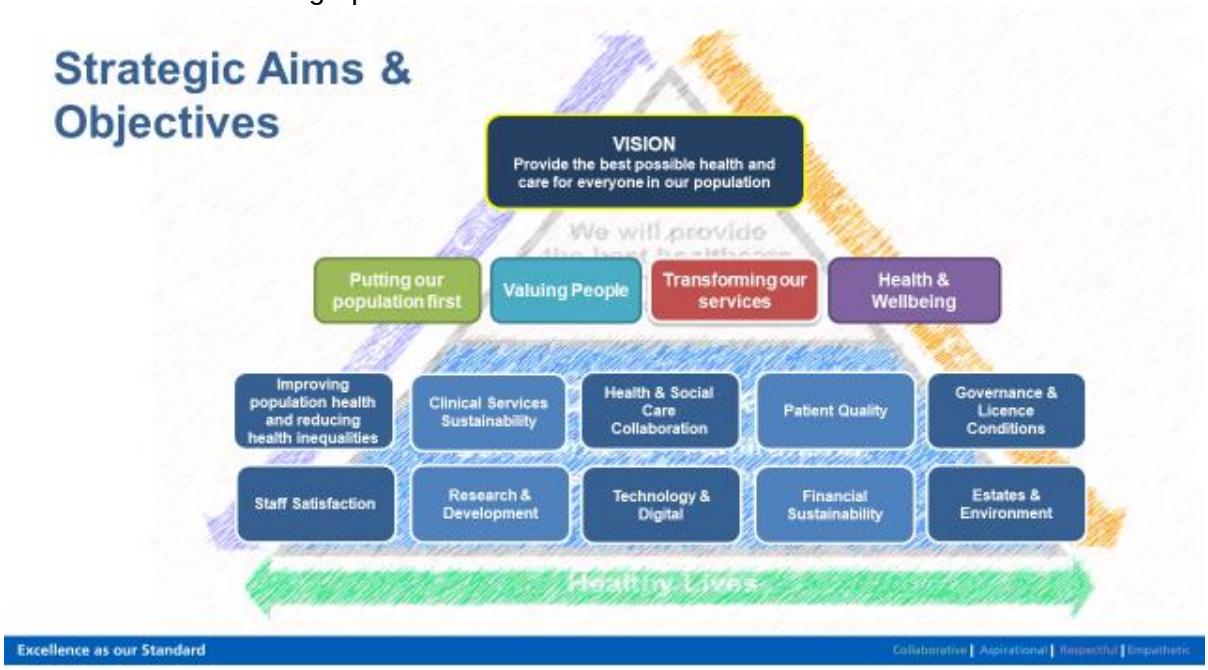
We continue to provide a diverse range of services from the two hospital sites, and a range of community services, which are delivered from community clinics and through integrated intermediate care services, in partnership with social care, to people within their own homes. Many of these services are inter-related and span across patient pathways. However, we are forging greater links and collaborations with our neighbours and colleagues within South Tees Hospitals NHS Foundation Trust and County Durham and Darlington NHS Foundation Trust in order that we deliver our services to any and all members of the Tees Valley and North Yorkshire population and it is this focus that provides the strategic direction for the Trust moving forward. The following table provides an overview of the Trust's service profile.

Service Profile 2023-24

Diagnostics (routine and cancer services)	Inpatient/Day Case Services (routine and cancer services)	Out of Hospital
Radiology:	**Inpatients:**	
Plain Film	Breast Surgery - mastectomies	Audiology
Ultrasound	Breast Surgery - reconstructions	Community Midwifery
Magnetic resonance imaging (MRI)	Knee Replacements	Dementia Liaison Service
Obstetric Ultrasound	Hand and Wrist procedures	Cardiac Services
Computed Tomography (CT) scanning	Hip Replacements	Community Integrated Assessment Team
Nuclear Medicine	Hip and Knee revision surgery	Community Respiratory Service
Breast diagnostics	Foot Surgery	Teams around the Practice (TAPS) incl Out of Hours
Breast Screening	Hip Arthroscopies	Community Matrons
Fluoroscopic Imaging	Emergency Assessment Unit	Specialist Pelvic Health (formerly Continence Advisory Service)
Endoscopy:	Emergency Assessment Area	Hospital at Home
Endoscopy	Acute Medicine	Community Dental
Colonoscopy	Stroke Services – hyperacute and rehabilitation	Diabetes Team
Bowel Screening	Gastroenterology	Diabetic Retinopathy Screening Service
Bowel scope	Cardiology	Specialist Palliative Care/Macmillan Nursing
Cardiology:	Respiratory	Musculoskeletal Services
GP lead service for ECG's	Care of the Elderly	Podiatry
Echocardiogram	Endocrine/Diabetes Care	Podiatry Surgery
24 hour tapes	Haematology Care	Wheelchairs
Myocardial Perfusion Scans	Acute Oncology Team	Speech and Language Therapy (Adults & Paediatrics)
Other Tests	Urology procedures including Nephrectomies	Stop Smoking Service
Pathology	Spinal surgery	Physiotherapy (Adult & Paediatrics)
Elderly care Tilt testing (syncope)	Pelvic Floor Surgery	Nutrition & Dietetics
Parkinson's Disease - DaTscan imaging technology	Colorectal Cancer Surgery	Ear Nose and throat (ENT)
Transient Ischemic Attack- CT scans	Shoulder replacements	Orthotics
Respiratory - Spirometry tests CPEX	Bariatric Surgery	Safeguarding Children
Emergency Department (Trauma Unit status)	Upper GI Surgery	Leg Ulcer Clinic
Adult Emergency Care	Thyroid Surgery	Community Stroke
Children and Young Peoples Emergency Department	Diabetic Foot Service	Rapid Response
Lumeneye service	**Day Case:**	Holdforth Hub/Home First
Integrated Urgent Care	Hand and Wrist procedures	Virtual Ward - Frailty
Minor Injuries	Specialist Sport surgery	Virtual Ward – Respiratory
Walk in Services (GP led)	Arthroscopies	Community Practitioners
minor illnesses	Urology day case procedures	iSPA (Single Point of Access)
minor injuries	Breast day case procedures	Phlebotomy
Out of Hours GP	Gynaecology day case procedures	Quality Control Labs
	Hernias	Specialist Services Admin & Children's Hub
	Lap Cholecystectomy	
	Colorectal day case procedures	
	Pain Services	
	Vascular procedures (Outreach Service)	
	Paediatric Urology	
	Paediatric Orthopaedic	
	Paediatric General Surgery	
	Spinal day case procedures	
	Upper limb Procedures	
	Soft Tissue Knee procedures	
	Hip and Knee replacements	
	Day Case Services:	
	Chemotherapy day unit	
	Haematology day unit	
	Rheumatology day unit	
	Elderly Care Rehabilitation day unit	

3.1.1 Business Review

This section provides an overview of the Trust's strategic direction, activities, developments, and key risks and uncertainties. The Corporate Strategy and strategic objectives are summarised in the graphic below:



3.1.2 Trust Strategic Direction

Our trust, alongside key partner organisations provides health and care services to over half a million residents across our locality. We continue to be dedicated to collaboration in all that we deliver as we work to positively impact our population health, and radically reduce health inequalities in our communities.

Our focus on system-wide working and local collaboration means that we can continue to explore new models of care with our partners in primary, secondary, mental health and public health that help to improve the pathways for our patients and the local health economy.
After securing the appointment of Professor Derek Bell as Joint Chair in September 2021, our trust along with South Tees Hospitals NHS Foundation Trust, announced their ambitions for greater collaboration and closer partnership working in the form of a group model. This is now progressing at pace in its development with the appointment of a group chief executive, a formal Partnership Agreement signed in February 2024 and a single leadership team.

Whilst our vision that - *'Providing the best possible health and care for everyone in our population'* – remains unchanged, our collaboration will bring us more opportunity and advantage for both our patients and our staff to deliver this. Through the expertise, skills and knowledge of our talented individuals within our workforce, we continue to aim for 'excellence as standard'.

Our corporate strategy, enabled by our underpinning strategic plans describes the requirement for change and evolving strategic objectives including the focus on the health prevention agenda, tackling health inequalities and population health as well as supporting delivery of the key NHS Long Term Plan ambitions.

Our key areas of focus moving forward will be collaboration, research and development, people, digital, finance, clinical services, estates, population health, quality, safety, governance and

health and well-being. These enabling strategies will link to our corporate strategy to facilitate the delivery of our vision.

In terms of our strategic direction, our estate strategy will underpin much of our ambitions and aspiration. We have set out our plans for a new, redeveloped estate that provides better adjacencies for patients and staff so that we can provide the level and type of services in buildings and surroundings that are fit for purpose for a modern era.

A key aim has been to ensure greater financial stability and we are proud to say that we have achieved this aim, and our financial performance at section 6 of this report illustrates a sustained position which is testament to the efforts of all of our staff to ensure our services are not only safe, effective and of high quality, but they are efficient and reflect a high value for money for the public purse.

We will continue to strive for greater efficiencies without compromising the effectiveness of its clinical pathways within an integrated system.

3.1.3 Development and service improvement

Our strategy for the future continues to embrace collaborative working across the Integrated Care System, reflects the requirement for a dynamic integrated care partnership and is fully aligned with the relevant priorities set out in the NHS Long Term Plan. In addition to this, the strategic approach has been met by working in partnership with all health and wellbeing boards within the localities, enabling alignment between Trust priorities.

We are acutely aware that the provision of healthcare needs to change – locally, regionally and nationally. The type of healthcare that our Trust will provide in the future will be targeted towards individual need with a focus on specific groups in society. Whilst we will always concentrate on our core business of providing the highest quality acute secondary care, we will provide a clear focus on addressing some of the determinants of ill health which are deep rooted within our communities and neighbourhoods, particularly those that later result in hospital admissions. This is reflected in the strategic approach the organisation is taking with partners, stakeholders and commissioners when it comes to the integration and redesign of services. Members of our communities can continue to access the full compendium of services from personalised care and social prescribing, through to tertiary treatments with an emphasis on more treatment outside of the traditional hospital boundaries.

The Trust recognises the high incidence of deprivation across the population it serves and so the organisational business planning process ensures any service developments incorporate a Health Inequalities Impact Assessment as part of evaluating and prioritising service change. This assists increased visibility of associated health inequality issues with due consideration to any issues or risks.

In line with the national 2023-24 priorities and operational planning guidance we continue to work in partnership with our Local Authorities, using a profile of our catchment population, understanding the difference between the observed versus expected to help inform our decision making to address gaps using the Core20PLUS5 approach. This will enable us to also monitor and address any disparities observed in access, experience and outcomes of care.

Service change within an acute, primary and social care setting is pivotal to the transformation and sustainability of the wider health economy within the region, and our Trust continues to play a critical part in the process. Ensuring the delivery of high quality services whilst delivering a challenging cost improvement programme alongside the constraints that come with an ever-changing local health economy is a balancing act that continues to be a high priority for the Board of Directors of this Trust.

3.1.4 The Evidence Base

We continue to learn from national best practice and we continue to demonstrate full alignment of our services through the plans, strategies and reviews that provide all Trusts with key learning points. The NHS Long Term Plan remains a key driver for our services and this will continue to provide a focus for the delivery of our clinical strategy.

However, during this period we have also acknowledged the policy shift towards better integration of care across a system and at a local level. The Government white paper '*Joining up care for people, places and populations'* sets out an ambitious drive to accelerate integration of health and adult social care at 'place' level to improve outcomes, achieve better value from public resources and join-up delivery across a defined geographic locality. As an ambitious and progressive Trust we welcome the new proposals at 'place' level with boundaries and footprints that make sense, not just for trusts, but also for our patients and residents of the populations we serve.

3.1.5 Clinical Services Strategy

We remain committed to our vision of 'providing the best healthcare for everyone in our population' and ensure that clinical services are not only sustainable, but also fit for the future. We continue to adapt to the demands of our changing population, service requirements and alternative models of care and aligned to the 'systems strategy' to ensure that transformational work continues to progress across the Tees Valley, with care being delivered in the most cost effective and sustainable way through the best use of resources.

Working in partnership as part of a 'system' provides the opportunity to channel all of our collective resources, plans and strategies in the right areas for the good of the population that we serve. The integration and innovation of services at a system level enables local partners with the tools and resources to improve the quality of pathways and access to care for patients and carers. A greater breadth and depth of clinical, scientific and managerial expertise can be achieved by drawing upon the knowledge, skills and experience of staff within the trusts in the partnership alongside the broader involvement of other clinical and non-clinical partners.

We continue to work in close partnership with our colleagues across Teesside and within our immediate region, to develop and realise the ambitions of collaboration, which will support the eradication of health inequalities for the communities we work in.

By working together we can ensure that the populations of Teesside and the surrounding areas have access to leading health care provision, with holistic support where needed, through closer integration of clinical service delivery, so that we can ensure our services will be available for future generations.

Further afield we remain dedicated to the value of collaboration across the broader care systems to ensure sustainability for both the NHS and health care across the North East and Cumbria through constantly sharing our skills, knowledge and clinical expertise to enable the health and care systems to become more sustainable over time.

Providing joined-up care at the right time, in the right place, with our ambition to prevent health inequalities across Teesside is the cornerstone of our clinical services and we will continue to invest in our workforce and identify the key areas of pressure, building upon digitally enabled care success to date, and sustainable financial viability so that we can start to realise our vision for the years to come.

Service Developments

We are now in an era being labelled as ‘post pandemic’ but the effects on the NHS, as well as our local system are still very much being felt. The Trust continues to be one of the top performing organisations regionally and nationally in terms of our elective recovery program.

The Delivery Model, covering the elements below, was developed with the aim to assist with elective recovery, respond to emergency demand whilst delivering optimal clinical outcomes, provide efficient and effective service delivery and address workforce challenges.

- Emergency Department Nursing Workforce
- Endoscopy Workforce
- Safer Nursing Staffing Levels
- Healthy Lives Community Infrastructure
- Community Beds Workforce
- Winter Resilience Beds and supporting winter planning schemes
- Elective infrastructure

Our achievements include growing our workforce to achieve safer staffing levels, successfully recruiting to vacant consultant posts and support services.

Healthy Lives have implemented various initiatives, such as, creating virtual wards and Hospital @ Home for a number of pathways releasing hospital beds days and treating patients in their home.

Waiting times in the Emergency Department have improved, reporting second best in the country. The increase in appropriate qualified staff in Discharge Lounge and extended opening times has had a positive impact on patient flow which assists with the 4 hour standard and timely ambulance handovers.

Endoscopy have increased to a six day working week which has had an impact on reducing waiting times for diagnostics.

Collaborative Care was successful in attaining Elective Hub status at our Hartlepool hospital, with an increase in theatre lists being undertaken.

Increased staffing levels within the domestic services has seen the cover on ward areas increase up to 21:00 daily, assisting with patients flow and an improvement against the national standards of healthcare cleanliness has been achieved.

Digital, Data and Technology began trialling HealthCall Patient Engagement Portal (PEP) to facilitate a digital outpatient appointment process meaning patients can manage their appointments and get their clinical documentation via the NHS app. A reduction in patients not attending their appointment is evident in the Gastroenterology where this has been trialled.

The Development of the Faculty of Leadership, Learning and Improvement brings together leadership, learning and Quality Improvement linking in with the Health and Care Academy to create a career-long pathway of development opportunities for our staff and the community. Various programmes have been rolled out such as, Quality, Service Improvement and Redesign (QSIR) programme and 100 Leaders rebranded as NTH100 for cohort 3.

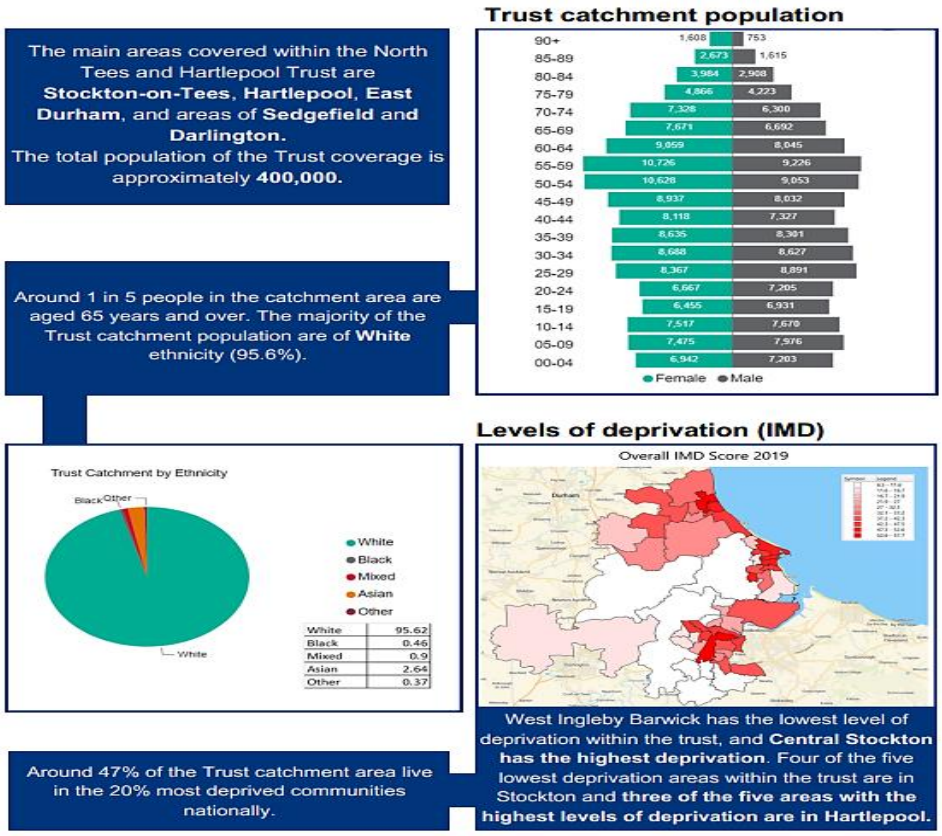
Building work has commenced on a joint venture with Hartlepool College for Further Education (HCFE) seeking to deliver a regionally significant training facility at the heart of our current estate within Ward 10 at the University Hospital of Hartlepool, focussing on, state of the art specialist training, apprenticeships and it is envisaged the Academy will be used as a community resource.

3.1.6 Preventing population ill health and reducing health inequalities

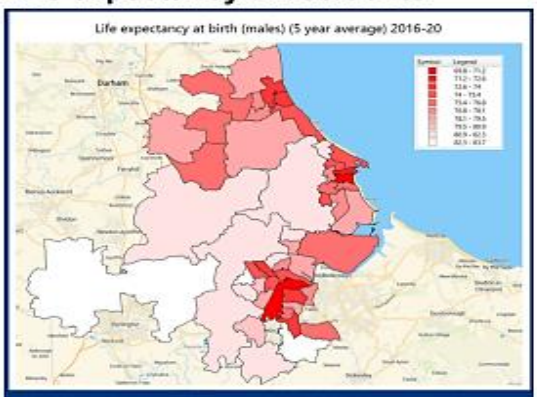
Understanding the general health care needs of our population - Our Trust catchment population profile

North Tees and Hartlepool NHS Foundation Trust (NT&HFT) mainly serves the whole of Stockton-On-Tees and Hartlepool councils' populations, approximately 70% of East Durham population and parts of Darlington and Sedgefield locality areas.

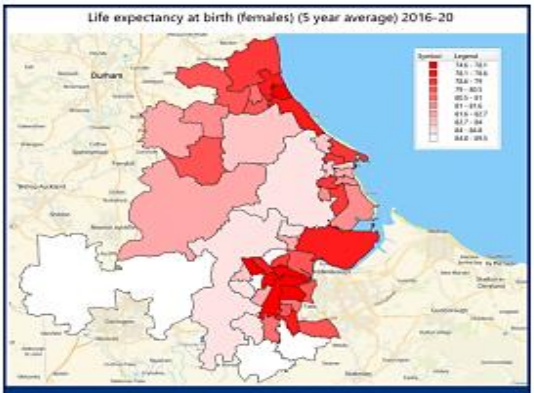
The Trust's catchment population, based on all admissions, is the second most deprived in the North East and North Cumbria (NENC) Integrated Care Board (ICB) region with South Tyneside and Sunderland NHS Foundation Trust being the most deprived in the region. Our Trust is the 14th most deprived Acute Trust in England (*source: OHID, NHS Acute Trust's catchment populations 2022.*



Life expectancy of residents

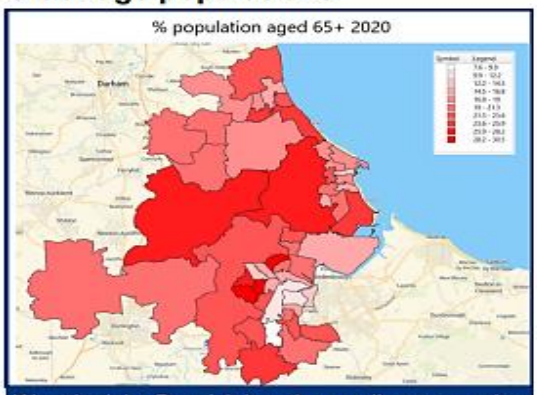


Male life expectancy in NT&HFT ranges from 69.8 years in Central Stockton to 83.7 years in the Bishopsgarth area of Stockton. This is a **difference of 13.9 years** in life expectancy within the foundation trust.



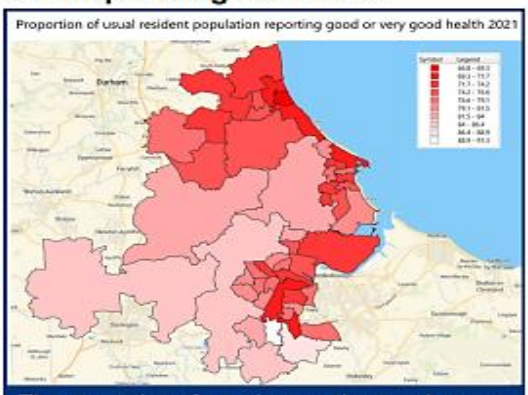
Female life expectancy in NT&HFT ranges from 74.6 years in Central Stockton to 89.5 years in the East Ingleby Barwick area of Stockton. This is **a difference of 14.9 years** in life expectancy within the foundation trust.

Older age populations



West Ingleby Barwick has the smallest proportion of population aged 65+ and North Norton has the largest. Around **1 in 13 people in West Ingleby Barwick** are aged 65+ compared with around **1 in 3 in North Norton**. The average for the trust is 1 in 5 people aged 65+.

Self-reported good health



The proportion of people reporting good or very good health in NT&HFT ranges from 66.8% in Horden of Durham to 91.3% in West Ingleby Barwick in Stockton. The three lowest proportions are all in Durham and five of the top six are in Stockton.

There are disparities in self-reported health status, an indicator with direct impact on healthy life expectancy, with a difference of 24.5% between the best (in Stockton) and worst (in East Durham) areas of the Trust catchment population. There are also significant disparities in life expectancy for males and females and across our catchment area with the worst life expectancy recorded in Central Stockton for both males and females.

Gap in healthy life expectancy analysis at ward level means we are not able to analyse that indicator for the Trust catchment area.

Unemployment, fuel poverty and childhood obesity show notable disparities across the Trust's catchment population. This has implications for the holistic and personalised care support that will be required by our most disadvantaged patients in order to achieve equitable outcomes of care for our core20 communities.

Core20 – The most deprived 20% of the national population as identified by the national index of Multiple Deprivation (IMD). The IMD has seven domains with indicators accounting for a wide range of social determinants of health.

Fuel Poverty

West Ingleby Barwick has the lowest proportion of its household in fuel poverty, and North Thornaby has the largest proportion. Around **1 in 4 households in North Thornaby are in fuel poverty**, compared with around 1 in 30 for West Ingleby Barwick. The average for the trust is 1 in 7 people.

Unemployment

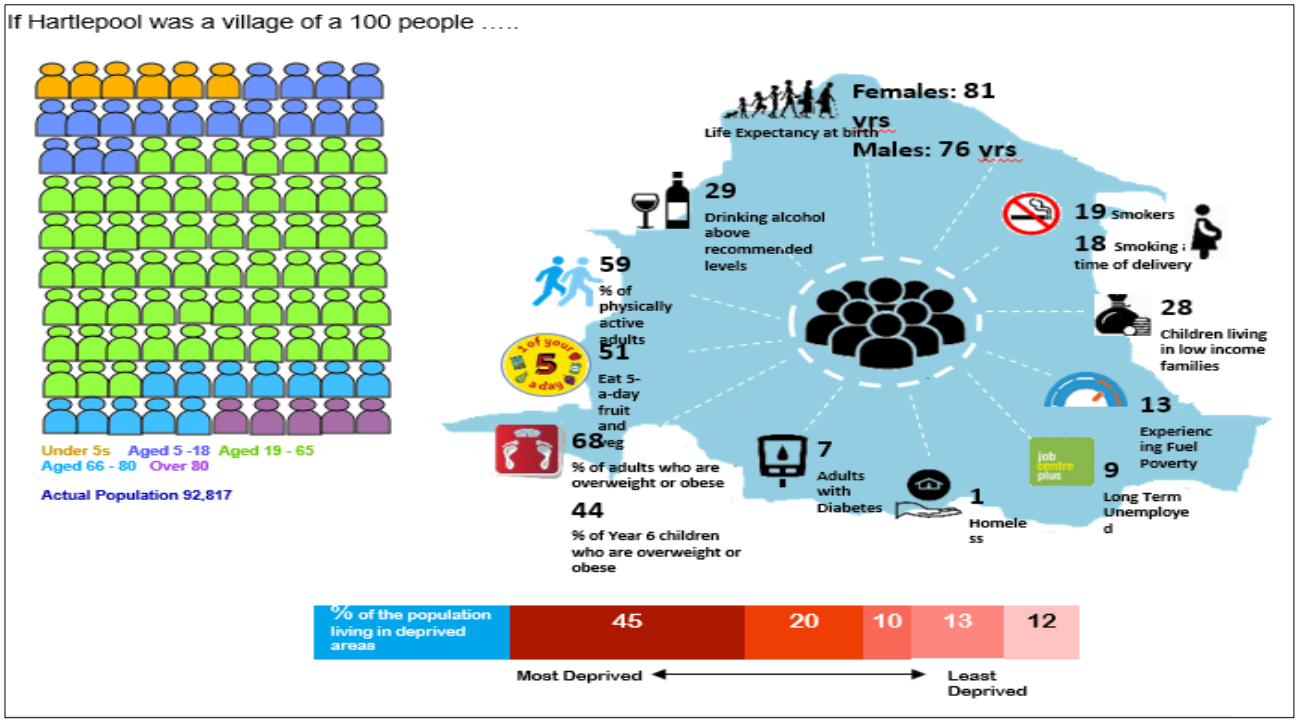
Sedgefield has the lowest rate of long term unemployment in the trust, while Central Stockton has the highest. The Sedgefield rate is more than 20 times smaller than the Central Stockton rate. **All five of the highest long term unemployment rates in the trust are in Stockton**, though three of the five lowest are also in Stockton.

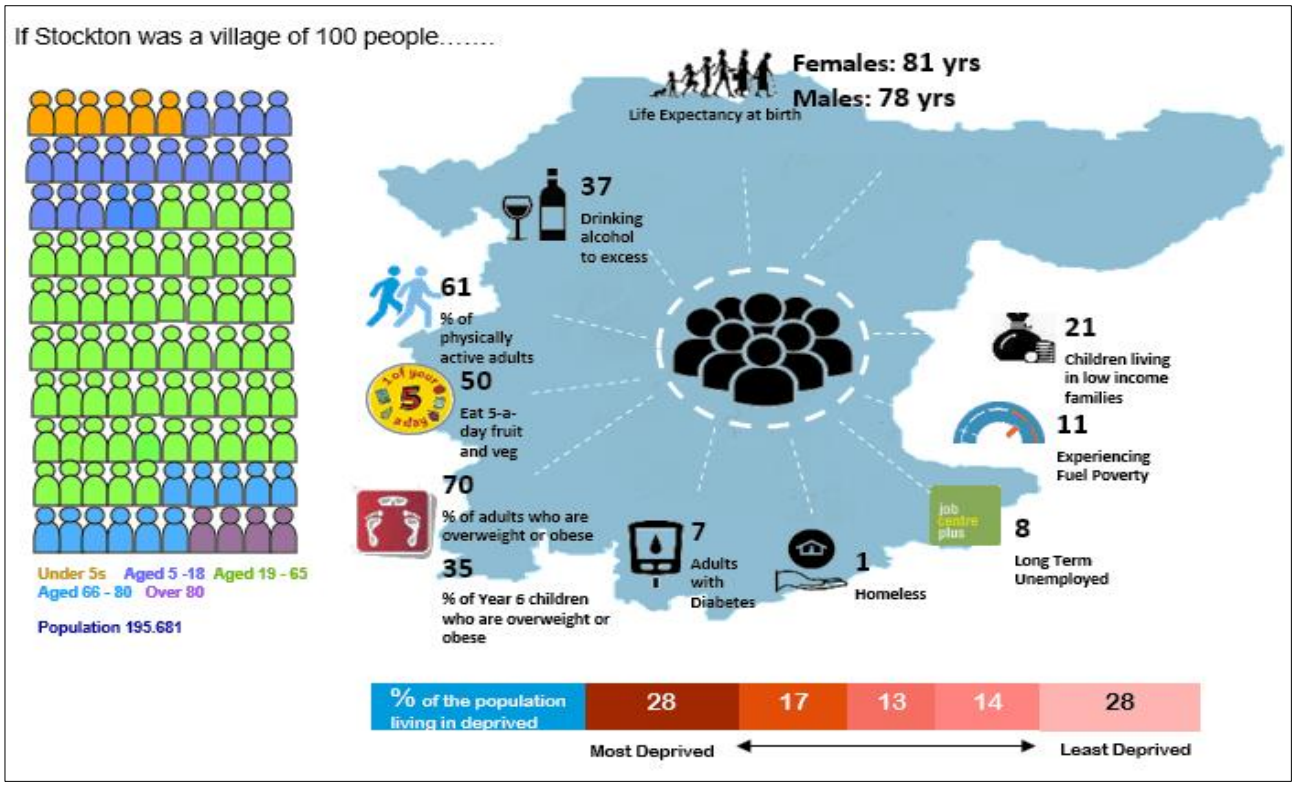
Excess weight in children

Within the trust the highest prevalence of overweight children in Reception is in Owton Manor in Hartlepool, the lowest is Sedgefield in Durham and Bishopsgarth in Stockton. In Owton Manor **more than 1 in 3 children are overweight**, compared with 1 in 6 in Sedgefield and Bishopsgarth. The average for the trust is 1 in 4 children.

Within the trust the highest prevalence of overweight children in Year 6 is in North Thornaby, the lowest is Sedgefield in Durham. Horden in Durham, Victoria in Hartlepool, and Norton High Street and North Thornaby in Stockton all have **at least 50% of year 6 children overweight.**

Key priorities from our PLACE joint strategic needs assessments (JSNA)



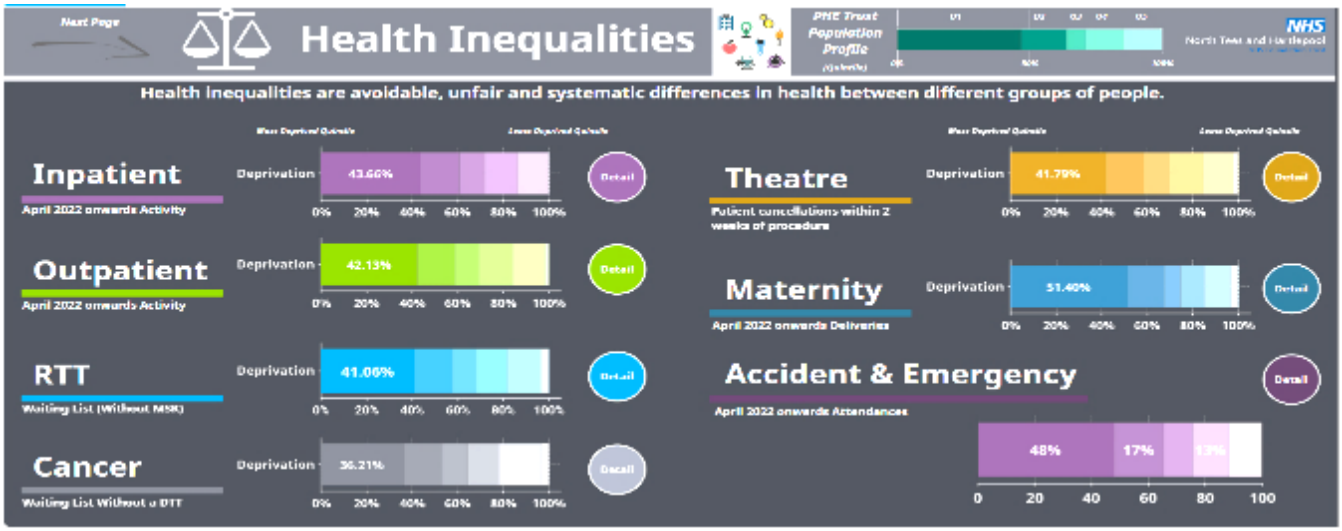


The main priorities identified for which the Trust will be able to influence through joint working with our local authorities and wider stakeholders include:

- Reducing prevalence of and support for managing drug and alcohol addiction;
- Reducing prevalence of and support for treating tobacco addiction;
- Reducing prevalence and impact of overweight and obesity for adults and children and young people including Diabetes;
- Continuing to promote physical activity for patients and staff; and
- Reducing poverty and unemployment.

Understanding healthcare access, experience and outcomes

Through our Trust high level **Health Inequalities Dashboard** below, we have disaggregated key datasets to help us understand disparities in access, experience and outcomes across key areas of Trust activity. All the datasets are analysed by gender, ethnicity and deprivation as a minimum. We have also undertaken bespoke analysis to ascertain any disparities for our patients who are flagged as having a learning disability. We also have a plan to embedding patients, public and people with lived experience views in understanding healthcare needs.

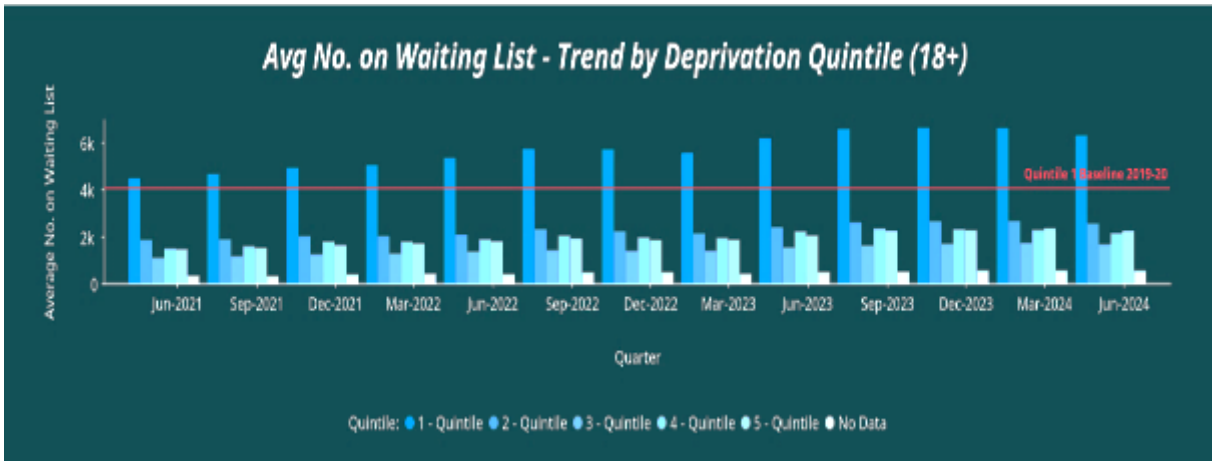


Due to small numbers, in-depth bespoke analysis of our BAME population are undertaken to ascertain any disparities that might need to be addressed. Approximately half of our patients with an Asian ethnicity and 70% of our patients with Black ethnicity live in our core20 (20% most deprived or quintile 1) communities.

Elective recovery

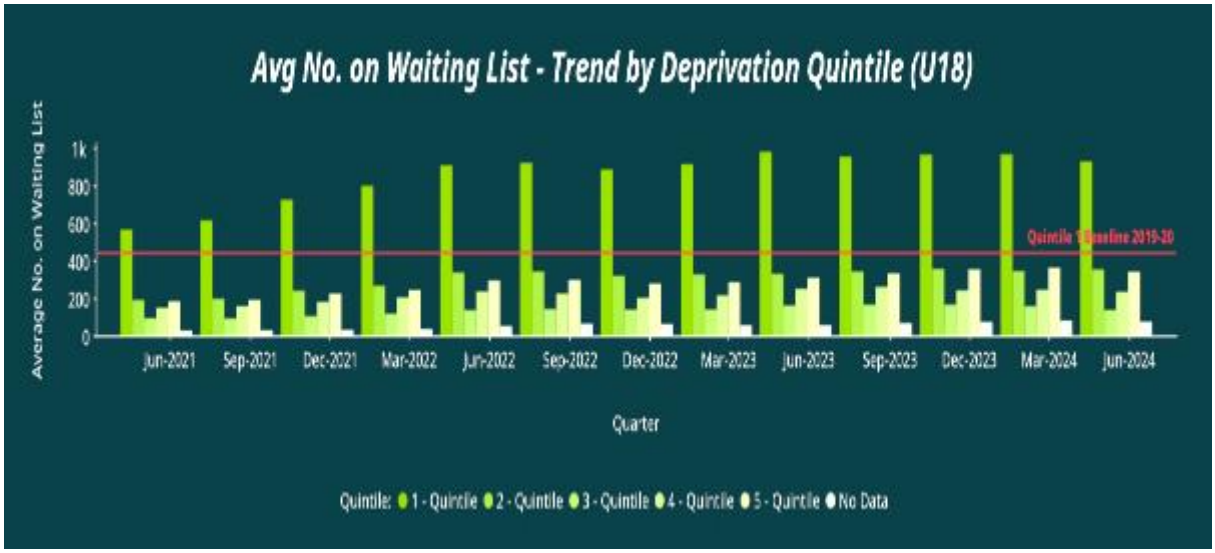
About 1 in 3 patients are waiting longer than 18 weeks; 1 in 100 are waiting for 52 weeks with no patient waiting for 65 weeks for treatment. From April 2022 to 31 March 2024, approximately 16 out of every 100 out-patient attendance has been by a virtual appointment with no significant differences by deprivation, gender or ethnicity.

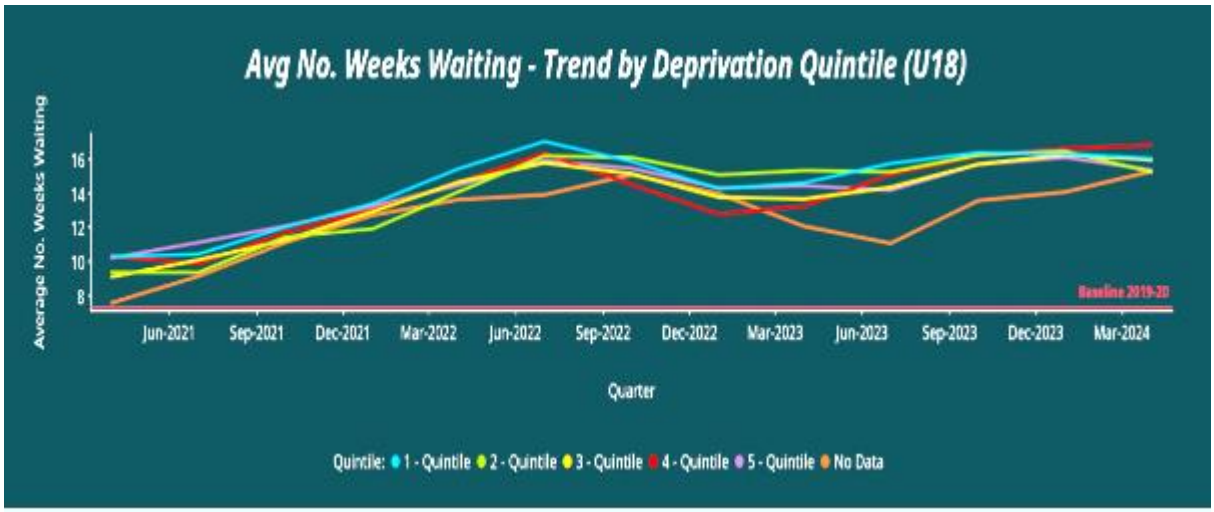
Waiting list (18 years and above)



- Compared to the 2019-20 baseline when majority of our over 18 years old patients waited an average of roughly 10 weeks for treatment, they are now waiting for an average of 15 weeks.
- The average number of our core20 patients on our surgical waiting list for the over 18 years old pre-COVID was roughly 4,000 and has now increased to roughly 6,500 as at March 2024.
- As of June 2021 there was little variation in waiting time for an operation for our core20 patients compared to those from other quintiles, however inequalities in the waiting time for our core20 patients consistently increased over time and we are now gradually beginning to close the gap with patients from quintiles 1 to 3 waiting slightly longer than those from quintiles 4 and 5.
- We have more patients on the waiting list from quintile 1 however that is consistent with our population catchment profile.
- There is a small cohort of our patients with no post code recorded. These patients are observed to have a shorter waiting time for surgery overall compared to other patients. *Further analysis will be undertaken in the next year to explore, particularly for health inclusion groups e.g. homeless, GRT etc.*

Waiting list (under 18 year olds)





- Compared to the 2019-20 baseline when majority of our under 18 years patients waited an average of 10 weeks for treatment, they are now waiting for an average of 15 weeks.
- The average number of our under 18 years old core20 patients on our waiting list pre-COVID was about 450 and has been increasing post-COVID and is now roughly 950 as at March 2024.
- As at June 2021 there was a variation of approximately 3 weeks in waiting time for treatment for our patients with no recorded post code compared to other patients. This gap widened from April 2023 onwards, however the inequalities gap has now been reduced with no significant variation in waiting times for an operation amongst any groups of patients as at March 2024.

Urgent and emergency care

Emergency admissions for under 18s

From April 2022 to 31 March 2024, about 2 in 3 of all our under 18 urgent and emergency admissions were 2years old or under with 1 out of every 2 living in our core20 communities. The ethnic distribution is reflective of the Trust's catchment population profile. The top diagnosis were related to respiratory and neonatal complications.

Cardiovascular disease

Myocardial infarctions rate of non-elective admissions

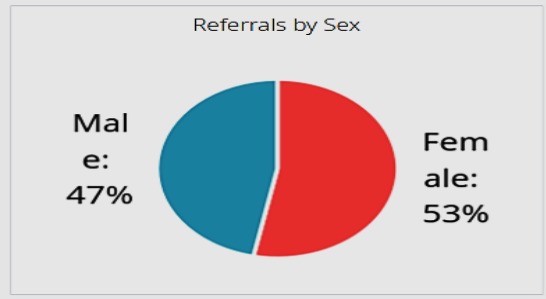
There were 496 admissions from April 2023 to March 2024 of whom about two thirds were male. The ages ranged from 30years and above with the majority being over 55years old. 42% were from our core20 communities and the ethnic profile was reflective of the Trust's population profile.

We will undertake further analysis to help understand better small area disparities that can inform future multi-agency work with our GP practices and other community partners for early identification of hypertension and atrial fibrillation as part of the core20plus5 work.

We will also repeat for non-elective stroke admissions in 2024-25. This will inform further work that is being started with our local authorities to align with the NHS health checks for early identification of risk and proactive support for prevention in order to reduce rate of premature mortality.

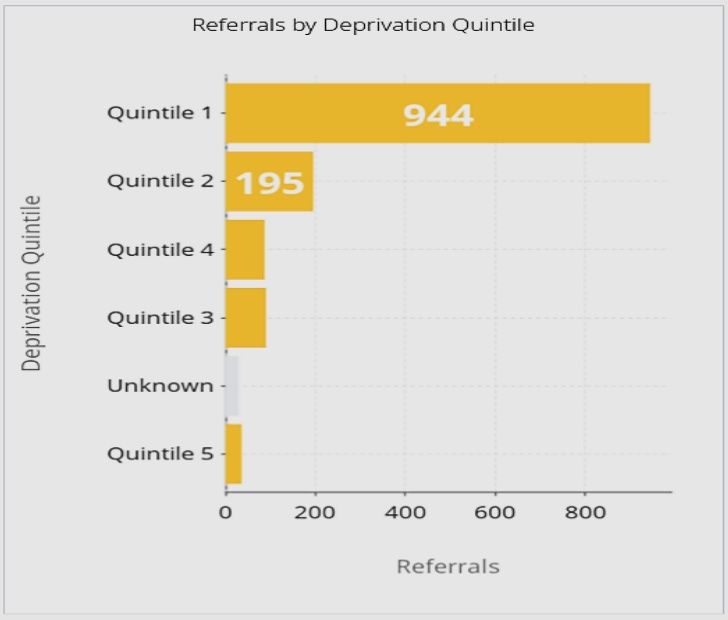
Smoking Cessation

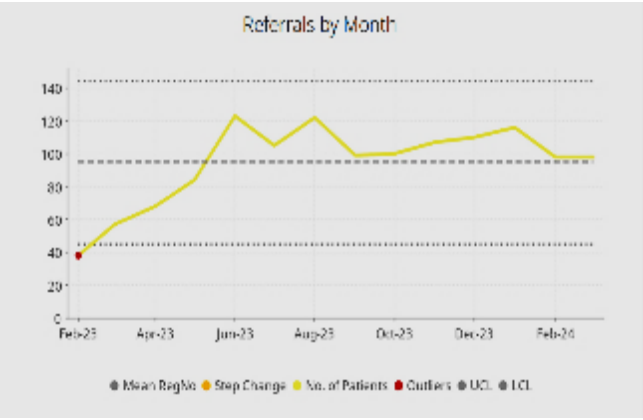
Our tobacco dependent treatment service (TDTS) has been fully established for about 2 years and provides support to eligible patients for all acute in-patient settings, maternity, staff and some out-patients. Currently, smoking status is checked for all patients who are admitted by the Trust. Referrals to the service has been increasing and the team are now receiving approximately 200 referrals every month.
In 2023-24, 18% of all eligible patients were referred for support by the TDTS. 61.5% of patients referred to the service accepted support, making up 11% of the total eligible patients. Rate of referrals across all departments ranged from 68% to 0%.
We will be doing further training and engagement with staff in 2024-25 to help increase referrals further.

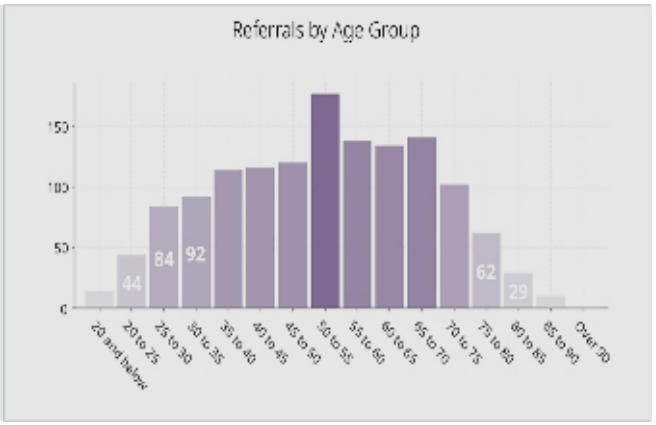


Referrals by Ethnicity

% of Referrals	Ethnicity
87.08%	White British
11.39%	Not stated
0.80%	Any other White background
0.29%	Any other Asian background
0.22%	Any other ethnic group
0.15%	Pakistani
0.07%	Indian







Referrals to TDTS has seen a gradual increase across all ages till date, with a high proportion of patients referred being from our core20 communities. The ethnicity breakdown of referrals is very reflective of the Trust's catchment population profile.

Oral health

Tooth extraction for 10year olds and under

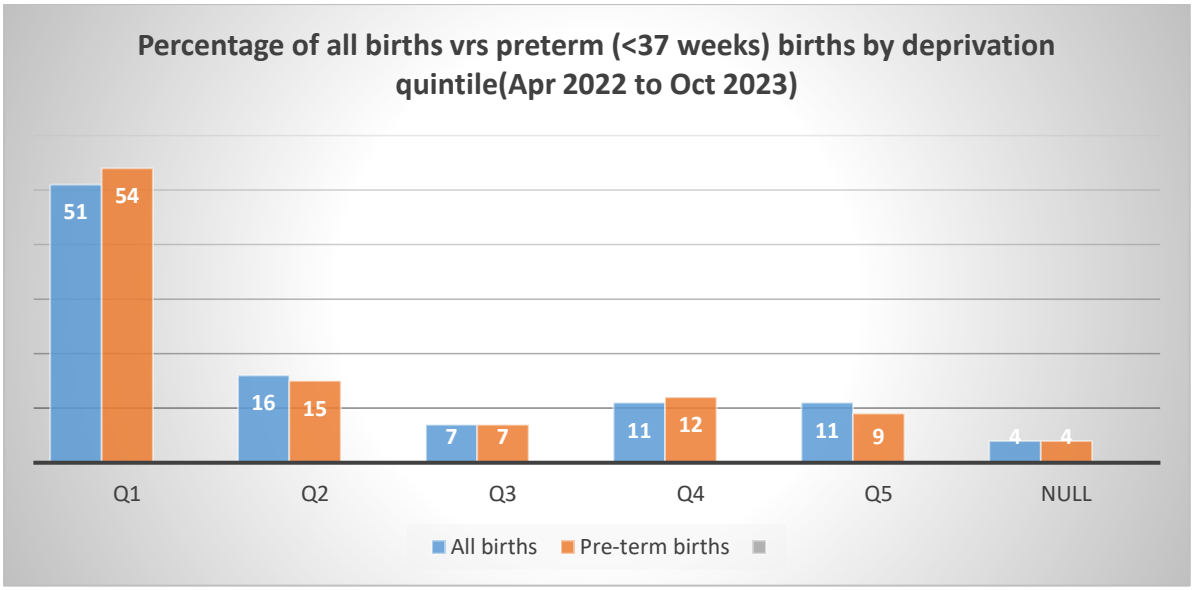
From April 2022 to 31 March 2024, we have had only one patient admitted for a tooth extraction as a result of decay.

We will explore our data completeness further in 2024-25 to understand the reason for this low number of cases.

Maternity and neonatal

Preterm births under 37 weeks

Approximately 8 out of every 100 births, making a total of 313, in the Trust from April 2022 to October 2023 were preterm. About half of all the births delivered in the Trust were patients who live in our core20 communities. Compared to patients who lived in other areas our core20 patients had a higher proportion of preterm births in comparison with all births per deprivation quintile.



Our response to prevent population ill-health and reduce healthcare inequalities so far...

Our organisational approach to preventing population ill-health and reduce inequalities is to facilitate cultural change that supports a whole Trust approach to embedding a health equity lens in clinical practice. We work in partnership with our local authorities, Place ICB, University, volunteers, patients & people with lived experience and voluntary & community sector (VCS) organisations.

Strengthening leadership and accountability

- Our Chief Medical Officer is the senior responsible officer (SRO) and executive lead
- Our Consultant in Public Health provides specialist advice, leadership and oversight
- Our Service leads/Head of service - lead specific project developments.
- Strategic oversight for our work is led through our multi-agency healthcare inequalities group that includes other Trust Directors, local authority Directors of Public Health and ICB Place Directors.
- We have developed our population health plan as an enabling plan for achieving our corporate plan.
- Our population health and health inequalities board assurance framework (BAF) has been embedded into the quality, people, finance and planning/performance BAFs to ensure integration into Trust core business.
- Training for the wider workforce is being progressed by Trust and as part of regional health inequalities workforce programme.

Restoring NHS services inclusively (core20plus5)

- We have implemented waiting well, a personalised care pre-habilitation service for the core20plus.
- We have piloted and rolling out a health inequalities did not attend (DNA) support model as part of our out-patients transformation programme.
- We have redesigned our Transient Ischaemic Attack (TIA) pathway and aligned with community prevention pathways.
- We are implementing a multi-agency project to improve equity in bowel screening uptake.
- We are developing multi-agency models to improve diabetic eye screening uptake.
- We are developing bespoke maternity continuity of carer model for very high risk families.
- We have undertaken a baseline gap analysis and implementing requirements for the children and young people (CYP) Core20plus5.
- We have embedded health inequalities impact assessment in our business case and QIA templates.

We are exploring a multi-agency model for high intensity users.

Mitigating against digital exclusion

- We have developed a digital inclusion plan following our community insight study.
- We are piloting a digital device access pathway in partnership with a local VCSE.

Ensuring datasets are complete and timely

- We implemented a short term project to help improve coding for ethnicity and deprivation when developing our health inequalities dashboard.
- We now undertaking regular monitoring for continuous quality improvement at departmental level.

Accelerating preventative programmes

- We have implemented alcohol care team and recovery navigator service at accident and emergency (A&E).
- We have implemented tobacco dependence treatment service for in-patients, maternity, and some out-patients.
- We have implemented making every contact count across our organisation and a bespoke model with staff as community 'connectors' and personalised care model.
- We are developing a substance misuse support model in A&E.
- We are implementing the public health prevention in maternity offer – obesity, mental health, breastfeeding, smoking, drug & alcohol addiction and poverty proofing.
- We are developing our Tees anchor institution network.

Workforce health and inequalities

- We have implemented the 'better health at work award' scheme.
- We undertake annual staff health needs assessment to inform interventions.
- We have implemented staff support programmes for alcohol misuse, stop smoking, mental wellbeing & weight management.
- We are undertaking evaluation of our on-boarding and support that is provided to internationally recruited staff to help inform future equity improvement interventions.

Our main challenges and constraints

The main constraint to implementing our population health and inequalities programmes is the fact that all the funding streams are fixed term and therefore it is difficult to make longer term plans for sustainable improvements. This poses a risk for loss of experienced staff and destabilisation of services when there is uncertainty about continued funding. A health inequality budget line on the ICB funding to Trusts will go a long way to ensure effective planning and implementation.

Looking ahead – our priorities for 2024-25

In 2024-25, we will continue to implement the projects that we have already started in this financial year. In addition we will

- Scope and implement a model regarding early identification and prevention for avoidance of unplanned admissions as part of the offer to respond to winter pressures jointly with our external partners;
- Continue to develop and embed our prevention programmes;
- Develop a programme for addressing health literacy including digital literacy;
- Undertake evaluation of our diabetes training programme to inform quality improvement in our diabetes care;
- Implement a programme of work to reduce inequalities in cancer care and screening programmes;
- Work in partnership with our place partners to develop the Tees anchor institution network;
- Implement an inclusion health programme. This will involve looking at a multi-agency offer for people who are homeless;

- Implement a project to improve ethnicity and learning disability coding;
- Utilise the evaluation findings to design and implement interventions to reduce inequalities for our internationally recruited staff: and
- Develop and strengthen our offer for workforce development and capability to address health inequalities.

3.1.7 Subsidiary Companies

Optimus Health Limited

Optimus Health Limited is a wholly owned subsidiary company of the Trust. It started trading in 2014 and continues to operate and deliver the outpatient and retail pharmacy service at University Hospital of North Tees. During the course of the year, the performance driven service to the Trust has strengthened and continue to widen its available services to better match the needs of patient demographics.

Through 2023-24, Panacea Pharmacy has been able to broaden its services within the Trust group. It now provides services for a wide range of departments across the trust, enabling optimisation of medicine costs and supporting the flow of patients through the hospital group. The outward looking vaccination services continue to grow, offering seasonal influenza vaccinations and travel vaccines to people across the region. As we move into 2024-25, Panacea will continue to explore its outward looking offer to identify areas for development that best meet the needs of the communities that we serve.

North Tees and Hartlepool Solutions Limited Liability Partnership

North Tees and Hartlepool Solutions LLP, (NTH Solutions) successfully delivered against its 2023-24 business plan achieving a surplus of £1.9m, £708k ahead of plan. In addition to the overall financial performance, NTH Solutions successfully delivered against its capital programme requirements, which not only improved the patient environment, but also increased the safety and environmental sustainability of our sites.

An important development within this key work stream has been the purchase and staged commissioning of the Steriwave waste sterilizer plant, which, in 2024-25 will see NTH Solutions, and the Trust, lead the NHS in onsite clinical waste management.

NTH Solutions provided support for the submission of the Trusts successful bid for, £24m of funding for a new build Community Diagnostic Centre (CDC), which will be one of the first in the UK to be delivered on schedule in 2024-25. NTH Solutions has managed the project from approval, which once complete will see the delivery of 100,000 diagnostic tests per year, delivered by both Trusts within the Group, and serving the whole of the Tees Valley.

NTH Solutions also oversaw the submission of the 2022-23 ERIC Return which evidenced that NTH Solutions continue to provide an excellent value for money estates and facilities service equating to £345.30 per sq m and in the lowest quartile out of 211 Trusts. In terms of Hard Facilities Management, NTH Solutions is the lowest cost at £78.75 per sq m out of 121 Trusts.

NTH Solutions commercial services also launched several new services including the launch of the NHS Implant Analysis Service, which will help improve the safety of implants for patients, and the Blue Mental Health Solutions partnership, which aims to improve the mental wellbeing of children in Schools. Both of these services are expected to grow significantly during the course of 2024-25.

3.1.8 Emergency Preparedness, Resilience and Response (EPRR) Assurance 2022-23

As a provider of acute and community NHS services, and under the terms of the Civil Contingencies Act (2004), the Trust has a statutory responsibility to plan for and respond to any emergency or disruption that could affect the continuation of critical services, impact patient safety or threaten the continued operation of the Trust. Within the health service, this work is referred to as 'Emergency Preparedness, Resilience and Response'. (EPRR)

EPRR is of Trust-wide importance, requiring the development and implementation of a range of incident management and risk specific response plans to help ensure we are able to meet our statutory obligations as an NHS provider, whilst helping to ensure we maintain the safety of the patients and communities we serve. The agreed Trust-wide approach to EPRR, together with the specific roles and responsibilities of staff and service areas continues to be governed through the Trust's Emergency Preparedness, Resilience and Response policy.

Over the past 12 months our internal EPRR arrangements have been essential in allowing us to plan for and manage a number of significant disruptions to the delivery of services, including incidents and disruptions relating to ICT, estates and facilities, procurement and supplies, industrial action and hazardous material. Although incidents and disruptions often present a challenge to the continuity and management of critical services, the range and circumstances of disruptions we have faced over the past 12 months has provided us with a clear opportunity to undertake significant live testing of our EPRR arrangements, undertake periods of reflective learning and take steps to continually improve our arrangements for responding to and recovering from future emergencies.

Key Areas of Improvement and Continuing Development

Although significantly impacted by ongoing periods of industrial action, the EPRR work programme over the past 12 months has focused on a number of key priority areas identified as requiring improvement. This includes the development and rollout of a new package of hazardous material training to over 40 clinical staff, the development and implementation of a new severe weather plan, and the development and ratification of a new incident declaration protocol.

Throughout the year we have undertaken a number of steps, both internally and through close collaborative working with system and multi-agency partners to ensure we continue to strengthen our EPRR arrangements.

Monitoring and Assurance

A process of scheduled and dynamic monitoring and assurance processes are undertaken in order to ensure the ongoing effectiveness of EPRR arrangements.

Monthly Internal Assurance

Monthly monitoring and assurance activities are regularly undertaken by the Trust Resilience Forum. Monitoring and assurance activities are designed to ensure existing EPRR arrangements are applied appropriately, are fit for purpose and continue to support the ongoing development of EPRR arrangements across the Trust. These include activities associated with:

- Monitoring and evaluation of EPRR incidents and risks.
- Oversight of identified actions and recommendations following the evaluation of incidents (e.g. debrief reports, etc.).
- Assurance of activities relating to planned disruptions.
- Assurance of new and existing plans prior to use.

Additional internal monitoring of EPRR specific risks, including those associated with delivery of services, estates and facilities, ICT and staffing are monitored through internal risk management processes, with additional monitoring and assurance of high level strategic risks undertaken by Board Level Committees on a monthly basis as part of the Trusts Board Assurance Process.

Annual Core Standards Assessment

Further assurance of EPRR arrangements is undertaken as part of the national EPRR Core Standards assessment process. As part of the NHS England EPRR framework, providers and commissioners of NHS services must provide annual assurance that they are able to provide an effective response to business continuity, critical and major incidents, whilst maintaining the safe delivery of services to patients.

Set against a backdrop of a number of significant national incidents over recent years, including, COVID-19, the Manchester Arena bombing and the Grenfell Tower fire, a number of national recommendations resulted in significant changes to the EPRR Core Standards assessment process for the 2023-24 reporting period. The changes to the process were aimed at providing a platform for a more robust, independent assessment of EPRR arrangements, to help ensure that a more consistent measure of assurance across each provider can be achieved.

The short notice, and significant changes to thresholds for achieving full compliance against the 2023-24 Core Standards has resulted in a corresponding reduction in organisational compliance. Whilst a similar reduction was seen across the region it has been recognised that the reduction in compliance is a short term impact whilst the Trust works to adapt EPRR arrangements to better reflect the revised evidential expectations set out within the new process.

For the 2023-24 EPRR core standards assessment period, and as reported to the Board of Directors in February 2024, the Trust achieved an assurance rating of ‘Non Compliance’, indicating that the Trust was fully compliant against 76% or less of the agreed standards.

Although there has been a significant drop in compliance it should be noted that this does not signal a material change or deterioration in preparedness, but should be considered as a revised and more rigorous baseline from which to improve plans for preparedness, response and recovery, as a result in the increased thresholds associated with the new Core Standards process.

A substantial level of assurance both with regards to our ability to deliver and maintain effective EPRR arrangements can be gained from the effective way in which we have applied appropriate mitigations and response to incidents and disruptions over the past 12 months.

Although there was only one standard for which the Trust was deemed to be ‘non-compliant’, a ‘partial’ level of compliance was seen across 23 of the 62 standards applicable to NHS Acute Trusts, resulting in an overall drop in compliance.

Domain	Total applicable standards	Fully compliant	Partially compliant	Non-compliant
Governance	6	4	2	-
Duty to risk assess	2	2	-	-
Duty to maintain plans	11	3	8	-
Command and control	2	1	1	-
Training and exercising	4	-	4	-
Response	7	4	3	-
Warning and informing	4	3	1	-
Cooperation	4	3	-	1
Business continuity	10	7	3	-
Hazmat/CBRN	12	7	5	-
Total	**62**	**34**	**27**	**1**

EPRR Forward Work Programme

Ongoing operational pressures, availability of resources and the changing face of emergency preparedness continue to be recognised as the biggest risk to the development, delivery and maintenance of robust EPRR arrangements within the Trust. This includes impacts relating to the capacity to deliver and undertake training, review and develop plans and to undertake actions associated with monitoring and assurance of processes. To help mitigate these impacts a collaborative approach to the implementation of EPRR continues to be highlighted as essential.

A substantial EPRR work programme has been put in place to support the ongoing development of EPRR processes over the coming year. A risk based approach will be applied to the delivery of the EPRR forward work programme with priorities over the coming year to include improvements to the EPRR policy, review and implementation of response plans associated with evacuation and shelter, lockdown and CBRN, and the ongoing implementation of national changes to health commander competencies. A target increase to partial compliance has been agreed for the upcoming EPRR core standards assessment period.

3.1.9 Stakeholder relationships

Working with key stakeholders in the community remains high on our agenda.
We must and indeed do ensure we reach into our communities and work with partners to deliver services that meet the needs of our population.

From our local Health Watch boards to our new patient involvement bank, to our focussed locality directors and community services we are plugged in to the population we serve. Current projects which involve close working with stakeholders include the community diagnostic centre and the Hartlepool Health and Social Care Academy.

We have always regarded collaboration as key to our successes and we will continue to build and develop our partnership work.

3.1.10 Issues, opportunities and risks

The Trust has robust and established mechanisms for managing risk, which are appropriately designed to deal with rapidly emerging risks, underpinned by the Trust's Corporate Governance structure and Risk Management Strategy. The Trust recognised the risk relating to its ageing estate during 2022-23 and this was added to the corporate risk register. During 2023-24 the risks associated with the ageing estate have been separated into a specific area of review under the Board Assurance Framework. Further detail on this can be found in the Annual Governance Statement, section 4.7, which also describes how specific risks are identified, assessed and mitigated as part of the Trust's risk management processes.

For the financial year for 2023-24 funding was again allocated at Integrated Care System level and following local negotiations, the funding was distributed within the system and resulted in financial plans being agreed. The original financial plan of the Trust was to deliver a breakeven position by 31 March 2024.

Under the Health & Care Act 2022, the Integrated Care System is required to deliver an overall breakeven position and this is a legal duty. The Trust has an individual and collective responsibility to ensure this is met. At the end of 2023-24, per the Statement of Comprehensive Income the Trust reported a deficit of £1.8m, however after excluding technical adjustments (e.g. impairments and donated assets) the Trust has reported a surplus position of £1.4m, which is the figure that will be reported against the ICS system achievement. This evidences the continuation of a reported surplus position (£5.7m surplus in 2022-23). Furthermore, the reported position has been underpinned by efficient and effective cost containment, controls and processes.

The delivery of the continued improved financial position is due in part to the robust Financial Management Performance Framework and Capital Performance Framework, that has operated during 2023-24 which has maintained 'grip and control' over our financial position.

It is of particular note that financial performance has been maintained during a period of extensive industrial action.

The Trust has continued to engage effectively with NHS England and the wider system during 2023-24.

3.1.11 Outlook for 2024-25

The Health & Care Act was introduced in 2022 and requires Integrated Care Systems (ICS) to deliver an overall breakeven position, with organisations within the ICS, being able to post a surplus or deficit so long as the system overall delivers a breakeven position. This means that the Trust has and will continue to have an important role in the ICS going forward.

The Trust is part of the North East and North Cumbria ICS which has submitted a financial plan for 2024-25 that aims to deliver break even.

The Trust has followed national operational and financial planning guidance and has developed a financial plan to deliver a breakeven position at 31 March 2025. The breakeven plan contains a number of financial risks relating to excessive inflationary pressures, improvements in productivity and significant efficiency saving requirements.

The Trust has set control totals for Care Groups and Corporate Directorates to operate within for 2024-25 and any performance ahead of control totals will improve the position.

The Trust has prepared a financial plan, which is consistent with current financial performance and run rate expenditure. The plan includes challenging targets for cost improvement and productivity expectations.

This plan is in keeping with the Trust's ambition to return to surplus and will be outlined in a medium term financial plan that will be developed during 2023-24 and will aim to reinforce the Trust's commitment to returning to recurrent financial balance.

The Trust is confident that it can support the system and deliver its financial plan for 2024-25, but is likely to be required to rely upon non-recurrent measures.

The Trust does and will continue to play a key part in the Integrated Care Partnership (ICP) and the wider Integrated Care System (ICS), which will look at ways to address clinical and financial sustainability for the longer term. The Trust will continue to explore the potential opportunities as part of the Provider Collaboration arrangement and will continue collaborative work with South Tees Hospitals NHS Foundation Trust under agreed Group arrangements which begin formally on 1 April 2024.

The Trust continues work, linking with our Group partner, to review utilisation of all sites to ensure the Trust can continue to provide safe and effective services to its population.

3.1.12 Going concern

The Trust, in preparing the annual statement of accounts has undertaken an assessment of its ability to continue as a going concern.

The management of the Trust has not, nor does it intend to apply to the Secretary of State for the dissolution of the Foundation Trust and management are unaware of any plans to abolish the Trust by the Secretary of State, therefore the accounts should be prepared on a going concern basis.

In reaching the decision to adopt the going concern basis of preparation, the Directors have assessed the Trust's and the Group's ability to continue as a going concern. In terms of the provision of services into the future; under the Health & Care Act 2022, funding was allocated at Integrated Care System level and financial plans have been agreed across the system. This arrangement has also been confirmed for 2024-25.

These financial arrangements have no bearing on the Trust's ability to operate on a going concern basis. The Trust remains a going concern and the accounts have been prepared on that basis.

The cash position of the organisation is the most critical element in terms of going concern in terms of being able to meet its current liabilities over the next twelve-month period. The view from the Department of Health and Social Care is that as long as there is cash available to cover liabilities then NHS organisations remain a going concern.

The Trust has a comprehensive cash management process in place with weekly cash flow forecasting that is updated on a daily basis. The Trust has also reviewed the process for applying for Planned Term Support should the need arise over the course of the financial year. The Trust does not intend to utilise this support, nor does it anticipate the need to do so.

Following review with the Board of Directors, the Trust has a reasonable expectation that the North Tees and Hartlepool NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

3.2. Performance Analysis

3.2.1 Performance and development of the Trust's Business

During 2023-24, we have continued to review and re-model services to meet the needs of the population. The Trust's bed base has regularly been re-aligned to allow greater flexibility to meet demand, whilst providing resilience for periods of seasonal demand. The Trust, like many others, has had to work very differently to accommodate increased pressures in emergency services, whilst meeting the demands of elective recovery.

In terms of performance, the Trust has continued with its exceptional track record of being one of the better performing Trusts in the region, as evidenced in the monthly Integrated Performance Report, where standards are benchmarked regionally and nationally. Whilst not achieving compliance against historical standards, we have demonstrated remarkable recovery against plans.

The commitment to the continued review and improvement of patient pathways, through integrated acute and community care and collaborative working with social care and other care providers has supported the release of valuable acute resources.

The table below outlines our activity within 2023-24 and clearly shows both elective and emergency activity has increased, including referral activity from primary care. We faced unprecedented operational pressures throughout the winter period with an overall increase of 14.35% increase in emergency care attendances compared to the previous year.

The Trust continued to see, diagnose and treat a significant number of emergencies through the Ambulatory Care unit, to reduce avoidable admissions and the subsequent associated pressures within the base wards.

Point of Delivery	2022-23 Actual	2023-24 Actual	Variance 2023-24 against 2022-23	% Variance 2023-24 against 2022-23
A&E Attendances (type 1)	47,399	54,202	6,803	14.35%
Urgent Care Attendances (type3)	133,739	136,390	2,651	1.98%
Day Case Admissions	35,177	37,475	2,298	6.53%
Inpatient Planned Admissions	4,611	4,813	202	4.38%
Inpatient Emergency Admissions	39,912	39,743	-169	-0.42%
Ambulatory Care Attendances	12,579	14,045	1,466	11.65%
Outpatient Attendances	204,231	208,379	4,148	2.03%
Ward Attenders	52,275	50,822	-1,453	-2.78%

3.2.2 Performance Review

As a Trust, we are committed to developing and improving service efficiency and productivity in collaboration with our partners and key stakeholders, our commissioners. We continue to utilise the NHS England Model Health System and Getting it Right First Time (GIRFT) data to identify the operational efficiency opportunities across individual services, which has supported year on year delivery against the cost efficiency programme, however this challenge will become greater into the next year. This programme of work is overseen and supported through the organisation's Project Management Improvement Office (PMIO) function.

The Business Intelligence Team have further developed Corporate and Care Group dashboards to allow timely and proactive access to real time data, supporting informed business decisions and ward to Board to ward information flows. The Board of Directors, Executive Management Team and Council of Governors receive regular reports on performance via the Integrated Performance Report, covering performance against compliance, operational efficiency, quality and patient safety, workforce and financial metrics including the Board Assurance Framework associated to performance and compliance.

The Trust continually reviews and transforms its pathways through service improvements, delivering operational efficiencies and enhanced patient experience through projects identified within the business planning process. The Trust has implemented a number of initiatives to support the delivery of the efficiency agenda with particular improvements noted with day case rates and lengths of stay.

3.2.3 Care Quality Commission

The Trust is fully compliant with the registration requirements of the Care Quality Commission (CQC). Compliance with the provisions of the Health & Social Care Act 2008 (Registration Regulations 2010) is led by the Chief Nurse/Director of Patient Safety and Quality Standards who oversees compliance by:

- Reporting and keeping under review matters highlighted within the CQC Insight Tool and inspections.
- Liaising with the CQC and local services to address specific concerns.
- Engaging with the CQC on the inspection process, co-ordinating the Trust's response to inspections and recommendations.

The CQC published a report in September 2022, following the inspection of two core services maternity and children and young people. The report identified that the ratings for the Trust were 'good' in two of the domains and 'requires improvement' in three domains; safe, effective and well-led resulting in a change to our overall rating from 'good' to 'requires improvement'.

An improvement plan was implemented to address the recommendations from the report, with a focus on improving governance oversight with executive-level ownership to ensure staff and stakeholders have a better understanding of the improvements taking place.

Governance arrangements are in place to ensure on-going monitoring and compliance with CQC requirements and implementation of improvement plans. The full inspection reports for the Trust are available to the public on the CQC website: www.cqc.org.uk/provider/RVW

3.2.4 Key Performance Standards

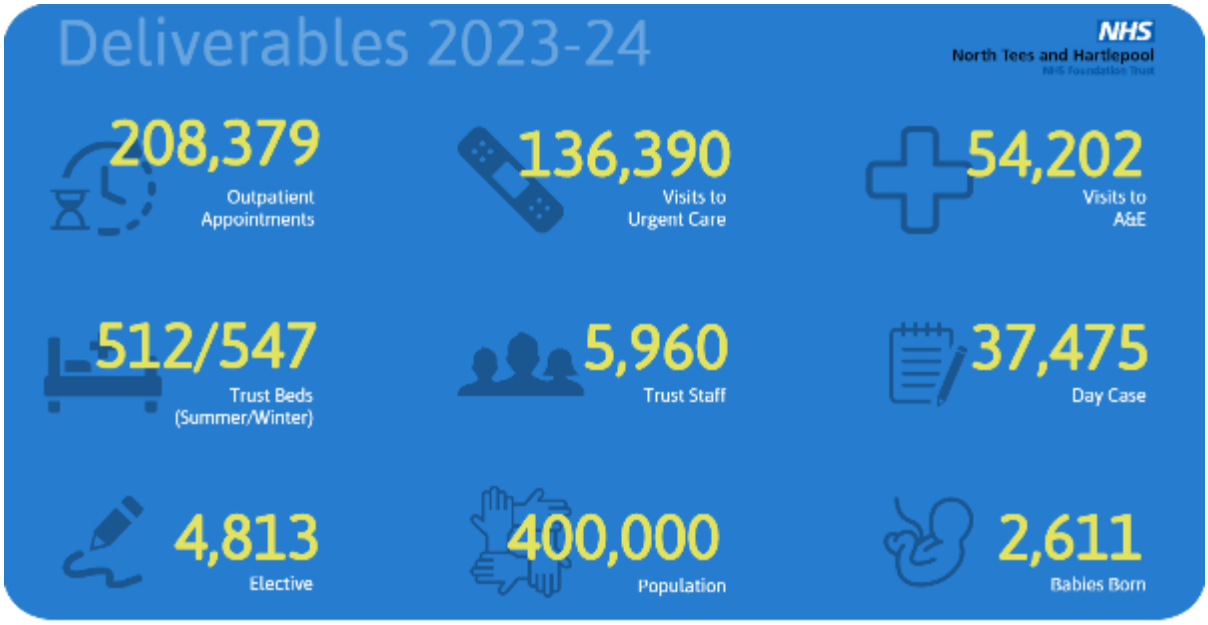
Our performance is reported through the Integrated Performance Report (IPR). The IPR provides an opportunity for a narrative to be provided within the report in regard to both current and trajectories of improvement.

There is a robust governance structure which underpins the reporting, from operational meetings to Board committee structure with representation from members of the Care Groups and Corporate functions including updates provided to Executive Team.

Key performance standards continue to be affected in terms of compliance against historical performance (performance details can be seen in the table overleaf), however we continued to recover our position against plan. The overall position for the majority of key standards, including referral to treatment, cancer and diagnostics, remain comparable to national and regional position. The focus has been, and will continue to be, on improving the overall waiting list position, reducing long waiting times, in line with the recently published national 2024-25 priorities and operational planning guidance requirements. Robust governance structures support the on-going recovery programme.

As outlined above, operational efficiency and productivity remains a key focus of the Trust, ensuring outcome measures across Outpatients (DNAs and New to Review Ratios), Theatres (cancellations and utilisation) and Emergency pathways (admission avoidance, extended lengths of stay) all continue to be monitored and managed closely with data regularly compared to model hospital benchmarking positions to help drive improvement. Our emergency preparedness and resilience plan, including winter planning, has been fully implemented to support the delivery of emergency services and maintain the safety and quality of patient care. The key to success is the whole system approach to pathway management, service redesign, escalation processes, workforce reviews and the implementation of the integrated urgent care service.

The graphic below provides an overview of the Trust's deliverables during 2023-24.



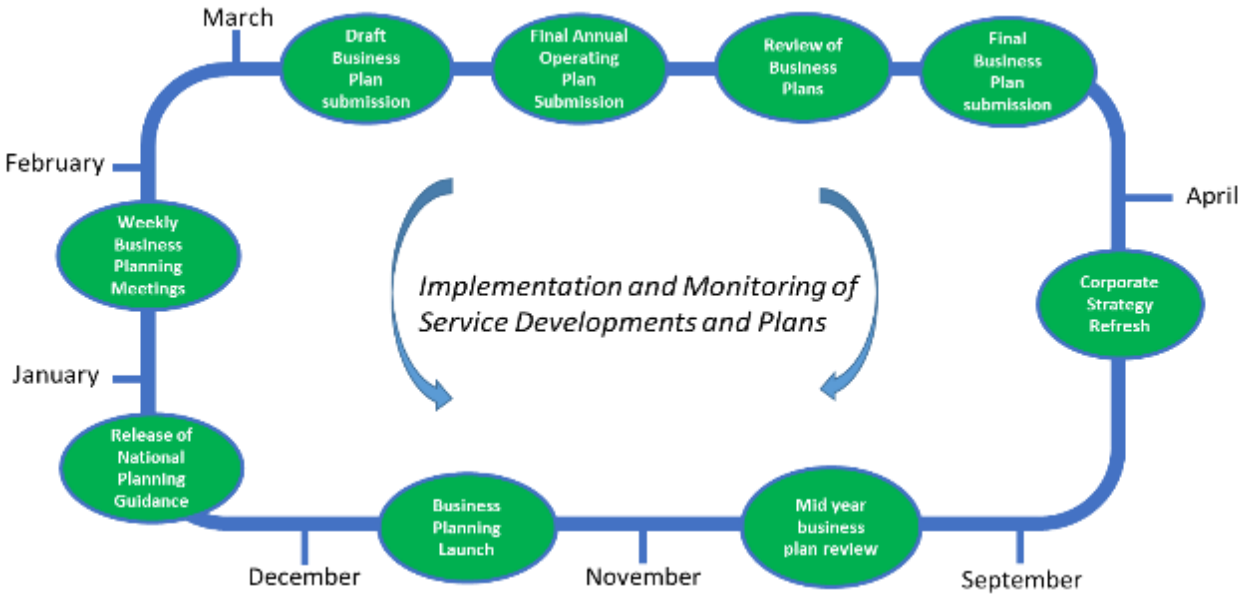
The Oversight Framework forms the basis upon which the Trust's Annual Plan and in-year reports are presented to the Board of Directors. Regulation and proportionate management remain paramount in the Trust to ensure patient safety is considered across all aspects of operational performance and efficiency delivery.

The Trust continues its commitment to deliver safe, patient centred services, maintaining its focus on quality care.

Single Oversight Framework Indicators	Standard / Trajectory	2023-24 Performance	2022-23 Performance	Achieved (cumulative)
A&E: maximum waiting time of 4 hours from arrival admission/transfer/discharge (Apr 23 to Mar 24)	76%	84.78%	N/A	✔
Receipt of two week wait / screening referral to date patient is informed of a diagnosis (FDS) or ruling out cancer (2023-24)	75%	79.00%	80.71%	✔
31-day wait from decision to treat/earliest clinically appropriate date to treatment of cancer (2023-24)	96%	96.60%	96.49%	✔
62-day wait from urgent GP referral for urgent suspected cancer or breast symptomatic referral or urgent screening referral or consultant upgrade to first definitive treatment of cancer (2023-24)	85%	65.43%	70.20%	X
Maximum time of 18 weeks from point of referral to treatment in aggregate, patients on incomplete pathways (Mar 24 frozen)	92%	71.15%	78.36%	X
Referral to Treatment 52 Week Waits (Mar 24 frozen)	0	218	38	X
Number of Diagnostic waiters over 6 weeks (2023-24)	99%	80.19%	75.85%	X

3.2.5 Business planning and links to key activities

We have a robust business planning cycle in place aligned to the national annual planning round, allowing initial Care Group and Corporate plans to be shared across services, budgets to be aligned, and cost improvement plans to be agreed. The business planning process takes into account the strategic requirements at operational level, year on year, with robust scrutiny of service development proposals for the following year. The Trust continues to operate within the context of the economic downturn, more stringent efficiency and productivity requirements, a measurable quality drive and new ways of delivering NHS services, as outlined in the requirements of the Long Term Plan. The Business Planning Process can be seen below.



Service development proposals are submitted within business plans, each of which are progressed through the agreed governance structure within the Trust, with final agreement through the Capital and Revenue Management Group. This process ensures alignment with strategic priorities, level of risk to quality and patient safety and return on investment.

We continue to re-profile services and flex capacity to accommodate changes in service demand, disease profile and patient needs. The resilience in capacity management will continue into the future, especially in the face of limited public spending, further cost improvements and, more specifically, given the planning assumptions expected on growth and efficiency.

3.2.6 Future challenges to Performance Delivery

The 2024-25 priorities and operational planning guidance, aligned to the NHS Long Term Plan, outlines the performance expectations for health care systems. The overall objective is to develop and deliver an integrated approach to healthcare delivery across the whole health economy. The priorities below, in the main remain the same as last years as this is a requirement of the national agenda with an internal focus on a revised delivery model to drive forward robust planning, build on the complement of staffing, deliver against elective recovery and manage emergency care. Having the correct support structure in place will allow for a more agile bed base and increased capacity to meet demand.

The overall priority in 2024-25 remains the recovery of our core services and productivity following the COVID-19 pandemic. To improve patient outcomes and experience we must continue to:

- Maintain our collective focus on the overall quality and safety of our services, particularly maternity and neonatal services, and reduce inequalities in line with the Core20PLUS5 approach.
- Improve ambulance response and A&E waiting times by supporting admission avoidance and hospital discharge, and maintaining the increased acute bed and ambulance service capacity that systems and individual providers committed to put in place for the final quarter of 2023-24.
- Reduce elective long waits and improve performance against the core cancer and diagnostic standards.
- Make it easier for people to access community and primary care services, particularly general practice and dentistry.
- Improve access to mental health services so that more people or all ages receive the treatment they need.
- Improve staff experience, retention and attendance.

3.2.7 Volunteers

Our unpaid volunteers are an integral part of Trust life. They provide a highly regarded service to the Trust as they continue to provide support to our patients, families, visitors and staff.

Some of the roles and activities undertaken by our volunteers during 2023– 24 include:

- **Clinical Volunteers** – supporting wards and clinics by spending time with patients, assisting with nutrition and hydration, where appropriate, helping with hot drinks and snacks, and running errands.
- **Volunteer Drivers** - collecting patients from their home and taking them to and from arranged outpatient appointments or on discharge as an inpatient; delivering medication and equipment, all provides vital support and plays a key role in reducing bed pressures.
- **Response Volunteer** –a patient's hospital journey often sees them moving wards or attending services around the hospital, our volunteers assist by collecting and delivering clothes, personal items and medication.
- **Discharge Support Volunteers** – supporting patients who are at risk of isolation/loneliness upon discharge, our Discharge Support Volunteers work alongside the Integrated Discharge Team to explore options for support at the point of discharge and back in the community. The volunteers proactively support discharged patients for 28 days to ensure they are settled and are aware of other services available from the public and volunteer sectors.
- **Volunteer Companion (End of Life)** – these volunteers take on the privileged, emotionally taxing but vital role of providing support to patients and families during the final days of life.
- **Chaplaincy Volunteers** – they build relationships of trust and respect, listening and talking to patients, who may be distressed and anxious, or simply in need of some company, working closely with the Chaplaincy team.
- **MacMillan Volunteers** – they provide a vital service with the Cancer Information Centre. Giving people the opportunity to talk about their feelings, offering them support through empathy and a listening ear.
- **Volunteer Welcome** – The friendly face who greets our patients is often a volunteer. They also help with directions and assist patients and their loved ones with getting to appointments on time.

Our volunteers have also been recognised by being shortlisted for a national Unsung Heroes Award.

Initiatives

- **Home 'but not' Alone** – Our Discharge Support Volunteers promote the use of the Home 'but not' Alone programme to support discharge and longer term well-being through the wider volunteer sector. This has seen greater numbers being referred than ever, with further expansion expected.
- **Volunteer to Career** – A new initiative to explore and develop pathways from volunteering to employment. After a successful pilot we are looking to expand into wider aspects of the trust workforce, (including LLP).

Achievements

This team over the last 12 months has achieved the following.

- Introduction of the National Volunteer Certificate, enabling volunteers to be recognised nationally for the commitment to volunteering, to the NHS and our Trust in particular.
- Successful in bid to pilot the Volunteer to Career programme, a national initiative specifically designed to support volunteers into NHS careers.
- Strengthened links with local Further Education Colleges leading to the recruitment of the largest number of young volunteers into our service.
- Developing new roles for End of Life support and expansion of the Volunteer to career concept into our subsidiary companies.
- Our volunteer driver service has delivered a high quality service to support patients with over 5100 journeys made 2023-24.
- Collection of volunteer impact through Friends and Family Test, figures show that where there was volunteer interaction with a patient they scored 9.1/10.
- Growing reputation locally, regionally and nationally in delivering high quality volunteering opportunities whilst supporting the delivery of high quality patient experience.
- Current commitment of volunteers equates to 1200 hours per week, 62,400 hours per year; the equivalent of 32.3 whole time equivalent roles.

3.2.8 Capital Programme

During the year, North Tees and Hartlepool Solutions have:

- Completed the capital programme for the period 2023-24 to deliver a wide range of patient environment, safety, backlog maintenance and service improvements and developments across the organisation;
- Continued with the estates strategy to rationalise the Trust-wide estate, to maximise space utilisation and to improve cost efficiencies by either generating additional income or by reducing the cost of external rents;
- Year 5 of the 5 year backlog maintenance plan has been completed to address the high backlog maintenance levels within the Trust Estates.

In terms of capital investment, there was a total spend of £39.88m, against a budget of £38.78m, which was an approved 0.3% increase over forecast of the planned spend for 2023-24.

This year's programme has seen significant investment to address backlog maintenance issues associated with the ageing estate.

The prominent service development projects are as follows:-

Community Diagnostic Centre

The Tees Valley Community Diagnostic Centre (TVCDC) forms part of the national plan to develop diagnostic facilities outside of acute hospital settings. £24m funding was approved in January 2023 for the development of the TVCDC on Stockton High Street, adjacent to the Waterfront.

The facility, opening in late summer 2024, will include state of the art diagnostic equipment including two MRI scanners, two CT scanners and one digital x-ray machine. Once operational, the facility is planned to improve accessibility and provide over 100,000 diagnostic tests / year to patients across the Tees Valley.

Public Sector Decarbonisation Scheme (PSDS)

We successfully submitted a £13.4m bid for decarbonisation works at the University Hospital of Hartlepool. The works consist of installing 1MW of solar panels and 2MW of ground source heat pumps that will provide the heating and hot water services to the hospital, significantly reducing carbon emissions from the site. The works are targeted to be completed by the summer of 2025.

Pathology Collaboration

As part of the implementation of a Tees Valley approach to the delivery of pathology services, estates work was required at the Trust and James Cook Hospital. Work commenced in March 2023 and was completed in December 2023 with a further phase to follow in financial year 2024-25.

RAAC

On the North Tees site, RAAC has been found within the seven residency blocks and the Lecture Theatre within the Middlefield Centre. Those areas identified as requiring urgent attention have had work completed to make safe, funded from the capital programme for 2023-24. The remaining areas are recommended for annual inspections.

RAAC specific surveys were commissioned across all three hospital sites with no further RAAC identified across the estate.
Eradication of the RAAC requires external funding from NHS England and we submitted a bid in support of this in March 2024.

Theatre Robot

This complex project will construct and fit out two new operating theatres and two maternity recovery spaces that connect directly into the existing theatre block and maternity services at floor 1. The works will provide the modern operating theatre facilities required to support the latest theatre robot technology. The project is anticipated to be completed by December 2024.

Sensory Garden (West Wing)

We have created a sensory garden for our Stroke Rehabilitation patients to enjoy and aid their recovery. The works were completed in March 2024.

Staff Changing Rooms and Welfare Facilities

Funding was approved as part of the 100 Leaders Project and made available for improvements to the changing room facilities. A staff welfare facility has also been designed to provide a bright and pleasant environment to allow West Wing staff to leave the busy patient area during break periods. The facility is due to be completed in financial year 2024-25.

3.2.9 Environment, Sustainability and Climate Change

The NHS vision of delivering the world's first net zero health service and response to climate change has been embraced by the Trust. We are working towards two clear targets, these being:

- To achieve net zero for emissions that we control directly by 2040 with regards to the NHS Carbon Footprint.
- To achieve net zero for the emissions that we can influence by 2045 with regards to the NHS Carbon Footprint Plus.

In order to meet these targets all staff have a vital role to play whether it be from reporting dripping taps, turning off unwanted lights, to the correct segregation of wastes.

To address this the Green Plan has been developed in order to support achievement of our objectives and ambitions. The Board of Directors approved this in 2021 and this along with our Climate Change Adaptation Plan, Travel Plan, Sustainable Procurement Strategy and Waste Strategy will ensure we make substantial progress going forward.

The Trust and Board receives regular updates during the course of the year on the green plan and sustainability from NTH Solutions. Reports on capital progress are presented to the Capital & Revenue Management Group, Trust Estate updates via the Resources Committee and more granular level updates via the monthly Master Services Agreement and Performance meetings, respectively.

The progress made over the past 12 months includes:

Waste Treatment Plant

A waste treatment plant has been purchased and is currently undergoing installation in the Boiler House, North Tees. The equipment utilises a sterilization and shredding process to convert our infectious waste and offensive waste into an inert, non-hazardous commodity. This will make us more environmentally friendly and we will be the first in the region to utilise this technology.

Neptune

This system is an enclosed suction unit which treats irrigation fluids used on our patients in Theatres. This system filters the waste fluid in order for it to go to drain, thereby bypassing the manual handling of heavy fluid bags by Theatre staff, safer for the patient as fluid usage is monitored, and the diathermy feature makes the environment safer for all.

Food waste

With the banning of food waste to drain in hospitals in 2025 work has already commenced in securing an anaerobic digestion system for our food waste. This is a process whereby bacteria break down organic matter in the absence of oxygen. Food waste from the kitchens and wards will be collected and ‘fed’ into the machine which when processed be turned into electricity for homes in the area.

Swap Shop

The Swap Shop is being ever more popular with staff. Unwanted furniture such as desks, chairs, filing cabinets etc. are reused and / or repaired and put back into the system, saving money on the ordering of new equipment. It is estimated that for this year approximately £26k has been saved by reusing equipment destined for the skip.

Offensive waste stream

The introduction of the offensive waste stream into Theatres has demonstrated not only savings but better compliance. There is still a great deal to do in rolling it out trustwide however it is a good start and the good work is now influencing other departments.

Recycling

More recycling opportunities have been developing and are slowly being delivered throughout the Trust. There are many income generation schemes being introduced such as cardboard and scrap metal. Yet the basics need to improve such as Dry, Mixed Recycling (cardboard, plastic, tins, and paper). This will be a priority for the next financial year.

Eco Shop

Work has commenced on an Eco Shop. This is a sustainable way of purchasing ambient food goods (tins, dried food) for the price of £2 for 10 items. It is for all staff to utilise if they

wish, however it needs to be pointed out that this is not a food bank. The food is surplus from supermarkets and would go to waste. Monies made from this initiative will go to charity and to purchase the next batch of food.

Community Collections

The collection of clinical waste from our community patients has been expanding. They now receive small, yellow wheelie bins for their clinical waste to be disposed of in. This means that the waste collections can be undertaken without disturbing the patients.

Green Group

A Green Group has been set up in order to run the Green Plan and make the Trust and its community more environmental friendly.

Energy and Carbon Management

The following has been achieved during 2023-24 with the exception of the 1.15GW generated which has been since the completion of the energy centre in 2019:

90%

LED lighting

90% of the LED lighting replacement at North Tees has been completed

40%

LED lighting complete

40% of the LED lighting replacement at Hartlepool has been completed and this will increase further with the completion of the PSDS project in Summer 25.

64

Electric Vehicle Charging Points

This is across our 3 hospital sites and includes 2 fast chargers (50KW) at both North Tees and Hartlepool.

1.15GW

energy generated

Solar panels on Podium Block and the Energy Centre have now generated 1.15GW of electricity

35%

Carbon footprint reduction

Our carbon footprint has now reduced by 35% since the start of the Carbon Reduction Plan in 2010. We remain on trajectory to meet our Green Plan

Reducing Energy

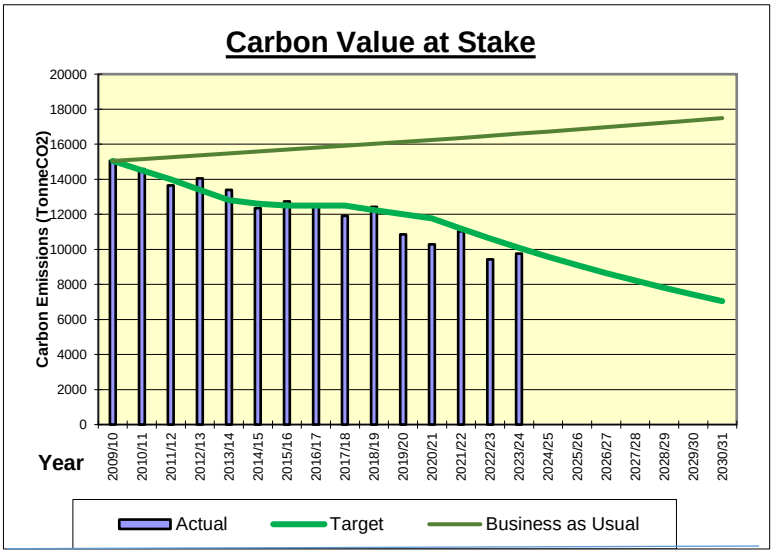
1. Air conditioning units continue to be upgraded reducing high global warning refrigerant gas
2. Air handling and heating plant with electric cooling & heating have reduced carbon consumption
3. CHP has increased efficiency at

On behalf of the Trust, NTH Solutions worked with Veolia Environmental Services on a feasibility study to significantly reduce the carbon footprint across both North Tees and Hartlepool. An application for funding was made for the Hartlepool site through the government's Public Service Decarbonisation Scheme (PSDS) which provides grants for

public sector bodies to fund heat decarbonisation and energy efficiency measures. We were successful in our bid and subsequently awarded £13.4M of funding. The completion date for the project is Summer 25.

Carbon Emissions (2023-24)

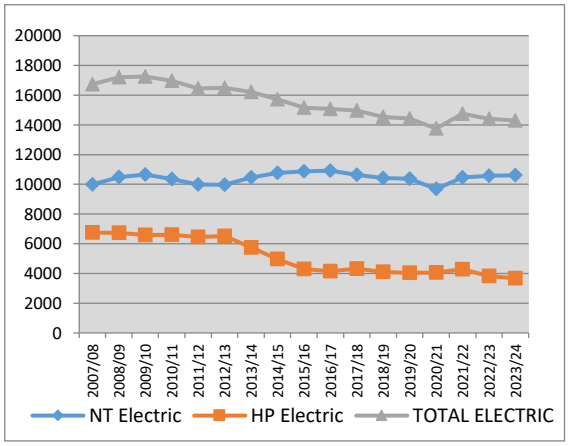
The ongoing implementation of the Carbon Management Programme continues to make a significant impact on the carbon footprint. Against a trend of increasing activity, we have made carbon reduction savings of more than 35% since 2010 in support of the government's 2050 targets.

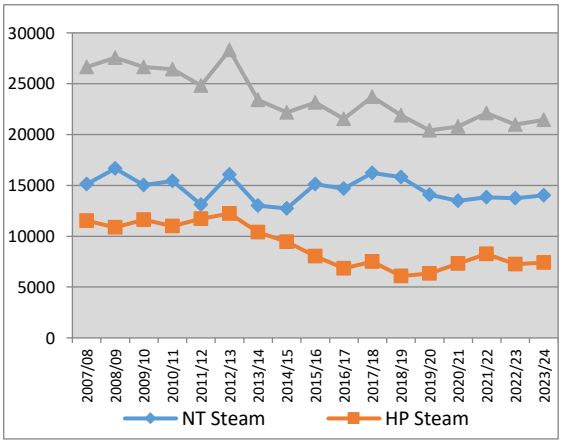


	Tonnes CO2
2018-19	12422
2019-20	10847
2020-21	10292
2021-22	11034
2022-23	9438
2023-24	9760

Since the COVID-19 pandemic, the carbon footprint has fluctuated significantly; initially it increased as clinical activity raced to catch-up, then it dropped as the balance of gas and electric shifted while the CHP at Hartlepool was replaced. This year saw an increase of 3.4%, but it is still below the target set out in the Green Plan.

The Carbon Footprint over the past 2 years has been influenced by the project to replace the Combined Heat and Power (CHP) unit at Hartlepool Hospital; nonetheless, carbon reduction is still on a downward trend.





As of 2020, under new legislation of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies and LLP (Energy and Carbon Report) Regulations 2018, it is a requirement through the Streamlined Energy and Carbon Reporting (SECR) to present the energy use and associated greenhouse gas emissions as part of the energy report in a tabulated format as shown below.

		2021-22	2022-23	2023-24
Finite Resources	Electricity	1694.3 MWh	4811 MWh	3695 MWh
		0 tCO2	0 tCO2	0 tCO2
	Gas	57,257 MWh	48,905 MWh	50,498 MWh
		10535 tCO2	8998.52 tCO2	9215.9 tCO2
	Oil	174,060 kWh	284,547 kWh	33,832 kWh
		44.6 tCO2	72.9 tCO2	8.6 tCO2
		2021-22	**2022-23**	**2023-24**
Water	Water Consumption	142,623 m3	121,796 m3	121,048 m3
		49.1 tCO2	41.9 tCO2	44.7 tCO2
		2021-22	**2022-23**	**2023-24**
Waste	**Total Waste**	**1448 t**	**1281.4 t**	**1330 t**
Hazardous Waste	Clinical waste to alternative treatment of incineration	298 t	300 t	251 t
		67.3 tCO2	67.8 tCO2	56.7 tCO2
Non-hazardous Waste	Landfill	63 t	0 t	0 t
		37.0 tCO2	0 tCO2	0 tCO2
	Re-used / Recycled	258 t	67 t	201 t
	Incinerated with Energy Recovery	810 t	898 t	926 t
	Electrical Waste (WEEE)	20 t	16.4 t	14.1 t
		2021-22	**2022-23**	**2023-24**
Travel	Commercial Vehicles Diesel	0	0	0
		0 tCO2	0 tCO2	0 tCO2
	Lease Vehicles Petrol	222,326 miles	191,018 miles	199,028 miles
		59.8 tCO2	49.7 tCO2	40.2 tCO2
	Lease Vehicles Diesel	32,820 miles	23,939 miles	9,296 miles
		9.1 tCO2	6.5 tCO2	2.3 tCO2
	Business Miles	1,115,121	1,204,089	1,230,670
		314.0 tCO2	330.4 tCO2	296.1 tCO2

Notes

1. *Electricity is now from Green Tariff so no carbon footprint.*
2. *Finance now report business miles and lease mileage directly.*

4. Accountability Report

The Accountability Report provides further information on the Trust's performance and services, with particular reference to:

• How the Trust is organised, with a description of the structure, membership and functions of the Board of Directors, Governors and various committees (section 4.1)
• A detailed remuneration report (section 4.2)
• The Trust's commitment to staff, including details on staff support, training and development, management of equality and diversity, absence management, findings from and action plan to address the issues raised in the Staff Survey 2023 and staffing analysis (section 4.3).
• The NHS Foundation Trust Code of Governance (section 4.4)
• Regulatory performance and ratings (section 4.5)
• The Annual Governance Statement which includes the arrangements in place for quality governance in the Trust (section 4.7)

4.1 Director's Report

Statement of Directors' Responsibilities

Under the NHS Act 2006, NHS England has directed North Tees and Hartlepool NHS Foundation 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 Directors are responsible for preparing the accounts on an accrual basis, which gives a true and fair view of the state of affairs of North Tees and Hartlepool NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.
In preparing the accounts, the Directors are required to comply with the requirements of NHS Foundation Trust Annual Reporting Manual 2023-24 and in particular to:

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

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

The Directors consider the Annual Report and Accounts, taken as a whole, to be 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.

4.1.1 Organisational Structure

The Trust benefits from a strong Board of Directors, whose wide-ranging experience underpins our continued success. Our governors also play a vital and active role in our work.

As an NHS Foundation Trust, we are required to comply with specific statutory duties and with arrangements set out by the independent regulator, NHS England's Code of Governance for NHS Provider Trusts (the Code). The Board of Directors and the Council of Governors ensure application and compliance with the Code to ensure the organisation is managed and governed properly.

The Trust was authorised as a Foundation Trust in December 2007; it is led by a Board of Directors who are responsible for exercising the powers of the Trust and is a body that sets the strategic direction, allocates the Trust's resources and monitors its performance taking into account the views of the Council of Governors. The Board of Directors also has responsibility for ensuring the highest standards of corporate governance, patient safety and quality, and that the Trust operates within a framework of effective controls, which enables risk to be assessed and managed appropriately.

The responsibilities of the Board of Directors and the Council of Governors are presented in the Trust's Constitution, Standing Orders and Scheme of Delegation, which sets out explicitly the decisions which are reserved to the Board of Directors, those that may be determined by standing committees and those delegated to individuals.

The Board of Directors composition and its meeting structures are described on pages 57-67.

Working Together – the Board of Directors and Council of Governors

The Board of Directors and Council of Governors seek to work together effectively in their respective roles.

There are four Council of Governor meetings each year, with the Chief Executive, Managing Director and Non-Executive Directors in attendance. Executive Directors attend on request and support the schedule of development sessions covering topical issues and key areas of interest providing useful opportunities to interact with the Governors.

Two development and information sessions were held with the Governors during 2023-24 providing an update from Healthwatch and an overview of the role of the Chief People Officer/Director of Corporate Affairs.

These sessions were further supplemented by the introduction of regular Joint Council of Governor meetings, in conjunction with the Council of Governors from South Tees Hospitals NHS Foundation Trust. These were established in order to share information and host development collaboratively. Topics covered at these meetings include updates on the Group model journey and development; governance arrangements to support the Group model including the development of the Group Chief Executive and Partnership Agreement; and the role of collaborative working.

Members of the Board also attend various sub-committees of the Council of Governors to engage with Governors on specific issues. Formal pre-Council of Governor meetings are held which provide a great opportunity for open debate with the Non-Executive Directors.

Governors are invited to attend the public Board of Directors meetings to observe decision-making processes and challenge from Non-Executive Directors.
There has not been a requirement during 2023-24 to seek formal resolution for disagreement between the Board of Directors and the Council of Governors. There is an appointed Senior Independent Director, who is available to Governors and members for contact in the event of any concerns.

4.1.2 Council of Governors

Role and Composition

The Council of Governors plays a vital role in the work of the Trust, advising us on how best to meet the needs of patients and wider community, directly representing the views of members and supporting the development of forward plans and services.

The Council of Governors has a number of statutory duties, including the appointment or removal of the Group Chair and Non-Executive Directors, and deciding on their remuneration, as well as ratifying the appointment of the Chief Executive. The Council of Governors holds the Non-Executive Directors to account individually and collectively for the performance of the Board of Directors. It also receives the Trust's Annual Report and Accounts and the auditor's report, and contributes to the Trust's strategic business planning.

The Council of Governors comprises 39 Governors who represent the Trust's public and staff constituencies and those stakeholder organisations who are entitled to appoint Governors under the terms of the Trust's Constitution. This is as follows:

11 Public Governors from Stockton	**6** Public Governors from Hartlepool
2 Public Governor from Sedgefield	**2** Public Governors from Easington
1 Public Governor from other areas	**11** Appointed Partnership members
6 Staff Governors	

Following publication of the updated *NHS Code of Governance* in October 2022 and best practice governance arrangements, the Trust reviewed its Constitution to ensure it remains up to date and fit for purpose.

Following progress with the group model with South Tees Hospitals NHS Foundation Trust, this exercise was undertaken by both organisations to ensure alignment where possible and incorporate any changes to legislation and guidance, including a focus on system working.

A summary of the key changes/considerations are listed below:

- The addition of the statutory appointment of the Company Secretary.
- Proposed replacement of CCG appointed governors with 1 x ICB governor and 1 x voluntary organisation governor.
- Addition of Nolan Principles for Governors to adhere to.
- Addition of a dispute resolution process in Annex 6 for Governors.
- Consideration of the period in which a governor may take up post after an election should a vacancy arise – currently 3 months for North Tees and 12 months for South Tees (Annex 5 – Temporary Vacancies).
- Additional narrative in the significant transactions section.

Elections – Public and Staff Governors

Public and staff members are elected to the Council of Governors from the Trust's membership. Governors for both public and staff are elected to office for three years, and may seek re-election for two additional terms to a maximum of nine years. Some Governors may initially be elected for a shorter term of office, as they could be filling a vacancy arising from a resignation. Elections are held on an annual basis for Governors. The last round of elections were held in the autumn of 2023, and were conducted by Civica Election Services (CES) who were satisfied they were held in accordance with good electoral practice and constitutional requirements.

The Trust was required to fill the following vacancies at its elections to take effect from 1 December 2023.

Constituency	Number to elect	Positions filled
Hartlepool	3	0
Stockton-on-Tees	7	4
Easington	2	2
Sedgefield	1	0
Out of Area	1	1
Staff	3	0

The outcomes of elections are detailed in the table below:

Date of Election	Constituency	Number of Votes Cast	Turnout %	Number of Eligible Voters
17 October 2023	Hartlepool	Uncontested (3 vacant seats)	-	-
17 October 2023	Stockton-on-Tees	Uncontested (3 vacant seats)	-	-
17 October 2023	Easington	Uncontested	-	-
17 October 2023	Sedgefield	No nomination (1 vacant seat)		
17 October 2023	Out of Area	Uncontested	-	-
17 October 2023	Staff	No nomination (3 vacant seats)	-	-

Due to ten seats being unfilled following the 2023 elections, it was agreed a further round of elections would be undertaken to fill these vacancies. The process commenced on 22 March 2024 with twelve seats being advertised, 9 public and 3 staff, with the increase in public seats to be filled due to the addition of 2 seats following resignations.

The process will conclude on 11 June 2024 with terms of office commencing on 1 July 2024.

Meetings of the Council of Governors

The Council of Governors meetings are held in public, four were held during 2023-24 and a number of joint meetings with South Tees Hospitals NHS Foundation Trust Council of Governors.

In addition to the formal meetings, there are a range of sub-committees in which Governors engage. The sub-committees are aligned to a Non-Executive and Executive Director's portfolio and focus on specific areas:

Strategy and Service Development Committee – aimed at advising on the direction of the Trust, and to receive, review and update information relating to: patient treatment pathways; service performance; compliance; patient experience, involvement and environment.
Membership Strategy Committee – aimed at raising awareness of the Trust, to enable greater engagement with current members and also develop and implement a strategy to increase the membership of patients and carers to the Trust.
External Audit Working Group – aimed at appointing and/or removing the external auditors of the Trust.

The Council of Governors has the statutory responsibility for the appointment of the external auditors. The external audit service was last tendered during 2020; the outcome being that Deloitte were awarded the contract on the basis of two years plus a further two year extension, if appropriate. The Trust extended the arrangements with Deloitte for the additional period.

Nominations Committee

The Nominations Committee is responsible for the recruitment, appointment, retention and removal of the Group Chair and Non-Executive Directors, including matters of remuneration and conditions of appointment. The Committee has oversight of the appraisal system for the Group Chair and Non-Executive Directors.

During 2023-24 the Committee met twice and received information and outcomes of the appraisals undertaken by the Group Chair for the Non-Executive Directors. They also considered payments in line with national guidance, agreeing to maintain the level of payments currently made to Non-Executive Directors and confirming that no inflationary uplift would be applied.

National guidance allows discretionary payment for additional responsibilities and the Nominations Committee considered proposals for this to be applied to two Non-Executive Directors in recognition of the roles and responsibilities they undertook over and above. These recommendations were ratified by the Council of Governors.

The Group Chair had regular 1:1 meetings with the Non-Executive Directors throughout 2023-24 and undertook reviews and appraisals of performance. Weekly collective meetings of all Non-Executive Directors were also held with the Group Chair.

Committees in Common Nominations Committee

To support the growing collaboration between the Trust and South Tees Hospitals NHS Foundation Trust, the Nominations Committees of both trusts agreed to meet in common in order to discuss business and matters relating to the development of the group model and arrangements to support its progression. All recommendations are put to both Council of Governors, with meetings held three times during the year.
During the course of the year, the Committee in Common dealt with the following business:

- The Group Chairs performance appraisal. The Senior Independent Directors of both trusts led a joint appraisal review of the Group Chair. The outcome was reported to the Committee and subsequently to the Council of Governors for ratification.
- Considered proposals for the recruitment and appointment of a single Chief Executive for the Group model in support of integrated partnership working. The recruitment process was in line with that used for the appointment of the Group Chair in 2021 and it was agreed an external recruitment agency would be used. The Committee and both Council of Governors were engaged and involved in the process.
- considered proposals for the governance structure that would support further development of the group model and enable a single leadership, oversight and decision making body, as appropriate and in line with regulatory and statutory requirements.
- Considered appointment and remuneration of two Vice Chairs for both trusts and the Group Board.

- In support of the transition to a Group Board structure, the Committee gave due attention to the requirements for the Non-Executive Director roles in order to ensure stability for the current period and aspiration for the future. Appointment of the Non-Executive Directors to the two Trusts and the Group Board of Directors was approved ensuring a balance of skills, qualifications and experience.

All recommendations from the Committees in Common Nominations Committees were presented for approval and ratification to the Council of Governors of both trusts that met in common.

Nominations Committee Attendance

Name	Total Number of Meetings Attended	Total Number of Meetings Held
Derek Bell	2	2
Tony Horrocks	1	1
Angela Warnes	2	2
Ruth McNee	-	1
Mark White	2	2
Carol Alexander	-	1
Andy Simpson	1	2
Tim Thompson	-	2

Who's who – Council of Governors

Appointed Governors	Representing	Total number of meetings attended (see note)	Total number of meetings held (see note)	Member of committee (see key)
Steve Nelson	Stockton-on-Tees Borough Council	4	4	SSDC
Andrew Martin-Wells	Hartlepool Borough Council	4	4	SSDC
Christopher Hood[1]	Durham County Council	-	3	SSDC
Tony Alabaster	University of Sunderland	-	4	SSDC
Tim Thompson	University of Teesside	2	4	SSDC & NC
Natasha Judge	Stockton Healthwatch	1	4	SSDC
Christopher Akers-Belcher	Hartlepool Healthwatch	3	4	SSDC

Staff Governors	Appointment	Year term of office ends	Total number of meetings attended (see note)	Total number of meetings held (see note)	Member of committee (see key)
Carol Alexander[2]	3 years from 2011 re-elected for 3 years 2014, 2017 and 2020	2023	1	2	SSDC, MSC & NC
Asokan Krishnaier[3]	3 years from 2017 re-elected for 3 years from 2020	2023	1	2	SSDC
Dave Russon	3 years from 2018, re-elected for 3 years from 2021	2024	4	4	SSDC & MSC
Andy Simpson	3 years from 2019, re-elected for 3 years 2022	2025	4	4	SSDC & NC
Stephen Yull	3 years from 2022	2025	3	4	SSDC

Public Governors	Constituency	Appointment	Year term of office ends	Total number of meetings attended (see note)	Total number of meetings held (see note)	Member of committee (see key)
Alan Smith[4]	Hartlepool	3 years from 2015, re-elected for 3 years 2018 & 2021	2024	4	4	SSDC, MSC & EAWG
George Lee	Hartlepool	3 years from 2015, re-elected for 3 years 2018 & 2021	2024	-	4	SSDC
Geoff Northey[5]	Hartlepool	1 year from 2019, re-elected for 3 years from 2020	2023	1	2	SSDC
Aaron Roy[6]	Hartlepool	3 years from 2020	2023	1	2	SSDC
Mike Scanlon	Hartlepool	3 years from 2022	2025	4	4	SSDC & MSC
Janet Atkins	Stockton	3 years from 2009, re-elected for 3 years 2012, 2015, 2018 & 2021	2024	2	4	SSDC, EAWG & MSC
Mark White	Stockton	3 years from 2015, re-elected for 3 years 2018 & 2021	2024	2	4	SSDC, EAWG & NC
Tony Horrocks[7]	Stockton	3 years from 2014, re-elected for 3 years 2017 & 2020	2023	2	2	SSDC, MSC, NC & EAWG
Pat Upton[8]	Stockton	1 year from 2019, re-elected for 3 years from 2020	2023	2	2	SSDC & EAWG
Anne Johnston	Stockton	3 years from 2020, re-elected for 3 years 2023	2026	4	4	SSDC & MSC
Lynda White	Stockton	3 years from 2021	2024	4	4	SSDC & MSC
Paul Garvin[9]	Stockton	3 years from 2022	2025	3	4	SSDC
Robbie Harris	Stockton	3 years from 2023	2026	1	1	SSDC
Elliot Kennedy	Stockton	3 years from 2023	2026	1	1	SSDC
Mark Davis	Stockton	3 years from 2023	2026	1	1	SSDC
June Black	Easington	3 years from 2023	2026	-	1	SSDC
Sarah Moule	Easington	3 years from 2023	2026	1	1	SSDC
Ruth McNee[10]	Sedgefield	3 years from 2020	2023	1	2	SSDC & NC
Alison Usher	Sedgefield	3 years from 2022	2025	4	4	SSDC
Angela Warnes **(Lead Governor)**	Non-core public	3 years from 2020, re-elected for 3 years 2023	2026	4	4	SSDC, MSC & NC

Note: Total number of meetings that could be attended

The costs for Council of Governors meeting and expenses, including travel and subsistence were £952 for 2023-24 and £595 for 2022-23.

Key:

EAWG – External Audit Working Group
NC – Nominations Committee
MSC – Membership Strategy Committee
SSDC – Strategy and Service Development Committee

1. *Christopher Hood was appointed with effect from 1 July 2023.*
2. *Carol Alexander appointment ended 30 November 2023.*
3. *Asokan Krishnaier appointment ended 30 November 2023.*
4. *Alan Smith resigned with effect from 4 March 2024.*
5. *Geoff Northey appointment ended 30 November 2023.*
6. *Aaron Roy appointment ended 30 November 2023.*
7. *Tony Horrocks appointment ended 30 November 2023.*
8. *Pat Upton appointment ended 30 November 2023.*
9. *Paul Garvin resigned with effect from 22 February 2024.*
10. *Ruth McNee appointment ended 30 November 2023.*

Register of Interests – Governors

All Governors are asked to declare any interests at the time of their appointment, on election and on an annual basis. A register is maintained and available for inspection by members of the public. If anyone wishes to inspect the Register they can view it by contacting:

Company Secretary
North Tees and Hartlepool NHS Foundation Trust
University Hospital of North Tees
Hardwick
Stockton
TS19 8PE

or email: nth-tr.membership@nhs.net

Trust Membership

The Trust's membership is an essential and valuable asset. It helps guide our work, decision making and adherence to NHS values. It also provides one of the ways in which the Trust communicates with patients, the public and staff. Membership also brings the important benefit of being able to stand for and vote in the elections for our Governors.

The membership categories are as follows:

Core Public members - are those aged 16 years and above that reside in the Trust's core constituent areas of Hartlepool, Stockton-on-Tees, Peterlee, Easington and Sedgefield.

Non-core Public members - these can be people aged 16 years and above who reside outside of the Trust's core constituent areas, covering the whole of England.

Staff members - employees of the Trust who hold an employment contract with our organisation of at least one year, and staff who are based at the Trust but work for a subsidiary company or partner organisation. Staff that meet these requirements are eligible to become members within the staff constituency unless they choose to inform the Trust that they do not wish to be a member.

The Trust has some 11,279 members, which comprise 5,035 public members and 6,246 staff members:

Constituency	Number of members	Percentage of membership
Hartlepool	1,417	28.14
Stockton-on-Tees	2,202	43.73
Easington	727	14.44
Sedgefield	407	8.08
Non-Core	282	5.60
Total	**5,035**	

The Trust's Membership Strategy sets out: engagement between members, the Trust and Governors; ways to increase and maintain membership levels; communication with members (for example Anthem magazine) and benefits of membership. Members receive regular communication via email circulation of bulletins, briefings and news announcements. In addition they are invited and can attend the Annual General Meeting, public meetings of the Board of Directors and Council of Governors, and events. Social media has become a very productive medium to keep our members abreast of new developments.

4.1.3 Board of Directors

As a Foundation Trust, the Board of Directors are accountable to the independent regulator NHS England, to the health quality regulator, the Care Quality Commission, and locally to the Council of Governors and members. The Board of Directors has responsibility for ensuring compliance with the terms of authorisation, with mandatory guidance issued by NHS England, and with relevant statutory requirements and contractual obligations.

The Board of Directors comprises: a Non-Executive Chair and a minimum of five Non-Executive Directors (NED) all who are independent and are voting members; with a minimum of five voting Executive Directors and three non-voting Executive Directors. The balance, completeness and appropriateness of the membership of the Board is reviewed periodically and when vacancies arise.

The general duty of the Board of Directors is to act with a view to promoting the success of the Trust so as to maximise the benefits for the members as a whole and for the public. Directors have a responsibility to take decisions objectively in the interests of the NHS Foundation Trust and all members of the Board have joint responsibility for every decision regardless of their individual skills or status.

The Trust recognises the need for balance, completeness and appropriateness with regard to its Board Members. Membership of the Board of Directors and biographical details of individual Board Members are displayed on pages 68-71.

There were a number of changes to Board membership during the year, which can be found in the Remuneration Report. The background and experience of all individual Board members as at 31 March 2024 can be found later in the report.

A key appointment in 2023 was that of the Group Chief Executive, who took up post on 1 February 2024. Her predecessor stood down from the role of Chief Executive at the Trust with effect from 31 March 2023, therefore interim arrangements were put in place with Neil Atkinson, Managing Director, assuming the responsibilities as Accountable Officer from 1 April 2023 until 31 January 2024.

The test of independence for Non-Executive Directors is made both at interview and annually at appraisal meetings. The Trust can confirm the full independence of the Group Chair and Non-Executive Directors. For a portion of the year James Bromiley was acting in the capacity of a Non-Executive Director and also Chair of the Audit Committee whilst undergoing a recruitment process for a senior position in the Trust. During this period any independence and/or conflict of interest issues were considered and managed appropriately.

The Chief Executive on behalf of all Board Directors can confirm that each Director, who was in office at the time the report was approved, has confirmed:

- So far as the director is aware, there is no relevant audit information of which the NHS Foundation Trust's auditor is unaware.
- Each director has taken all the steps that they ought to have taken as director to make themselves aware of any relevant audit information and ensured that the Trust's auditor is aware of that information.

The Board of Directors can confirm, it has met the requirement of Section 43(2A) of the NHS Act 2006 (as amended by the Health and Social Care Act 2012) in that income from the provision of goods and services for the purposes of health services is greater than its income from the provision of goods and services for any other purposes. Income disclosures are included in note 1.4 of the accounts.

The Trust complies with the cost allocation and charging requirements set out in the managing public money guidance from HM Treasury and the Office of Public Sector Information.

The Trust made no political or charitable donations during 2023-24 however, Optimus Health Limited made a charitable donation of £200 to the Royal British Legion Stockton and the Royal Airforce Association (RAFA) Hartlepool.
The Trust acknowledges the Bribery Act 2010 and strong ethical standards are expected from all Trust employees. The Trust has a policy for gifts and hospitality, which is publicly available on its website.

The Trust has signed up to the Better Payment Practice Code, which aims to encourage and promote best practice between the organisation and its suppliers. It aims to pay all suppliers within clearly defined terms, and commits to ensuring there is a process for dealing with any issues that may arise. This helps the Trust to build stronger relationships with its suppliers. Furthermore, the organisation also abides by a prompt payment code, which aims to ensure suppliers are paid on time and as per agreed terms and conditions of the contract to trade.

Better payment practice code	31 March 2023		31 March 2024	
	Number	£'000	Number	£'000
Non NHS				
Total bills paid in the year	69,992	159,620	68,223	166,033
Total bills paid within target	68,455	156,750	66,267	162,194
Percentage of bills paid within target	**97.8%**	**98.2%**	**97.13%**	**97.69%**
NHS				
Total bills paid in the year	926	24,033	590	22,387
Total bills paid within target	912	23,969	546	22,314
Percentage of bills paid within target	**98.49%**	**99.73%**	**92.54%**	**99.67%**
Total				
Total bills paid in the year	70,918	183,653	68,813	188,420
Total bills paid within target	69,367	180,719	66,813	184,508
Percentage of bills paid within target	**97.8%**	**98.4%**	**97.09%**	**97.92%**

Board of Director's Attendance

The Board held seven seminars, all of which provided the opportunity for detailed debate and discussion regarding Trust services and developments. The Board also met in formal session on 14 occasions during 2023-24, with six sessions held in public and eight private sessions due to the confidential nature of business. The agendas and papers for the public meetings are published on the Trust's website together with dates of future meetings.

In addition, four Board of Director meetings were held in 2023-24 where the agenda focussed on the governance, performance and commercial activities of the Trust's subsidiary companies.

Board Development and Performance

The Board recognises the benefits of development and taking the time to debate and discuss the impact of governance and legislation matters. The Board meets regularly to ensure that it works as a collective entity in developing governance capability in preparation for the future challenges that face the Trust, from both a national, system-wide and local perspective.

The Board of Directors has an annual schedule of business, which ensures it focuses on its responsibilities and the long-term strategic direction of the Trust. Board performance is

evaluated further through focused discussion, strategic meetings and on-going, in-year review of the Board Assurance Framework.

Board of Director's Attendance

Name	Total No. of meetings attended *(see note)*	Total No. of meetings held *(see note)*	Notes
Derek Bell, Group Chair	12	14	
Ann Baxter, Non-Executive Director	14	14	Vice Chair from 1 April 2023
Chris Macklin, Non-Executive Director	12	14	Senior Independent Director
Fay Scullion, Non-Executive Director	12	14	
Liz Barnes, Non-Executive Director	11	14	
James Bromiley, Non-Executive Director	4	6	Stood down with effect from 31 July 2023.
Alison Fellows, Non-Executive Director	14	14	
Stacey Hunter, Group Chief Executive	1	2	Appointed 1 February 2024
Neil Atkinson, Managing Director	14	14	Accountable Officer 1 April 2023 – 31 January 2024 Director of Finance 1 April – 31 May 2023
Deepak Dwarakanath, Chief Medical Officer/Deputy Chief Executive	7	7	Was stood down from the role of Chief Medical Officer 5 September 2023 Ceased as Deputy Chief Executive 30 September 2023
Elaine Gouk, Interim Chief Medical Officer	5	7	Interim appointment with effect 5 September 2023
Rowena Dean, Acting Chief Operating Officer	12	14	Appointed with effect 24 April 2023
Lindsey Robertson, Chief Nurse/Director of Patient Safety & Quality	13	14	
Linda Hunter, Director of Planning & Performance			
Kate Hudson-Halliday. Interim Director of Finance	9	10	Appointed with effect 1 June 2023
Ken Anderson, Chief Information & Technology Officer			Appointed with effect 30 October 2023
Gillian Colquhuon, Chief Information & Technology Officer	4	4	Left the organisation 30 June 2023
Susy Cook, Chief People Officer/Director of Corporate Affairs	9	14	
Stuart Irvine, Director of Strategy, Assurance and Compliance/Company Secretary	9	10	Appointed with effect 10 July 2023

(*) Total number of meetings that could be attended

Joint Partnership Board

For some time now, the Trust has been working closely with South Tees Hospitals NHS Foundation Trust to support collaborative working. In May 2021, the trusts established and agreed a Memorandum of Understanding in support of working collaboratively. A Joint Strategic Board was formed, heralding the direction of travel for future collaboration, however, at this time it had no delegated functions. This was renamed to the Joint Partnership Board (JPB) in October 2021, with agreed membership and terms of reference. The purpose of the Joint Partnership Board is to provide the formal strategic leadership of the partnership arrangements between the two organisations. It is responsible for

overseeing, coordinating and ensuring delivery of the strategic intent of the partnership to secure the future of high quality, safe and sustainable healthcare across the population of the Tees Valley and North Yorkshire.

In January 2023, agreement was reached by both parties to form a hospital group, bringing the working relationships closer together than ever before in order to support our shared goals for patients, service users and colleagues.

Considerable work has been undertaken during 2023-24 in further developing the arrangements, with a Partnership Agreement forming the basis and formal agreement of both trusts to work in a group hospital model. This along with terms of reference state the functions that can be jointly exercised by the Group Board and delegated and those which must remain at unitary Board level. This has been supported by and is in accordance with NHSE Guidance Arrangements for Delegation and Joint Exercise of Statutory Functions – Schedule F.

The Partnership Agreement between both trusts, NHS England and North East and North Cumbria Integrated Care Board was agreed in November 2023 and officially signed February 2024.

The Group Board of Directors formally commenced in April 2024 and includes the Group Chair, Group Chief Executive, Group Executive Directors and Group Non-Executive Directors, the details of which are included in the Nominations Committee and Remuneration Committee reports.

Well Led

The Trust was inspected by the Care Quality Commission during 2022, which included a Well Led inspection. The report concluded that the ratings had changed from ‘good’ to ‘requires improvement’ with 13 trust wide ‘must do’ actions identified.

Following the inspection findings we commissioned an independent governance review in December 2022, which was undertaken by the Good Governance Institute (GGI). The review focused on governance systems, management of risks and our responsibility for maintaining a sound system of internal control and governance that supports the delivery of strategy within the context of system working and the achievement of our strategic aims and objectives, and that those systems remain fit for purpose.

GGI undertook the review between March and May 2023, which focused on seven key themes;

- Board Membership & Profile
- Governance Structures
- Board and Committee Business
- Assurance and Reporting
- Risk Management
- Accountability
- Communications and Stakeholder Engagement

A final report was issued in July 2023, which contained 24 recommendations to strengthen existing governance systems and processes. These were agreed and a work plan was developed to support and evidence the implementation of the recommendations. This process was supported by a Non-Executive lead who provided robust oversight and challenge to the implementation of the governance work plan.

Progress has been significant in implementing the recommendations with 13 fully completed and 9 due to be completed by April 2024, whilst also being considered as part of wider

Group arrangements. The two remaining recommendations will be temporarily paused due to the development and implementation of the Group model and will be revisited in early 2024-25.

On 2 August 2023, NHS England published revised requirements in respect of the Fit and Proper Person Test (FPPT) for board members following recommendations in the Kark Review (2019). A FPPT Framework has been introduced, which sets out new and more comprehensive requirements both for new board appointments and annual review. The purpose of strengthening the FPPT is to prioritise patient safety and good leadership within NHS organisations. A portfolio of evidence is required for board members to demonstrate meeting the requirements as well as highlighting those deemed unfit and preventing them from moving between NHS organisations. We have developed new procedures, checklists and templates for collation and collection of information in order to ensure compliance with the national framework, including an attestation form, reference template and appraisal documentation. The new check process for the FPPT has been carried out for all current board members and Directors employed by the Trust and was issued on 6 October 2023.

In addition, NHS England has also published a new leadership competency framework (LCF) for board members of provider organisations in response to a recommendation from the FPPT review. It will be applicable for board member recruitment, appraisals and will inform future board leadership and management training. Along with South Tees Hospitals NHS Foundation Trust, we are looking to be early adopters of the framework.

Internal Control

The Board of Directors is responsible for the Trust's system of internal control and for reviewing its effectiveness, which is designed to manage risk to achieve the Trust's objectives. The Board of Directors provides reasonable, but not absolute, assurance against material misstatement or loss. The Board has established a process which is demonstrated in the Trust's Risk Management Policy that covers identification, evaluation and management of significant risks the Trust may encounter. Further details of the Trust's risk management process can be found within the Annual Governance Statement section 4.7 pages 110-128.

To provide the appropriate level of challenge and oversight the formal sub-Committees of the Board of Directors are each chaired by a Non-Executive Director with the exception of the Remuneration Committee, which is chaired by the Group Chair.

Board Committees and Membership

Committee Name	Membership
Board Public and In-Committee	Derek Bell (Chair) including all members of the Board of Directors
Remuneration Committee	Derek Bell (Chair) including all Non-Executive Directors
Audit Committee	Alison Fellows (Chair), Chris Macklin
Resources Committee*	Chris Macklin (Chair), Fay Scullion, Liz Barnes
Investment Committee	Chris Macklin (Chair), Derek Bell,
Charitable Funds Committee	Chris Macklin (Chair), Derek Bell
Quality Committee	Fay Scullion (Chair), Ann Baxter, Liz Barnes
People Committee	Ann Baxter (Chair), Derek Bell, Liz Barnes

* *Resources Committee was newly developed in September 2023 and is the amalgamation of the Planning, Performance and Compliance Committee, Finance Committee and Transformation Committee.*

Remuneration Committee

The Remuneration Committee considers and approves the pay and allowances and other terms and conditions of service of the Chief Executive and Executive Directors. The Committee is made up of all Non-Executive Director members of the Board of Directors, inclusive of the Group Chair. The Committee met eight times in 2023-24.

In addition, the Managing Director, Chief People Officer and Director of Strategy, Assurance & Compliance/Company Secretary attended, as and when appropriate, where they provided support and advice to assist the Committee in consideration of matters.

Following an independent review of governance arrangements relating to the Remuneration Committee in 2022-23 a number of recommendations were implemented accordingly. The Director of Strategy, Assurance & Compliance/Company Secretary monitors compliance with these strengthened arrangements and NHS Code of Governance requirements, providing review and lines of assurance to the Audit Committee.

Further information of the work of the Committee during the year can be found in the Remuneration Report on pages 72–85.

Name	Total number of meetings attended (see note)	Total number of meetings held
Derek Bell, Group Chair	8	8
Ann Baxter, Vice-Chair	8	8
Chris Macklin, Non-Executive Director	8	8
Fay Scullion, Non-Executive Director	7	8
Liz Barnes, Non-Executive Director	6	8
Alison Fellows, Non-Executive Director	7	8
James Bromiley, Non-Executive Director*	1	1

Note Total number of meetings that could be attended
** James Bromiley stood down from the role of Non-Executive Director with effect from 31 July 2023*

Committees in Common Remuneration Committee

To further support collaborative working between the Trust and South Tees Hospitals NHS Foundation Trust, the Remuneration Committees of both trusts agreed to meet in common, this involved the Group Chair and all Non-Executive Directors, with attendance, as required, by Executive Directors. This was to ensure business and matters relating to the development of the group model, senior appointments and remuneration arrangements were agreed and progressed at pace. The Committee in Committee met seven times during the year.

The following business was dealt with by the Committee in Common in the course of the year:

- Considered and agreed proposals and the case for change developments to support the progression of the Group model.
- Confirmed the process for the appointment of a Group Chief Executive for both trusts, as described in the Committees in Common Nominations Committee section,

including recruitment strategy, external consultancy support, job description and person specification, remuneration, etc.

- After a successful recruitment process, with an agreed candidate, considered and approved proposals for the appointment and remuneration of the Group Chief Executive, ensuring alignment and compliance with the national Very Senior Manager approval process.
- Considered and agreed support to progress the new Group model and transition arrangements in terms of a Programme Director role, with the resulting recruitment and appointment process undertaken.
- Appointed a Programme Director and approved a detailed resource plan and a timetable for delivery.
- Considered and agreed proposals for the governance structure that would support further development of the group model and enable a single leadership, oversight and decision making body, as appropriate and in line with regulatory and statutory requirements.
- Confirmed the recruitment process for appointment to the single leadership roles at group level, which was successfully completed in March 2024.
- Agreed remuneration for the Group Executive Director roles in alignment and compliance with the national Very Senior Manager approval process with the roles to commence in April 2024.

Audit Committee

The Audit Committee is authorised by the Board of Directors and provides the Board with an independent and objective review of financial and corporate governance risk management in the Trust.

The Chair of the Committee from 1 April 2024 to 16 July 2024 was James Bromiley a chartered accountant. From 17 July 2024 the chair of the committee was Alison Fellows, a qualified solicitor.

The Committee provides independent assurance for external and internal audit, ensuring the standards are set and compliance is monitored for all financial, non-financial and non-clinical areas, and activities of the Trust. The Audit Committee receives its assurance on clinical risk through the interface provided by the responsible Non-Executive Director on the Patient Safety and Quality Standards Committee. The Patient Safety and Quality Standards Committee provides a report to the Audit Committee summarising its areas of concern to ensure the Audit Committee is sighted on potential risks and the actions being taken to mitigate these.

The Audit Committee investigates any activity within its terms of reference and seeks information, as required, from any member of staff of the Trust. In discharging these responsibilities, the Committee approves internal and external audit work plans, their final reports and seeks assurance from the Trust that outcomes were implemented. The Audit Committee met five times during 2023-24 to assess and critically review the key risks facing the Trust and to ensure that the key financial controls were in place and operating effectively.

Internal audit progress reports were reviewed at meetings throughout the year, with a focus on high priority recommendations and overdue recommendations. Directors and managers attended meetings to provide assurance as required. Update reports were received from the local counter fraud service throughout the year.

The Audit Committee has considered how it gains assurance from other Board Committees on their use of the Board Assurance Framework and has asked the chairs of committees to present to Audit Committee on this matter.

The Audit Committee has regularly reviewed the executive summaries for the losses and compensation report, statement of debtors over three months old and £5,000, summaries of debts over £20,000 and single tender actions. These documents, in conjunction with assurance from internal and external audit enable the Audit Committee to ascertain that key financial controls are in place and are operating effectively.

The Audit Committee reviews significant risks in year which have included:

- Management override of controls;
- Property valuations; and
- Validity of accruals.

These risks have been considered through the presentation of the external audit plan and discussions with our external auditor, Deloitte LLP.

Documents presented included: the annual plans for external audit and internal audit, annual reports for internal audit and the local counter fraud service, external assurance on annual accounts for 2023-24, Trust annual report and accounts and the annual governance statement. Reports on the Board Assurance Framework were presented quarterly.

The following reports were also presented to the Audit Committee:
- Integrated Performance Report;
- Overdue policies;
- Fit and Proper Peron Test Report
- Good Governance Institute Governance Update

Name	Total number of meetings attended (see note)	Total number of meetings held (see note)
James Bromiley (Chair) – 1 April 2023 to 16 July 2023	2	2
Alison Fellows (Chair) from 17 July 2023	5	5
Chris Macklin	3	3

Note Total number of meetings that could be attended
** Alison Fellows became Chair of the Audit Committee with effect from 17 July 2023.*

Resources Committee

A review of governance structures resulted in the Resources Committee being established with effect from 1 September 2023. The Resources Committee amalgamates the previous Planning Performance and Compliance Committee, Finance Committee, Digital Strategy Committee and Transformation Committee.

The Resources Committee ensures full oversight and review of the operational performance, financial position, digital strategy and transformation of the Trust. The Committee provides the Board of Directors with assurance that suitable arrangements are in place to secure economy, efficiency and effectiveness in the use of resources and that the arrangements are working effectively.

The Resources Committee links to the Audit Committee and representatives will be asked to present an update regard the efficient and effective use of the Board Assurance Framework to inform business and agenda setting.

The Resources Committee links to the Quality Committee and People Committee, to ensure triangulation of information to support the delivery of the Trust's strategic objectives via Non-Executive Director networking and presentation of monthly performance data to the Trust Board.

The Resources Committee is chaired by Chris Macklin, Non-Executive Director and a chartered accountant. Since its formation in September 2023 the Resources Committee has met six times during this period. The Director of Finance, Director of Planning and Performance, Chief Operating Officer, Chief Information and Technology Officer, and Director of Transformation attended meetings to inform and provide assurance in relation to their areas of expertise.

The following reports and updates are presented to the Resources Committee on a monthly basis:

Planning Performance & Compliance	
Board Assurance Framework and Risk Update Report - Performance	Integrated Performance Report
Finance	
Board Assurance Framework and Risk Update Report - Estate	Board Assurance Framework and Risk Update Report - Finance
Financial Position & Performance Report	Cost Improvement Plan Report
Digital Strategy	
Board Assurance Framework and Risk Update Report - Digital	I&TS Assurance Report
Transformation	
Board Assurance Framework and Risk Update Report - Transformation	Transformation Update Report

The following reports were also presented to the Resources Committee:

- 2023-24 Forecast Out-turn Scenarios
- Elective Hub update;
- Medium Term Financial Plan
- 2023-24 Financial Position
- 2024-25 Planning

Investment Committee

The Investment Committee met once during 2023-24 in November 2023 where it considered and approved the Treasury Management policy. The Committee also approved cash investment with the National Loans Fund on a quarterly basis to maximise income from interest receivable.

Charitable Funds Committee

The Charitable Funds Committee met once during the year in October 2023 to monitor arrangements for the control and management of the Trust's charitable funds and to make

decisions involving the sound investment of charitable funds in a way that both preserved their capital value and produced a proper return, consistent with cautious and sensible investment.

The charitable funds accounts for 2022-23 were approved and were submitted to the Charity Commission. The Committee has also;

- Monitored performance of the investment portfolio.
- Reviewed the amount of cash to be held.
- Considered the current schedule of funds and fund managers; and approved bids for the utilisation of funds.
- Received updates on fundraising activity and staff lottery.
- Reviewed and approved the Fundraising policy.
- Reviewed and approved terms of reference for the Committee

Quality Committee

The Quality Committee is one of the statutory subcommittees of the Board of Directors with a key focus of gaining assurance in relation to quality, safety and clinical risk management activity throughout the Trust.

The agenda of the Committee is informed by the domains of the Care Quality Commission and the requisite sections of the Board Assurance Framework structures providing assurance to the board on the controls and mitigations to the strategic risks to the delivery of Patient Safety, Patient Experience and Emergency Preparedness, Resilience and Response.

Following the Care Quality Commission Inspection in 2022 their report formed the basis of an improvement plan with action statements and timescales. Governance arrangements and robust project management have been implemented to monitor progress with the Quality Assurance Council, with escalation and progress reports to this Committee.

The Committee receives information and presentations from a wide range of services and departments across the trust in order to question and seek assurance on patient safety, quality and patient experience, this includes the sharing of serious incidents. The Committee provides support to staff and clinical teams to deliver safe, patient- centred, high quality care through its approach to shared clinical and quality governance.

People Committee

The People Committee takes responsibility for overseeing, monitoring and reviewing the development of the people, workforce and organisational development strategies for the Trust to provide assurance to the Board of Directors on all aspects of people practice, strategic workforce planning and organisational development. This includes workforce capacity and capability and the Trust's response to specific workforce issues.

The Committee gains assurance, on behalf of the Board of Directors that the Trust is making sufficient progress towards delivery of the strategic priorities and Trust ambitions ensuring a fair, safe and just culture, with a focus on health and wellbeing and a more consistent and positive experience for all staff. In addition, the Committee gains assurance on People Directorate related risks; in relation to them being tracked, monitored and appropriate actions are being taken to mitigate those risks.

Executive Team

The Executive Team is made up of the Executive Directors. Its role is to monitor the management of risk, oversee the development and delivery of the Trust's corporate and operational strategy, manage the delivery of performance metrics and financial objectives and agree detailed business plans and performance contracts, and ensure the delivery of effective, efficient and quality services.

Register of Interests – Board of Directors

A Register of Directors' Interests that may conflict with their responsibilities at the Trust is maintained and available for inspection by members of the public. If anyone would like to inspect the Register they can view it on the Trust's website: www.nth.nhs.uk or by contacting the:

Company Secretary,
North Tees and Hartlepool NHS Foundation Trust,
University Hospital of North Tees,
Hardwick, Stockton,
TS19 8PE

or email: nth-tr.membership@nhs.net

Board of Directors – Who's Who

Non-Executive Directors

Professor Derek Bell
Group Chair of North Tees and Hartlepool NHS Foundation Trust and South Tees Hospitals NHS Foundation Trust

Appointed as Group Chair from 1 September 2021
Term of office until 31 August 2024

Current commitments include:
Chair – NHS South East London (SEL) Same Day Emergency Care (SDEC)
Chair and Trustee – Tenovus Scotland (Edinburgh)
Director – Centre for Quality in Governance
Lay Council Member – Newcastle University
Trustee – Royal Medical Benevolent Fund

Former positions:
President Royal College of Physicians of Edinburgh (RCPE)
Professor of Acute Medicine, Imperial College, London.

Ann Baxter
Vice chair

Appointed: 1 July 2019.
Vice Chair with effect from 1 April 2023.
Term of office until 31 March 2026

Current commitments include:
Independent Safeguarding Scrutiny Adults and Children – Darlington Statutory Safeguarding Partnership
School Governor - Thirsk School and Sixth Form College

Former Positions:
Regional Children's Improvement Advisor – Local Government Association
Independent Chair of Darlington Safeguarding Vulnerable Adult Board
Independent Consultant for a number of projects, quality assurance reviews, overview panels regionally and nationally
Director of Children, Schools and Families – London Borough of Camden
Director of Children and Adult Services – Stockton Borough Council

Professor Liz Barnes
Non-Executive Director

Appointed: 1 February 2023
Term of office until 31 January 2026

Current commitments include:
Non-Executive Director – Aspire Housing
Trustee – University of Sunderland
Trustee – Middlesex University
Trustee – Peter Coates Foundation

Former Positions:
Vice Chancellor Staffordshire University
Deputy Vice Chancellor Sheffield Hallam University
Pro-Vice Chancellor Derby University
Dean of Social Sciences and Law Teesside University
Deputy Dean of Health and Social Care Teesside University

Alison Fellows
Non-Executive Director

Appointed: 1 February 2023
Term of office until 31 January 2026

Current commitments include:
Non-Executive Director – Gentoo Group (Housing Association)
Governor – Northumbria University
Independent Member – Newcastle Council Audit Committee

Former Positions:
Trustee - Tyneside Cinema
Commercial Director – Teesside International Airport Limited
Group Commercial Director, Tees Valley Combined Authority
Executive Director of Commercial Development, Sunderland City Council
Head of Major Projects then Assistant Director of Capital Investment, Newcastle City Council
Solicitor, Partner & Head of Commercial Team, Dickinson Dees solicitors
Non-executive Director/Senior Independent Director, North East Ambulance NHS Foundation Trust

Chris Macklin
Non-Executive Director/Senior Independent Director

Appointed: 23 March 2022
Term of office until 31 December 2025

Current commitments include:
Chair of Consortium Board – Audit One

Former Positions:
Lay Member for Audit and Non-Clinical Vice Chair – Sunderland CCG
Lay Member for Primary Care Commissioning, Sunderland CCG
Finance Director – Gateshead Hospitals/Gateshead Healthcare
Chartered Institute of Public Finance and Accountancy – CIPFA
Fellowship Healthcare Financial Management Association (HFMA)

Fay Scullion
Non-Executive Director

Appointed: 28 April 2022
Term of office until 31 December 2025

Current commitments include:
School Governor – Jarrow School
Associate Tutor – Learning Curve Group

Former Positions:
Director for UK Partnerships – Macmillan Cancer Support
Director for England and Chief of Staff - Macmillan Cancer Support
General Manager – Macmillan Cancer Support
Deputy Director of Nursing and Midwifery – Gateshead Health NHS

Executive Directors

Stacey Hunter
Group Chief Executive of North Tees and Hartlepool NHS Foundation Trust and South Tees Hospitals NHS Foundation Trust

Date of commencement as Joint Chief Executive 1 February 2024

Background:
Stacey is an experienced Board Director with over 35 years' experience working in the NHS operating at a senior level in Chief Executive, Chief Operating Officer and Executive System Transformation roles. She has spent time working in large scale teaching hospitals, as well as an integrated acute and community trust. She joined the Trust in February 2024 from Salisbury NHS Foundation Trust, where she was Chief Executive. Prior to this she worked for Bradford and Airedale Foundation Trusts, and spent some time seconded to the Nightingale Hospital Yorkshire during the COVID-19 pandemic. Stacey commenced her career as a nurse at Hull Hospitals and Leeds Teaching Hospital.

Former positions:
Chief Executive Officer, Salisbury NHS Foundation Trust
Executive Director Collaboration, Airedale and Bradford Foundation Trusts
Chief Operating Officer Airedale NHS Trust
Divisional Director, Leeds Teaching Hospital NHS Trust

Neil Atkinson
Managing Director

Date of commencement 1 May 2018

Background:
Neil has extensive NHS experience, at a senior level, across a range of finance functions in provider and commissioning organisations and joined the Trust in 2018 from Leeds Teaching Hospitals. He is responsible for overseeing the strategic direction of the organisation and providing leadership which focuses on high quality patient care and effective use of resources. He has a duty in ensuring the Trust meets its statutory and service obligations in line with the Care Quality Commission standards of care.

A key part of his role is ensuring the development and evolvement of strong strategic partnerships with key stakeholders, including colleagues in our Group model at South Tees Hospitals NHS Foundation Trust.

Former positions:
Director of Finance at the Trust
Transformation Change Director at the Trust
Operational Director of Finance – Leeds Teaching Hospitals
Deputy Director of Finance and Information at the Trust

Fellow of the Chartered Institute of Public Finance and Accountancy

Lindsey Robertson
Chief Nurse/Director of Patient Safety & Quality, Director of Infection Prevention and Control
Caldecott Guardian

Date of commencement 1 November 2020.

Background:
Worked in the NHS for over 30 years with experience in operational, commissioning and strategy with in depth knowledge of multiple specialities across the age continuum, leading both corporate and frontline services, in hospital and community services

Former positions:
Care Group Director (Responsive Care) at the Trust
Deputy Director of Nursing, Patient Safety & Quality at the Trust

Kate Hudson-Halliday
Interim Director of Finance

Date of commencement 1 June 2023

Background:
Kate has a wealth of senior financial management experience and previously was Director of Finance Central of the North East and North Cumbria Integrated Care Board. She has spent her entire career within the NHS, beginning her working life as a graduate trainee before advancing to a range of senior positions. She has a key role in keeping the organisation on track financially, with a view to our continued sustainability and ensuring we are well placed for the future.

Her core skills include resource management, strategic planning, partnership working, relationship management and service improvement.

Former positions:
Director of Finance, Central, North East & North Cumbria Integrated Care Board
Chief Finance Officer / Deputy Chief Executive, South Tyneside Clinical Commissioning Group
Acting Director of Finance, Epping Forest Primary Care Trust

Chartered Institute of Public Finance and Accountancy (CIPFA)

Dr Elaine Gouk
Interim Chief Medical Officer

Date of commencement 5 September 2023

BSc (St Andrews) MBChB (Manchester) 1987 MRCOG 1995

Background:
Extensive experience in the NHS working in the specialty of Obstetrics and Gynaecology. Employed as a Consultant Obstetrician and Gynaecologist within the Trust since 1999 with a special interest of urogynaecology and clinically led quality improvement. Involved in an external role as Deputy Clinical Lead (Obstetrics) for the North East and North Cumbria Local Maternity and Neonatal System since November 2023.

Former positions:
Clinical Director in Obstetrics and Gynaecology
Clinical Director for Women and Children's Services
Deputy Medical Director

Dr Susy Cook
Chief People Officer/Director of Corporate Affairs

Date of commencement 1 May 2022.

Background:
Susy has worked across the NHS and academia for 25 years across a number of roles including Biochemist, Manager, Director, Coach, Leadership and Organisational Development lead, Improver and Academic.

Former positions:
Deputy Director Intensive Support NHSE (lead culture and HR)
Associate Dean (Learning and Teaching)
Director (Learning Research and Innovation Institute)
Divisional Manager of Academia , Leadership and OD

Chartered MCIPD
Post Graduate Certificate Learning and Teaching in Higher Education- 2018
Association of Psychological Therapies

Ken Anderson
Chief Information and Technology Officer/Senior Information Risk Owner (SIRO)

Date of commencement 30 October 2023

Background:
Extensive experience in strategic digital leadership across data and technology functions in the public sector. He joined the Trust from Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust and prior to joining the NHS, held senior digital leadership posts in the civil service, leading strategic digital transformation and information management programmes.

Former positions:
Chief Information Office, Doncaster and Bassetlaw Teaching Hospitals NHS Foundation Trust
Senior Civil Servant – Department of Education, Food Standards Agency.

MBA , PGDip in Digital Health Leadership, Imperial College

Rowena Dean
Acting Chief Operating Officer

Date of commencement 24 April 2023

Background:
Appointed as Acting Chief Operating Officer in May 2023 having previously undertaken the role of Care Group Director. She has 30 years' experience of working within the NHS, mainly within the acute sector covering a wide variety of specialities including Trauma and Orthopaedics, Medicine, Anaesthetics, Surgery, Clinical Support Services and Screening Services. As Acting Chief Operating Officer, Rowena is responsible for the day-to-day operational management of the Trust's clinical services; co-ordinating and delivering performance against local and national quality and performance standards; and working with services to translate strategy, service objectives and policy into operational delivery.

Former positions:
Care Group Director, Collaborative Care at the Trust
Care Group Manager – Collaborative Care at the Trust

BA (Hons) Public Administration (1993) MA Managing Health Care (1995)

Michael Houghton
Director of Transformation

Date of commencement 10 July 2023

Background:
Michael has extensive NHS senior leadership experience in a variety of roles across acute and community, mental health and learning disability, primary care and commissioning organisations. Michael joined the Trust from Tees Valley Clinical Commissioning Group where he held the portfolio for strategy and delivery. He is responsible for overseeing our strategic service and organisational transformation priorities in collaboration with partners. He provides leadership to support the delivery of improvements and innovation in the quality and outcomes of patient care and efficient and effective use of resources. Michael is also one of the Trust directors on NTH Solutions LLP Management Board, a wholly owned company of the Trust.

Former positions
Care Group Director, at the Trust
Executive Director of Strategy and Delivery, NHS Tees Valley CCG
Executive Director of Commissioning Strategy and Development, NHS North Durham CCG
Locality Director and Head of Corporate Affairs, County Durham and Darlington PCT
Senior positions across the NHS

Linda Hunter
Director of Planning and Performance

Date of commencement 1 October 2021.

Background:
NHS career commenced within finance within the Acute setting, working in Local Authority, Primary Care Trust and within an integrated role across health and social care. General Management within Community Services. Experience of working with multi agency change, service improvement, business management and integration

Former position:
Deputy Director of Planning and Performance at the Trust

Stuart Irvine
Director of Strategy, Assurance and Compliance / Company Secretary

Date of commencement 10 July 2023

Background:
Stuart has over 20 years of extensive NHS experience, progressing through managerial levels and has held a number of senior posts within internal audit and the finance function in provider organisations and joined the Trust in 2019 from AuditOne. As Director of Strategy, Assurance & Compliance/Company Secretary, a key part of his role is to ensure robust governance and assurance arrangements are in place at all levels within the Trust.

Former positions:
Deputy Director of Finance at the Trust
Head of Subsidiary Management at the Trust
Group Audit Manager - AuditOne

Julie Gillon, Chief Executive left the Trust with effect from 30 September 2023.
Deepak Dwarakanath, Chief Medical Officer was stood down from his role on 5 September 2023.
Levi Buckley, Chief Operating Officer left the Trust with effect from 30 April 2023.
Gillian Colquhoun, Interim Chief Information and Technology Officer left the Trust with effect from 30 June 2023.
James Bromiley stood down from his position as Non-Executive Director with effect from 31 July 2023 to take up the role of Associate Director of Group Development on 1 August 2023.

4.2 Remuneration Report

4.2.1 Annual Statement from the Chair of the Remuneration Committee

I am pleased to present the Remuneration Report for the financial year 2023-24 on behalf of the Trust.

Within this report, the term 'senior manager' is used. Guidance issued by NHS England defines senior managers as those who influence the decisions of the Trust as a whole rather than the decisions of individual directorates within the Trust. For the purposes of this report, only members of the Board of Directors are treated as senior managers.

In accordance with the requirements of the HM Treasury Financial Reporting Manual (FReM) and reporting requ0irements issued by NHS England, this report is in three parts:

- **Annual statement on remuneration** describes the major decisions on senior managers' remuneration as well as any substantial changes to senior managers' remuneration which were made during the year and the context in which those changes occurred and decisions taken;
- **Senior managers' remuneration policy** sets out information about our policy; and
- **Annual report on remuneration** includes details about senior managers' service contracts and sets out other matters such as committee membership, attendance and the business transacted.

The Trust has two committees responsible for reviewing the remuneration of Non-Executive and Executive Directors:

- Council of Governors Nominations Committee
- Board of Directors Remuneration Committee

The two committees aim to ensure that both Non-Executive and Executive Directors' remuneration is set appropriately taking into account relevant market conditions.

In January 2023, agreement was reached with South Tees Hospitals NHS Foundation Trust to form a hospital group, with an alternative leadership model, bringing the working relationships closer together than ever before in order to support our shared goals for patients, service users and colleagues. As the Group model progresses at pace, with a single leadership team being the next phase of development, Committees in Common have been established between the two organisations whereby the Non-Executive Directors and Governors will come together jointly to oversee future collaborative arrangements relating to senior roles. The two Committees are:

- Committees in Common Nominations Committee
- Committees in Common Remuneration Committee

Nominations Committee

The Council of Governors Nominations Committee has the delegated responsibility to recommend to the Council the remuneration levels for all Non-Executive Directors including the Group Chair as well as the allowances and the other terms and conditions of office in accordance with all relevant legislation and regulation.

In reviewing the remuneration of Non-Executive Directors, the committee balances the need to attract and retain directors with the appropriate knowledge, skills and experience required

on the Board to meet current and future business needs without paying more than is necessary and at a level which is affordable to the Trust.

Major decisions on remuneration during 2023-24

During the year, following recommendation by the Committee, the Council of Governors agreed and ratified:

- Non-Executive Director appraisals for 2022-23;
- Group Chair, Vice Chair and Non-Executive Director remuneration would remain unchanged and no inflationary uplift would be applied for 2023-24;
- Discretionary payments would be supplementary to salaries for a set period of 12 months applied to the Senior Independent Director role and to the Non-Executive Director with responsibility for quality, resources and Freedom to Speak Up;
- Appointment of Ann Baxter as Vice Chair for a three-year term of office, with associated remuneration, effective from 1 April 2023.

Further detail is included in the Nominations Committee section on page 52.

Committees in Common Nominations Committee

During the year, the Committees in Common Nominations Committee put forward the following recommendations for agreement and ratification by the Council of Governors:

- Group Chair appraisal for 2022-23 and agreement of the process for 2023-24;
- Proposals for the recruitment and appointment of a Group Chief Executive with associated remuneration;
- Appointment and remuneration of Vice Chairs for both trusts and the Group Board;
- Proposals and governance to establish Group Non-Executive Directors to support the Group model and structure
- Appointment and remuneration of the Non-Executive Directors for the Boards of South Tees Hospitals NHS Foundation Trust and North Tees and Hartlepool NHS Foundation Trust with the post holders operating and fulfilling the roles on behalf of the Trusts and Group.

Remuneration Committee

The Remuneration Committee has delegated responsibility to review and agree the remuneration levels and terms and conditions of the Executive Directors.

The process the Trust uses for assessing the performance of its senior staff is determined by the Remuneration Committee and is reviewed annually to ensure it is fit for purpose and meets current good practice for Board Directors. The Trust's policy on pay is that it will, for all staff groups, endorse any national proposals for pay, subject to the Trust being able to afford to pay any changes/increases. The Trust, for its Directors and Chief Executive, recognises the need to benchmark remuneration in order to ensure it both attracts and retains staff as it proceeds to move forward and build on its Corporate Strategy and Clinical Services Strategy, whilst working with the ambitious plans and transforming services for the future as part of the Integrated Care System, Tees Valley Health and Care Partnership and the Tees Valley Provider Collaborative.

Due regard is also given to the diversity and complexity of the roles undertaken thus ensuring the Trust is able to offer proportionate and fair remuneration packages, reflective of the responsibility of working in a large and complex environment and to promote the long-term sustainable success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace. It considers the prevailing market conditions, benchmarks pay and employment conditions against appropriate peer, national and regional comparators and the Trust workforce. Any pay changes/increases will always be subject to formal review

of both the individual Director's performance and the Trust's performance, taking cognisance of the national framework for pay.

The Remuneration Committee considers the key business objectives as set out in the Trust's Corporate Strategy and objectives allocated to each Executive Director through the appraisal process. Performance is closely monitored and discussed through both an annual and on-going appraisal process. For 2023-24 the Managing Director took the lead on the evaluation of Executive Directors and the Group Chair took the lead on the Managing Director's performance. During 2023-24, appraisals were held with the Managing Director and each Director and all senior managers' remuneration is subject to satisfactory performance.

Major Decisions on Remuneration during 2023-24

A number of changes took place during 2023-24 to ensure the necessary capacity and capability within the Trust to deliver the challenging agenda:

- Julie Gillon left the organisation effective from 30 September 2023. A summary of the work and projects undertaken by her from 1 April – 30 September 2023 was presented.
- A capacity and capability review of leadership and senior management resulting in changes to roles and portfolios in support of the delivery of core business and being fit for purpose to deliver on future challenges;
- Five voting Executive roles identified to meet the requirements in the Constitution.
- Recruitment and appointment to the Acting roles of Chief Operating Officer and Director of Finance on a 12-month interim basis.
- Recruitment and appointment to the substantive role of Chief Information and Technology Officer.
- Appointment to the Chair of Optimus Health Limited and NHS Solutions LLP for a 6 month period followed by recruitment and appointment to the Subsidiary Chair for a term of three years.
- Removal of the performance bonus scheme for VSM staff for 2023-24.
- National VSM pay award of 5% approved and applied from 1 April 2023.
- Proposals and new job plan agreed for the Chief Medical Officer/Deputy Chief Executive to retire and return with effect from 1 October 2023, with the Deputy Chief Executive element of the role ceasing from 30 September 2023.
- Interim Acting arrangements for the Chief Medical Officer following the incumbent being stood down on 5 September 2023 for a temporary period.
- Following development of the Group arrangements and single leadership roles, approval of redundancy for the Chief Nursing Officer.
- Approval of honorarium payments for the Managing Director (1 April 2023- 31 January 2024) and Chief People Officer/Director of Corporate affairs (1 April 2023 – 31 March 2024) in recognition of additional duties.

Committees in Common Remuneration Committee

During the year, the Committees in Common Remuneration Committee met seven times to progress development of the group model and associated senior roles.

Major Decisions on Remuneration during 2023-24

The following business was dealt with and agreed by the Committees in Common in the course of the year:

- Proposals and the case for change developments to support the progression of the Group model.
- Process for the appointment of a Group Chief Executive including recruitment strategy, external consultancy support, job description and person specification, remuneration, etc.
- Proposals for the appointment and remuneration of the Group Chief Executive, ensuring alignment and compliance with the national Very Senior Manager approval process.

- Recruitment and appointment of a Programme Director to support the Group model development and transition plans, approving a detailed resource plan and a timetable for delivery.
- Proposals for a single group leadership structure, with a successful recruitment process completed in March 2024.
- Remuneration for the Group Executive Director roles in alignment and compliance with the national Very Senior Manager approval process with the roles to commence in April 2024.

Derek Bell, Group Chair
27 June 2024

4.2.2 Senior managers' remuneration policy

The following information forms part of the unaudited part of the Remuneration Report.
The Remuneration Committee is committed to ensuring the Trust is able to offer proportionate and fair remuneration packages, reflective of the responsibility of working in a large and complex environment and to promote the long-term sustainable success of the Trust by attracting, recruiting and retaining high calibre staff in a competitive marketplace. It considers the prevailing market conditions, benchmarks pay and employment conditions against appropriate peer, national and regional comparators and the Trust workforce.

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

The Remuneration Committee always considers the pay and terms and conditions of service of all Trust employees when making any decisions relating to the Executive Directors' pay and conditions. This is to ensure that levels of responsibility and experience are reflected appropriately especially using Band 9 level posts as a benchmark, take account of pay surveys conducted by NHS Providers, as well as comparisons with other North East trusts and consider any national inflationary pay awards awarded to agenda for change/medical and dental staff.

The Remuneration Committee considered its policies on remuneration and performance in order to satisfy itself that the level of remuneration paid above the threshold of £150,000 to some members of the senior team was justifiable and reasonable; given the diversity and complexity of portfolios, the Remuneration Committee confirmed that the salaries were appropriate.

NHS England outlined recommendations for the 2023-24 annual pay increase for very senior managers in October 2023, which was an across the board increase of 5% for all

VSM's. In line with the national recommendations and subject to satisfactory performance appraisal this was applied and back dated to 1 April 2023.

Details of Directors' remuneration and pension entitlements for the year ending 31 March 2024 are published in this Remuneration Report and the Annual Accounts section, which can be found at section 6 of this report. There was one award made to a past senior manager in terms of the Chief Executive, who stood down as Accountable Officer on 31 March 2023 but remained in another role in the Trust until 30 September 2023 with a salary of £128,344. The dates of commencement of the Executive Directors in their current posts can be found in section 4.1.3, pages 69-71.

There are no components to senior manager salaries other than those disclosed within the tables on pages 80-85. Total remuneration includes salary, non–consolidated performance-related pay and benefits in kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions for 2023-24.

There have been no special contractual compensation provisions attached to the early termination of a senior manager's contract of employment and there has been no payment for compensation for loss of office paid or receivable under the terms of an approved compensation scheme. The Trust does not make payments for loss of office outside the standard contract terms included in the employment contracts of senior managers, which make no special provisions regarding early termination or termination payments. In the event of any matters of concern, the Trust's normal investigation and disciplinary policies apply to senior managers.

The Remuneration Committee considered and agreed in 2016 an Annual Performance Bonus framework, based on executive team performance and linked to achievement and delivery of key targets and indicators, which would support the need for significant transformational change over the next 5-10 years.

At its meeting on 17 May 2023, the Remuneration Committee agreed the performance incentive scheme would not continue for 2023-24.

Members of the Executive Team, with the exception of the Chief Medical Officer, are appointed on permanent contracts with a notice period of three months for them to serve and a period of six months for the Trust to serve. The Chief Medical Officer is appointed for a term of office of three years, which was extended for a further 3-year period on 1 June 2022.

The Chief Medical Officer was stood down from his role with effect from 5 September 2023 with the Deputy Chief Medical Officer moving into the role on an interim basis.

The Chief Medical officer's salary is in accordance with the terms and conditions of the National Health Service Consultant Contract plus a responsibility allowance payable for the duration of office.

Early termination by reason of redundancy is in accordance with the provision of the NHS redundancy arrangements and in accordance with the NHS pension scheme. Employees above the minimum retirement age that request termination by reason of early retirement are subject to the normal provisions of the NHS pension scheme.

Future policy table

Element of pay	Purpose and link to strategic objectives	How operated in practice	Maximum opportunity	Description of performance metrics
Base salary	To help promote the long term success of the Trust and to attract and retain high calibre Executive Directors to implement the strategy. To provide a competitive salary relative to comparable healthcare organisations in terms of size and complexity.	As determined by spot salary on appointment. The Committee recognises the need to pay in the upper quartile to ensure it both attracts and retains staff. The Committee considers: • Individual responsibilities, skills, experience and performance; • Salary levels for similar positions in other foundation trusts; • The level of pay increases across other pay grades in the Trust; • Economic and market conditions; • Advice from NHS England/Ministerial opinion; and • The performance of the Trust. The Committee retains the right to approve any increase in exceptional cases, such as major changes to roles/duties or internal promotion to the position of Director. Salaries are paid monthly in arrears	There is no prescribed maximum annual increase, changes to basic salary, if enacted, will normally be based on a percentage increase. The Committee on occasion may need to recognise changes in the role/duties of a Director; movement in comparator salaries; and salary progression for newly appointed Directors.	N/A
Benefits (taxable)	To help promote the long term success of the Trust and to attract and retain high calibre Executive Directors and to remain competitive in the market place.	Benefits for Directors include: • Pension related benefits based on NHS pension scheme arrangements. Non-Executive Directors do not receive benefits.	There is no formal maximum.	N/A
Pension	To help promote the long term success of the Trust and to attract and retain high calibre Executive Directors and to remain competitive in the market place.	The Trust operates the standard NHS pension scheme for senior staff and the NEST scheme for those ineligible to join the NHS Pension Scheme.	As per standard NHS pension scheme and NEST terms and conditions.	N/A
Annual bonus	To motivate and reward Executive Directors for the achievement of demanding financial objectives and key strategic and performance measures over the financial year. The performance targets set are stretching whilst having regard to the nature and risk profile of the Trust.	The Committee reviews individual performance as measured at the end of the financial year and the level of bonus payable is calculated at that point. Bonus payments will be between 0% - 5% of base salary, dependent on organisational and individual performance. Annual bonus is not pensionable and not consolidated into basic salary.	Maximum earning potential of up to 5% of base salary.	As defined by the Trust Annual Performance Bonus Framework.
Non-Executive Directors' fees (including the Chair)	To attract and retain high quality and experienced Non-Executive Directors (including the Chair).	The remuneration of the Non-Executive Directors, including the Chair, is set by the Council of Governors on the recommendation of the Nominations Committee having regard to the time commitment and responsibilities associated with the role. The remuneration of the Chair and the Non-Executive Directors is reviewed annually taking into account the fees paid by other foundation trusts. The Non-Executive Directors do not participate in any performance related schemes nor do they receive pension or taxable benefits.	Non-Executive Director fees take into account fees paid by other foundation trusts.	N/A

4.2.3 Annual report on remuneration

The Trust's Remuneration Committee membership and roles are reflected in section 4.1.3, page 62. This Committee has responsibility for setting the salaries, allowances and terms and conditions for the Chief Executive and Executive Directors. It will do so with the Committee in Common Remuneration Committee depending on the roles being considered.

The Trust's Nominations Committee sets the remuneration and expenses for the Group Chair and Non-Executive Directors. It will do so with the Committee in Common Nominations Committee depending on the roles being considered. Details of the Nominations Committee can be found in section 4.1.2, page 52. No cost of living increase was agreed by the Nominations Committee in 2023-24.

Expenses paid to Directors in the year have been £13,626 (2022-23: £9,331), and for governors £87 (2022-23 £357). Expenses are in relation to travel and subsistence necessarily incurred in the performance of their duties in accordance with Trust policies and in compliance with HMRC regulations or other legislation. As at 31 March 2024 there are 17 (2022-23:16) directors in office, and 11 (2022-23:8) of these have received expenses in 2023-24. As at 31 March 2024 there are 24 (2022-23:26) governors in office, with 2 (2022-23:4) of these having received reimbursement in the form of expenses.

The information in the following paragraph has been subject to audit.

The Trust is required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2023-24 was £197.5k (2022-23, £237.5k). This is a change between years of -17%.

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2023-24 was from £12.5k to £287.5k (2022-23 £12.5k - £325.5k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is 3.33%. Twenty five employees received remuneration in excess of the highest paid director in 2023-24 and two agency employees if their hours paid were annualised (2022-23: two employees and one agency).

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

The Trust must disclose pay ratio information showing the 25th percentile, median and 75th percentile of the pay and benefits of all employees at the reporting date, together with a ratio comparing the total pay and benefits figure to the remuneration of the highest paid Director.

	2023-24			2022-23			
	25th percentile	Median	75th percentile	25th percentile	Median	75th percentile	
	£	£	£	£	£	£	
Salary component of pay	24,879	32,638	44,140	24,717	31,393	43,155	(This is the salary component of the total pay and benefits figure below)
Total pay and benefits excluding pension benefits	24,949	32,697	44,473	24,719	31,393	43,159	(These figures are based on annualised full-time equivalent pay and benefits inc agency and temp staff)
Pay and benefits excluding pension: pay ratio for highest paid director	7.92	6.04	4.44	9.61	7.57	5.50	(mid-point of banded remuneration (excluding pension benefits) of the highest paid director in the single total figure table)

The only non-cash elements of senior managers' remuneration packages are pension-related benefits, accrued under the NHS pension scheme. Contributions are made by the Trust and the employee in accordance with the rules of the national scheme, which applies to all NHS staff in the scheme.

Stacey Hunter
Group Chief Executive
27 June 2024

This table has been subject to audit.

		To 31 March 2024				
Name and Title	**Salary and Fees**	**Expense payments (taxable)**	**Other remuneration**	**Annual performance related bonuses**	**Pension Related Benefits**	**Total Remuneration**
	(bands of £5,000) £000	**Rounded to the nearest £100**	**(bands of £5,000) £000**	**(bands of £5,000) £000**	**(bands of £2,500) £000**	**(bands of £5,000) £000**
Mrs Stacey Hunter – Group Chief Executive from 1 February 2024	20-25	-	-	-	-	20-25
Mr Neil Atkinson - Managing Director, assumed Accountable Officer duties 1 April 2023 to 31 January 2024	185-190	3,100	5-10	-	-	195-200
Mrs Kate Hudson-Halliday – Interim Director of Finance with effect from 1 June 2023	100-105	-	-	-	-	100-105
Dr Elaine Gouk – Interim Chief Medical Officer with effect from 5 September 2023	105-110	-	-	-	297.5-300	405-410
Mr Anandapuram Dwarakanath – Chief Medical Officer was stood down from his role with effect 5 September 2023	100-105	500	-	-	-	100-105
Mrs Rowena Dean – Interim Chief Operating Officer with effect from 24 April 2023	115-120	-	-	-	735-737.5	850-855
Mr Levi Buckley – Chief Operating Officer left the Trust 30 April 2023	10-15	-	-	-	-	10-15
Mrs Lindsey Robertson – Chief Nurse/Director of Patient Safety and Quality	360-365	1,500	-	-	-	365-370
Mr Michael Houghton – Director of Transformation with effect from 10 July 2023	80-85	900	-	-	-	80-85
Dr Susy Cook – Chief People Officer / Director of Corporate Affairs, assumed corporate affairs duties with effect from 1 April 2023	135-140	-	0-5	-	-	135-140
Mr Ken Anderson – Chief Information and Technology Officer with effect from 30 October 2023	45-50	-	-	-	27.5-30	75-80
Mrs Gillian Colquhoun – Interim Chief Information and Technology Officer left the Trust 30 June 2023	45-50	-	-	-	127.5-130	175-180
Mrs Linda Hunter – Director of Planning and Performance	110-115	-	-	-	42.5-45	155-160
Mr Stuart Irvine – Director of Strategy, Assurance and Compliance/Company Secretary with effect from 10 July 2023	70-75	6,600	5-10	-	10-12.5	95-100
Mr Michael Worden – Managing Director of NTH Solutions LLP	140-145	2,900	-	-	-	140-145
Professor Derek Bell – Group Chair	40-45	400	-	-	-	40-45
Ms Elizabeth Ann Baxter – Vice Chair/Non-Executive Director, became Vice Chair with effect from 1 April 2023	25-30	-	-	-	-	25-30
Mr Christopher Macklin – Non Executive Director	15-20	-	-	-	-	15-20
Ms Alison Fellows – Non Executive Director.	10-15	-	-	-	-	10-15
Professor Elizabeth Barnes – Non Executive Director.	10-15	-	-	-	-	10-15
Mrs Fay Scullion – Non Executive Director	10-15	-	-	-	-	10-15
Mr Ian Simpson – Subsidiaries Chair of NTH Solutions LLP and Optimus Health Ltd. Interim appointment effective 20 March 2023, substantively appointed 1 April 2024	15-20	-	-	-	-	15-20
Mr James Bromiley– Non Executive Director stood down with effect 31 July 2023. Appointed as Associate Director of Group Development with effect from 1 August 2023	0-5	-	-	-	-	0-5

NOTES

1. All taxable benefits relate to cars and are expressed in £000's The method of calculating benefits in kind is based upon HMRC guidance and uses the CO2 emissions rate of the vehicle and the type of fuel used.
2. Ms Stacey Hunter, Group Chief Executive of North Tees and Hartlepool NHS Foundation Trust and South Tees Acute Hospitals NHS Foundation Trust. North Tees and Hartlepool NHS Foundation Trust pay Ms Hunter's salary in full and recharge 50% to South Tees Acute Hospitals NHS Foundation Trust. Full salary value is £41,666.66 and the recharge to South Tees Acute Hospitals NHS Foundation Trust for 2023-24 is £20,833.33.
3. Mr Neil Atkinson, Managing Director was both Accountable Officer and Director of Finance from 1 April – 31 May 2023.
4. Ms Kate Hudson-Halliday, Interim Director of Finance is charged to the Trust in full via invoice from NHS North East and North Cumbria Integrated Care Board.

5. Dr Elaine Gouk, became Acting Chief Medical Officer on 5 September 2023. £50,131.63 of the remuneration included in the table does not relate to the Chief Medical Officer position.
6. Dr Anandapuram Dwarakanath, Chief Medical Officer was stood down from his role with effect from 5 September 2023. Dr Dwarakanath is over NRA for the existing benefits scheme but not for the 2015 scheme therefore a CETV calculation is only applicable on the 2015 scheme. £30,103.15 of the remuneration included in the table does not relate to the Chief Medical Officer position.
7. Mrs Rowena Dean, Acting Chief Operating Officer became Acting Chief Operating Officer on 24 April 2023.
8. Mr Levi Buckley, Chief Operating Officer left 30 April 2023.
9. Ms Lindsey Robertson, Chief Nurse / Director of Patient Safety & Quality left the Trust 14 April 2024 and salary includes voluntary redundancy £160k and payment in lieu of notice £68k.
10. Mr Michael Houghton, Director of Transformation became Director of Transformation on 10 July 2023 and previously worked in another role within the Trust.
11. Mr Ken Anderson, Chief Information Technology Officer became Chief Information Technology Officer on 30 October 2023.
12. Mrs Gillian Colquhoun, Interim Chief Information and Technology Officer left 30 June 2023.
13. Mr Stuart Irvine, Director of Strategy, Assurance and Compliance / Company Secretary became Director of Strategy, Assurance and Compliance / Company Secretary on 10 July 2023 and previously worked in another role within the Trust.
14. Mr Michael Worden, Managing Director, North Tees and Hartlepool Solutions LLP, is not a member of the NHS Pension Scheme therefore there is no entry in respect of pensionable remuneration shown.
15. Prof Derek Bell, Group Chair of North Tees and Hartlepool NHS Foundation Trust and South Tees Acute Hospitals NHS Foundation Trust. North Tees and Hartlepool NHS Foundation Trust pay Professor Bell's salary in full and recharge 50% to South Tees Acute Hospitals NHS Foundation Trust. Full salary value is £80,000.04 and the recharge to South Tees Acute Hospitals NHS Foundation Trust for 2023-24 is £40,000.02. Expenses are also split 50:50.
16. Ms Ann Baxter, Non-Executive / Vice Chair became Vice Chair 1 April 2023.
17. Mr Stephen Hall, Non-Executive / Vice Chair resigned as Vice Chair 31 March 2023. Appointed on a zero hours contract as an Advisor (non-board member) 1 April – 30 September 2023.
18. Mr Ian Simpson, Subsidiaries Chair for North Tees and Hartlepool Solutions LLP and Optimus Health Ltd. Interim appointment effective 20 March 2023 and substantive appointment 1 April 2024.
19. Mr James Bromiley, Non-Executive Appointed as Non-Executive Director between 1 February – 31 July 2023. Appointed as Associate Director of Group Development effective 1 August 2023.
20. Pension - Related Benefits have been calculated in line with the 2019-20 NHS I ARM guidance and have been determined in accordance with the HMRC method of calculating less the amounts paid by employees.
21. On 27 April 2023 HM Treasury published updated discount rates for determining the discount rate used in calculating cash equivalent transfer values (CETVs) payable on unfunded public sector pension schemes which have been used in calculating the 2023-24 annual reports.
22. On 1 April 2015, the government made changes to public service pension schemes which treated members differently based on their age. The public service pensions remedy puts this right and removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022. Part 1 of the remedy closed the 1995/2008 Scheme on 31 March 2022, with active members becoming members of the 2015 Scheme on 1 April 2022. For Part 2 of the remedy, eligible members had their membership during the remedy period in the 2015 Scheme moved back into the 1995/2008 Scheme on 1 October 2023. This is called 'rollback'. Where a member is affected by rollback, the benefits in respect of their rolled back pensionable service during the remedy period are valued as being in the 1995/2008 Scheme.
23. Ms Julie Ann Gillon, Chief Executive stood down as Accountable Officer on 31 March 2023 but remained in another role within the Trust until 30 September 2023 with a salary of £128,344.41 and a redundancy payment of £160,000 (included in 2022-23 remuneration report).

Stacey Hunter
Group Chief Executive
27 June 2024

	To 31 March 2023					
Name and Title	Salary and Fees	Expense payments (taxable)	Other remuneration	Annual performance related bonuses	Pension Related Benefits	Total Remuneration
	(bands of £5,000) £000	Rounded to the nearest £100	(bands of £5,000) £000	(bands of £5,000) £000	(bands of £2,500) £000	(bands of £5,000) £000
Professor Derek Bell – Group Chair from 1 September 2021	80-85	-	-	-	-	80-85
Ms Julie Gillon – Chief Executive	390-395	800	10-15	-	52.5-55	450-455
Mr Anandapuram Dwarakanath – Medical Director/Deputy Chief Executive	235-240	1300	0-5	-	122.5-125	360-365
Mr Neil Atkinson – Managing Director/Director of Finance	150-155	2500	10-15	-	-	165-170
Professor Graham Evans – Chief Information & Technology Officer. Left the Trust 31 May 2022	25-30	-	0-5	-	-	25-30
Mr Alan Sheppard – Chief People Officer left the Trust 31 August 2022	45-50	-	5-10	-	-	50-55
Mrs Linda Hunter – Director of Planning & Performance	100-105	-	-	-	65-67.5	165-170
Mr Levi Buckley – Chief Operating Officer	130-135	-	-	-	32.5-35	160-165
Mrs Lindsey Robertson – Chief Nurse/Director of Patient Safety & Quality	125-130	1500	-	-	-	130-135
Dr Susannah Cook– Chief People Officer from 1 May 2022	95-100	-	-	-	65-67.5	165-170
Mrs Gillian Colquhoun – Interim Chief Information & Technology Officer from 30 May 2022	75-80	-	-	-	-	75-80
Mr Mike Worden – Managing Director of NTH Solutions LLP	130-135	2400	-	0-5	-	135-140
Mr Stephen Hall – Non-Executive Director/Vice Chair left the Trust 31 March 2023	25-30	-	-	-	-	25-30
Ms Elizabeth Ann Baxter – Non-Executive Director	15-20	-	-	-	-	15-20
Mr Christopher Macklin – Non-Executive Director	10-15	-	-	-	-	10-15
Mrs Fay Scullion – Non-Executive Director from 28 April 2022	10-15	-	-	-	-	10-15
Mr Ian Simpson –Interim Non-Executive Director from 28 April 2022 to 31 December 2022	5-10	-	-	-	-	5-10
Ms Alison Fellows – Non-Executive Director from 1 February 2023	0-5	-	-	-	-	0-5
Professor Elizabeth Barnes – Non-Executive Director from 1 February 2023	0-5	-	-	-	-	0-5
Mr James Bromiley – Non-Executive Director from 1 February 2023	0-5	-	-	-	-	0-5
Mr Graham Walton - Chair of NTH Solutions LLP left the Trust 31 March 2023	10-15	-	-	-	-	10-15

NOTES

1. *All taxable benefits relate to cars and are expressed in £000's. The method of calculating benefits in kind is based upon HMRC guidance and uses the CO2 emissions rate of the vehicle and the type of fuel used.*
2. *Professor Derek Bell is Group Chair of North Tees and Hartlepool NHS Foundation Trust and South Tees NHS Foundation Trust. The Trust pays 50% of Professor Bell's salary.*
3. *Ms Julie Ann Gillon salary includes a compulsory redundancy payment of £160k and other remuneration of £11k which consists of training and legal fees, which is included in note 4.3.8.*
4. *Remuneration in relation to the Medical Director, Dr Anandapuram Dwarakanath includes payment for level 9 clinical excellence award of £35k-£40k. Dr Dwarakanath is over normal retirement age for the existing benefits scheme therefore the CETV calculation is only applicable on the 2015 scheme.*
5. *Mr Neil Atkinson other remuneration includes paid annual leave for financial year 2021-22 and 2022-23.*
6. *Professor Graham Evans is over normal retirement age therefore the CETV calculation is only applicable on the 2015 scheme. In the previous year Professor Evans was also employed as Chief Digital Officer (CDO) for the Integrated Care System (ICS) for the North East and North Cumbria region, the Trust received 50% of his salary from Newcastle and Gateshead CCG. Professor Evans left the Trust on 31 May 2022.*
7. *Mrs Gillian Colquhoun, Interim Chief Information & Technology Officer commenced in this role 30 May 2022 although prior to obtaining this position was already working at the Trust in a different role.*
8. *Mr Alan Sheppard, Chief People Officer left the Trust on 31 August 2022.*
9. *Dr Susannah Cook, Chief People Officer commenced in post on 1 May 2022, however, from 1 May 2022 – 31 October 2022 this was on a secondment basis from NHS England. Dr Cook transferred to the Trusts payroll on 1 November 2022, however the Trust was charged £47,916.67 from NHS England to cover the secondment period.*
10. *Mr Alan Foster was employed by the Integrated Care System (ICS) for the North East and North Cumbria region, although the Trust paid Mr Foster's salary the costs were fully reimbursed by Newcastle and Gateshead CCG.*

11. *Mr Stephen Hall, Non-Executive Director left the Trust on 31 March 2023.*
12. *Mrs Fay Scullion, Non-Executive Director commenced at the Trust on 28 April 2022.*
13. *Mr Ian Simpson, Interim Non-Executive Director worked at the Trust from 28 April 2022 to 31 December 2022.*
14. *Ms Alison Fellows, Non-Executive Director commenced at the Trust from 1 February 2023.*
15. *Professor Elizabeth Barnes, Non-Executive Director commenced at the Trust from 1 February 2023.*
16. *Mr James Bromiley, Non-Executive Director commenced at the Trust from 1 February 2023.*
17. *Mr Graham Walton, Chair of North Tees and Hartlepool Solutions LLP/Non-Executive Director left the Trust on 31 March 2023.*
18. *Pension - Related Benefits have been calculated in line with the 2021-22 NHS Foundation Trust ARM guidance and have been determined in accordance with the HMRC method of calculating less the amounts paid by employees.*
19. *On 27 April 2023 HM Treasury published updated discount rates for determining the discount rate used in calculating cash equivalent transfer values (CETVs) payable on unfunded public sector pension schemes. In May 2023 HM Treasury clarified that this updated guidance should not be used in calculations for 2022-23 annual reports. This means that 'Greenbury' information provided by NHS BSA during January to April 2023 on the 'old' basis is correct. A new paragraph has been added to the FT ARM which requires NHS foundation trusts to disclose this basis of calculation.*

Stacey Hunter
Group Chief Executive
27 June 2024

This table has been subject to audit.

Salary and Pension Entitlements of Senior Managers - B) Pension Benefits								
Name & 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 2024 (bands of £5,000) £000	Lump sum at pension age related to accrued pension at 31 March 2024 (bands of £5,000) £000	Cash equivalent transfer value at 1 April 2023 £000	Real increase in cash equivalent transfer value £000	Cash equivalent transfer value at 31 March 2024 £000	Employer's contribution to stakeholder pension £000
Mrs Stacey Hunter, Group Chief Executive from 1 February 2024	-	2.5-5	60-65	170-175	1,157	11	1,481	6
Mr Neil Atkinson – Managing Director assumed Accountable Officer duties 1 April 2023 to 31 January 2024	-	27.5-30	45-50	125-130	907	72	1,090	20
Mrs Kate Hudson-Halliday – Interim Director of Finance from 1 June 2023	-	27.5-30	45-50	125-130	798	139	1,062	15
Dr Elaine Gouk – Acting Chief Medical Officer from 5 September 2023	7.5-10	17.5-20	70-75	195-200	260	45	385	13
Mr Anandapuram Dwarakanath – Chief Medical Officer was stood down from his role with effect 5 September 2023	-	-	5-10	-	159	-	114	14
Mrs Rowena Dean – Acting Chief Operating Officer from 24 April 2023	30-32.5	82.5-85	70-75	200-205	828	707	1,683	16
Mr Levi Buckley – Chief Operating Officer left the Trust 30 April 2023	-	-	55-60	60-65	811	8	1,003	2
Mrs Lindsey Robertson – Chief Nurse/Director of Patient Safety & Quality	-	27.5-30	50-55	140-145	891	184	1,182	18
Mr Michael Houghton – Director of Transformation from 1 July 2023	-	-	40-45	110-115	1,127	-	993	11
Dr Susannah Cook– Chief People Officer/Director of Corporate Affairs. Assumed Corporate Affairs duties with effect from 1 April 2023	-	22.5-25	35-40	95-100	578	132	785	18
Mr Ken Anderson – Chief Information & Technology Officer from 30 October 2023	0-2.5	-	0-5	-	30	6	64	7
Mrs Gillian Colquhoun – Interim Chief Information & Technology Officer left the Trust 30 June 2023	0-2.5	10-12.5	25-30	75-80	382	57	670	6
Mrs Linda Hunter – Director of Planning & Performance	0-2.5	30-32.5	30-35	80-85	452	172	685	17
Mr Stuart Irvine – Director of Strategy, Assurance and Compliance/Company Secretary with effect from 10 July 2023	0-2.5	-	20-25	60-65	429	4	489	9

NOTES

1. *Ms Stacey Hunter, Group Chief Executive of North Tees and Hartlepool NHS Foundation Trust and South Tees Acute Hospitals NHS Foundation Trust. North Tees and Hartlepool NHS Foundation Trust pay Ms Hunter's salary in full and recharge 50% to South Tees Acute Hospitals NHS Foundation Trust. Full salary value is £41,666.66 and the recharge to South Tees Acute Hospitals NHS Foundation Trust for 2023-24 is £20,833.33.*
2. *Mr Neil Atkinson, Managing Director was both Accountable Officer and Director of Finance 1 April – 31 May 2023.*
3. *Ms Kate Hudson-Halliday, Interim Director of Finance is charged to the Trust in full via invoice from NHS North East and North Cumbria Integrated Care Board.*
4. *Dr Elaine Gouk, became Acting Chief Medical Officer on 5 September 2023 £50,131.63 of the remuneration included in the table does not relate to the Chief Medical Officer position.*
5. *Dr Anandapuram Dwarakanath, Chief Medical Officer was stood down from his role with effect from 5 September 2023. Dr Dwarakanath is over NRA for the existing benefits scheme but not for the 2015 scheme therefore a CETV calculation is only applicable on the 2015 scheme. £30,103.15 of the remuneration included in the table does not relate to the Chief Medical Officer position.*
6. *Mrs Rowena Dean, became Acting Chief Operating Officer on 24 April 2023.*
7. *Mr Levi Buckley, Chief Operating Officer left 30 April 2023.*
8. *Ms Lindsey Robertson, Chief Nurse / Director of Patient Safety & Quality left the Trust on 14 April 2024 and salary includes compulsory redundancy £160k and payment in lieu of notice £68k.*
9. *Mr Michael Houghton, became Director of Transformation on 10 July 2023 and previously worked in another role within the Trust.*

10. *Mr Ken Anderson, became Chief Information Technology Officer on 30 October 2023.*
11. *Mrs Gillian Colquhoun, Interim Chief Information and Technology Officer left 30 June 2023.*
12. *Mr Stuart Irvine, became Director of Strategy, Assurance and Compliance / Company Secretary on 10 July 2023 and previously worked in another role within the Trust.*
13. *Mr Michael Worden, Managing Director, North Tees and Hartlepool Solutions LLP, is not a member of the NHS Pension Scheme therefore there is no entry in respect of pensionable remuneration shown.*
14. *A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.*
15. *Real Increase in CETV - This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.*
16. *CETV figures are calculated using the HM Treasury guidance 27 April 2023 on discount rates for calculating unfunded public service pension contribution rates.*
17. *On 1 April 2015, the government made changes to public service pension schemes which treated members differently based on their age. The public service pensions remedy puts this right and removes the age discrimination for the remedy period, between 1 April 2015 and 31 March 2022. Part 1 of the remedy closed the 1995/2008 Scheme on 31 March 2022, with active members becoming members of the 2015 Scheme on 1 April 2022. For Part 2 of the remedy, eligible members had their membership during the remedy period in the 2015 Scheme moved back into the 1995/2008 Scheme on 1 October 2023. This is called 'rollback'. Where a member is affected by rollback, the benefits in respect of their rolled back pensionable service during the remedy period are valued as being in the 1995/2008 Scheme.*

The above tables form part of the audited statements.

Stacey Hunter
Group Chief Executive
27 June 2024

4.3 Staff report

4.3.1 NHS People Plan and People Promise

The NHS People Plan 2020-21 set out actions to support transformation across the whole NHS, building on the work of the Interim People Plan alongside the People Promise.

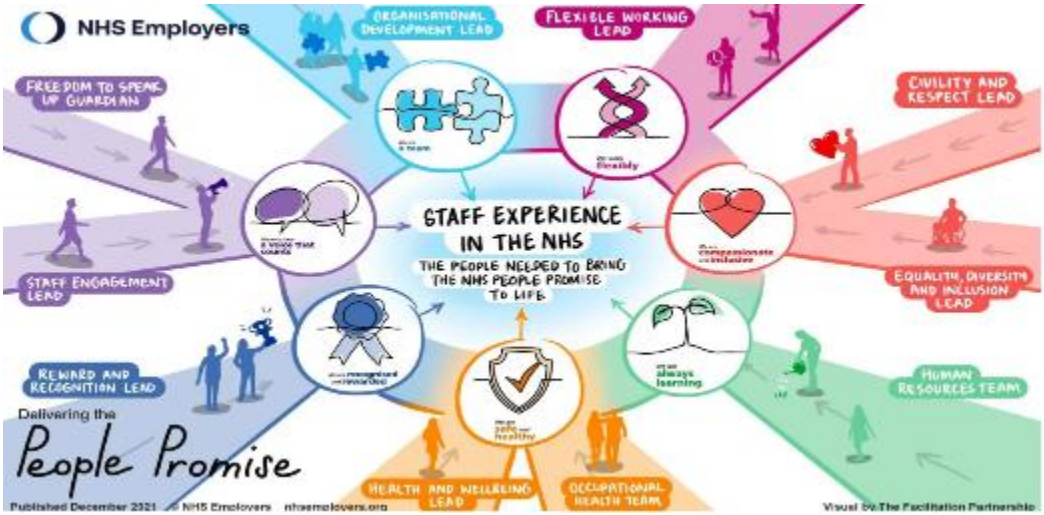
The People Plan continues to focus on how we must all continue to look after each other and foster a culture of inclusion and belonging, as well as action to grow our workforce, train our people, and work together differently to deliver patient care. This ethos extends beyond the launch of the plan itself and has informed many conversations in organisations about the importance of local plans and the means to deliver these.

Our overall strategic aim is to “Value our People” and we will do so by working to ensure we improve people outcomes in line with the 4 pillars of the People Plan; creating a culture of civility and respect, looking after our people, growing our workforce for the future and developing new ways of working and delivering care.

The responsible director for the People Plan is the Chief People Officer with assurance against the delivery of the plan monitored by the People Committee. Work to embed the People Plan is ongoing with developments this year across key areas such as; strategic workforce planning, the development of our occupational and health and wellbeing services, our work to embed equality, diversity and inclusion, alongside actively reinforcing the behaviours we expect from each other across all areas of the Trust.

The People Promise is a national programme launched in 2023 to raise the profile and importance of staff and the contribution that they make. It sets out in the words of those who work in the NHS the things that matter most to them and what would most improve their working experience in key areas of the Trust such as health and wellbeing, learning and development, reward and recognition and a sense of belonging across the workforce.

This year we are delighted to succeed in our application and be recognised by NHS England as an exemplar organisation, securing funding to support with the delivery of the People Promise agenda and to improve our staff experience and retention. When excellent staff experience is achieved, staff become inspired to be the best they can be at work which in turn delivers the best patient care.



4.3.2 Keeping staff informed

Keeping our colleagues informed is of the highest priority.

The communications, engagement and marketing team use a variety of methods to keep staff up to date with news from across the Trust, including email bulletins, which are delivered to all staff

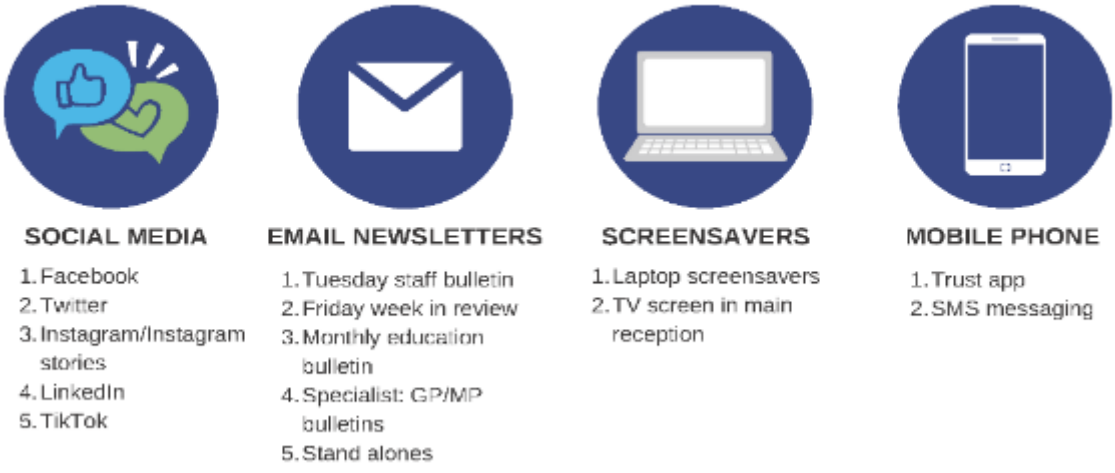
- A weekly staff bulletin featuring essential, business-critical information
- A weekly ‘news round’ of media and social media coverage
- A weekly ‘Start the week’ message from the group chief executive
- A weekly ‘End of week’ review from the managing director
- A weekly ‘Three things you need to know’ mini-bulletin (issued to all Band 7 managers and above)
- Bespoke all-user messages which can be tailored for specific campaigns (such as the annual flu vaccination programme) or emerging issues (such emergency situations)

The team also utilises a monthly training bulletin, screen saver messages, SMS messaging, podcasts and are developing a secure Facebook group for staff to share their own messages and information.

The dedicated, well-established, award-winning communications, engagement and marketing team support the Trust’s communications ambitions and offer an out-of-ours cover service.

The team understands the needs of the various multiple internal audiences, and tailors messages accordingly. This method ensures we maximise communications with our circa 6,200 members of staff.

The graphic overleaf offers an overview of the channels we work with in order to keep our staff informed.



SOCIAL MEDIA

1. Facebook
2. Twitter
3. Instagram/Instagram stories
4. LinkedIn
5. TikTok

EMAIL NEWSLETTERS

1. Tuesday staff bulletin
2. Friday week in review
3. Monthly education bulletin
4. Specialist: GP/MP bulletins
5. Stand alones

SCREENSAVERS

1. Laptop screensavers
2. TV screen in main reception

MOBILE PHONE

1. Trust app
2. SMS messaging

MEDIA RELATIONS

1. Print (magazines and news)
2. TV
3. Radio
4. Specialist journals
5. Other businesses e.g. universities

WEBSITE

1. News section
2. Website alerts
3. Promotional banners

AUDIO

1. Radio Stitch
2. Podcasts

PRINT MEDIA

1. Anthem
2. Health and Wellbeing
3. Posters
4. Leaflets

4.3.3 Supporting Staff

It is recognised that to achieve our strategic aims, we must provide a physical and psychologically safe environment for our staff with access to help and support when needed. This will ensure a mentally, emotionally and physically well workforce. This is resonated through the Trust's strategic aim of 'providing a working environment that will enable employees to meet their full potential both in and out of the workplace and enable them to deliver excellent patient care'.

It is envisaged that this will be achieved by continuing to support staff to assess and take responsibility for their own health as well as promoting health and wellbeing and providing prevention, intervention and rehabilitation services.

The NHS People Promise sets out expectations for NHS employers on how to look after their workforce during the pandemic. Looking after our people is more important than ever if we want to prevent post pandemic burnout adversely affecting our ability to deliver services and care for our patients.

It is important to promote this agenda for many reasons: healthy people are happier in their work, have reduced absence and, if properly supported, absences are likely to be for shorter periods. The impact on the range of other metrics is also worthy of note, including but not restricted to reduced turnover. Additionally, there are intrinsic links between the happy and healthy workforce and high-quality patient care.

Following the People Directorate restructure in 2023, the health and well-being activities previously undertaken by the organisation development team moved across into the Occupational Health service and rebranded as the Occupational Health and Well-being service. A newly created role of Health and Wellbeing Advisor was introduced who leads and coordinates the health and well-being activities across the Trust. They, with support from the Trust communications team, undertake staff engagement to identify staff health and well-being needs and ideas to scope and inform future well-being activities relevant to the Trust workforce.

The success of an effective health and well-being strategy and delivery plan requires the ownership of health and well-being by all within the Trust. A campaign of training and awareness for managers including a relaunch of well-being conversations and the benefits they bring to the workforce commenced during this year, which will continue into 2024-25.

The now established health and well-being magazine, written by staff, for staff provide a resource of information on ongoing and future health and well-being activities. In addition, there are over 100 health and wellbeing champions in the Trust who share information relating to health and wellbeing in their place of work ensuring we are able to further enhance the communication at local levels.

The Trust has been a holder of the annual Better Health at Work award for a number of years, climbing the levels of award to the highest level of ‘Maintaining Excellence’.

The annual vaccination campaigns which have included Flu and COVID boosters have been delivered successfully allowing staff access to vaccinations through a range of methods.

Just and Learning Culture

A Just and Learning Culture is one in which there is a focus on fairness, openness and learning to events and incidents. It promotes a culture whereby staff feel confident to speak up when things go wrong without fear of blame or retribution.

The Trust began adopting a Just and Learning Culture in its approach to people practices in 2020 and continues to embed these principles and practices into positive people management. This has seen a reduction in the number of formal investigations undertaken within the Trust with a learning, supportive and developmental approach adopted to address areas identified.

In general, staff report a more supportive and beneficial approach to both raising issues and events and their address, with reflection and restorative practices seen as support rather than punitive actions. At a time in which both within the Trust and externally at local and national level, staff are experiencing a number of challenges both in post pandemic recovery and the social and economic factors present, this approach aims to compliment an environment and culture in which staff are supported and valued.

Code of Conduct

In consideration of a just and learning culture, the Trust has developed and implemented a Code of Conduct applicable to all staff. This code is designed to complement the previous work undertaken on an adoption of a customer care charter and provides an opportunity to re-baseline the requirements, values and behaviours expected of all staff and what staff can expect from the Trust as its employer.
Training and awareness sessions began in December 2023 and a roll out programme continues through to 2024-25. To compliment this training, a consciously inclusive thinking and behaviours training session further ensures that equality, diversity and inclusive thinking and actions are centric to our workforce strategies and local delivery.

Staff Consultation and Policies

Partnership working with our trade union colleagues is well embedded in the Trust and we have a number of formal mechanisms where management representatives and staff side colleagues meet on a regular basis to consider and respond to various employee relations issues. This includes:

- Joint Forum
- Staff Side Executive Committee
- Local Negotiating Committee
- Medical Staff Committee
- Doctors in Training Forum

Our work in relation to policy development is closely aligned to our EDI programme of work, which sets out our desire to create an inclusive culture across the organisation and is supported by a comprehensive suite of People Policies.

Our People policies are discussed and approved with trade union colleagues at Joint Forum, which is supported by a policy review group. The group works in a collaborative way to ensure that the views of all stakeholders are incorporated.

As a People Directorate we work closely and in partnership with our Freedom to Speak Up (FTSU) Guardian in relation to the raising of concerns, as well as our Counter Fraud colleagues where necessary and appropriate.

4.3.4 Equality, Diversity and Inclusion

The Trust is committed to Equality, Diversity and Inclusion (EDI) in all aspects of the services we deliver and the employment of staff. We're passionate that our workforce is diverse and reflects the people and communities we work with. People are our most valuable resource, they are the driving force behind our dedication to patient care, therefore it is only right that we strive to create a culture of inclusion, where our colleagues feel that they truly belong and have opportunities to thrive and develop.

Having a truly equal and inclusive workforce will help us to improve the experience of our patients, meaning better health outcomes and create an environment where every individual feels empowered, engaged and supported as a vital member of our team.

This year we have made the successful transition from EDS2 and implemented the new reporting requirements for EDS 2022. Our EDS assessment rating of Developing for 2023-24 reflects our ongoing commitment to enhance the services that we provide. The assessment provides assurance that we are on track to obtaining a rating of Achieving with clear goals to progress with this in 2024-25. All actions inform the Trusts EDI Action Plan, ensuring that work undertaken aligns with our core objectives and underpins the EDI programme of work.

We adhere to the duties under the Equality Act 2010, which legally protects people from discrimination within the workplace and the wider society. The Trust also strives to meet the statutory Public Sector Equality Duty (PSED), which is a duty placed on all public authorities to consider how policies and/or decisions affect people protected under the Equality Act 2010.

Our annual Equality, Diversity and Inclusion report demonstrates our commitment to this and is due to be published in the coming months. Our report from 2022-23 can be found on our website alongside the 2022-23 Workforce Race Equality Standard (WRES) and Workforce

Disability Standard (WDES) reports also. We continue to develop and drive improvements which are monitored by the People Committee.

The Trust holds Disability Confident Leader status, which recognises our commitment to removing inequality and ensuring fairness and equity in relation to recruitment and employment processes.

We have an active “Ability” Staff Network which provides an open forum for our disabled colleagues to share their experience of the workplace in a supportive and safe environment. The network provides a ‘listening’ ear’ for our disabled colleagues to discuss improvements and adjustments to enable us to make a positive difference. The name of the network supports our goal to remove barriers for colleagues and change perceptions.

Supporting Staff- Full and Fair consideration

We actively encourage applications from disabled individuals in accordance with the Equality Act 2010 and consciously ensure that all recruitment materials do not include either direct or indirect discrimination. During the recruitment process we are committed to making reasonable adjustments to give candidates every opportunity to succeed. Any candidate that meets the minimum essential criteria for job roles will be invited to interview under the Guaranteed Interview Scheme.

We are committed to supporting our colleagues to thrive at work and have refreshed our attendance management policy focusing on reasonable adjustments. Our People Services team give expert advice on the need of reasonable adjustments to be made and ensure there is equal access to training and development and promotion opportunities. The Trust is committed to ensuring that its education, training and development offer is accessible to all and currently offers a broad range of learning opportunities.

EDI Governance arrangements

The Trust Board of Directors and Executive Team have oversight of the EDI agenda and the two directorates of People and Nursing & Patient Safety strategically manage the work.

Colleagues have a number of routes to raise concerns about equality, diversity and inclusion, this includes the Trust’s Freedom to Speak Up Service, the annual staff survey, line management channels, the Staff Networks and other colleagues including staff side representatives. We promote an open culture and encourage our staff to collaborate with leaders to improve inclusion, quality and safety across all care groups and corporate areas.

The Trust is represented at an ICS level through membership of the regional Equality, Diversity and Human Rights Group, where representatives from local Trusts meet to share ideas and promote best practice. The Trust is also part of the Tees Valley EDI Network, which includes representation from wider services including police, fire, education and local authorities. Both networks seek to adopt a system wide approach to the implementation of local and national equality and diversity practices.

Staff Networks

Our Staff Networks provide a supportive, welcoming, safe confidential space for our workforce, where members can come together with a shared purpose of improving lived experience within the Trust**.** We are proud of the work of our Staff Networks, and the support they provide to colleagues as we continue to work towards being truly inclusive.
We have successfully embedded 6 active Staff Networks which include, Ethnic Minority, LGBTQ+, Age Older, Ability, Women’s and Men’s Groups. Network Leads have protected time to focus on the role and to work on key priorities in support of colleagues. This equates to a half day per week, with flexibility over how the time is taken.

As part of the EDI calendar of events, various sessions are held throughout the year including training, employee engagement sessions, monthly/annual themed events,

communication bulletins, information leaflets/fact sheets and newsletters in support of the networks.

Key Achievements

- Awarded Disability Confident Leader (Level 3) status in April 2023 in recognition of the work undertaken by the Trust to ensure that colleagues have the opportunities to reach fulfil their potential and realise their aspirations.
- Undertaken various campaigns and issued guidance aimed at increasing disability declaration rates across the organisation. This has resulted in a 1% increase in the workforce declaring that they have a disability in 2023, with a 6.8% reduction in non-disclosures.
- Implemented a Menopause Policy to support colleagues who are experiencing the menopause and need reasonable adjustments where symptoms may be affecting them in the workplace. Menopause Awareness sessions are available to staff and teams alongside monthly support group meetings since late 2023. The Trust has introduced Menopause Ambassadors to support colleagues with signposting. Specific focus has been given to this subject in managers training days and funding from Unison secured to buy books/library resources.
- Introduced an annual calendar of EDI events which showcase the full range of work being undertaken by the Trust in relation to EDI raising awareness of the various campaigns which take place across the year. Some key events have included disability awareness days, understanding micro aggressions and emotional intelligence engagement sessions alongside more specific Staff Network events.
- Awarded Inclusive Excellence Committed status. The accreditation recognises our commitment to equality, diversity, inclusion and equity. To achieve this status, the Trust had to demonstrate and provide evidence of our commitment to these practices.
- Reviewed and refreshed our Recruitment and Selection Training for managers, to raise awareness of EDI considerations and the impact of unconscious bias, as well as embedding our approach to values based recruitment.
- Our Cultural Ambassadors continue to provide independent advice in relation to employee cases involving colleagues from an ethnic minority background. New guidance has been developed and promoted which provides useful information about the role of the Cultural Ambassador.
- Introduced a ‘safe space’ for our Staff Network members to meet with the network leads, where issues of discrimination, harassment and bullying can be discussed, with signposting to appropriate sources of support including Freedom to Speak Up Service.
- Reviewed and refreshed our Trust’s Management of Stress Policy, to ensure continued support for colleagues experiencing bullying/harassment from the public, colleagues and managers.
- Introduced an employee code of conduct which sets out the standards of behaviour expected from all employees across the organisation. Equality of Opportunity and the prevention of bullying and harassment based on the protected characteristics is central to our zero-tolerance approach and creating a culture of civility and respect.
- Secured funding to support the work of the Staff Networks in the delivery of key events (including speakers), training and other key items.
- Launch of our EDI themed podcasts as part of NTH Voices with Radio Stitch enabling Staff Network Leads, to raise awareness of key areas, celebrate achievements, highlight challenges and promote involvement opportunities across the Trust.

We are currently in the process of implementing a number of new initiatives for 2024-25, which supports our EDI programme of work. This includes: executive sponsorship; taking active steps to close our gender pay gap; enhancing our flexible working offer; on-boarding, support and development of colleagues from overseas; embedding our code of conduct and ensuring fairness in all people processes.

Gender Pay Gap

Our Gender Pay Gap is reported on the Trust's website and is available to download here Gender pay gap report 2023 - North Tees and Hartlepool NHS Foundation Trust (nth.nhs.uk)

MALE	FEMALE
16%	84%

When compared against the NHS as a whole, the Trust's gender profile shows that female representation is 7% higher within NTHFT, when compared to the national average which reports female representation at 77% and male at 23%.

In 2022-23 we reported a mean gender pay gap of 44.65% and a median gender pay gap of 23.51%. The median gender pay gap has remained static since last year whereas the mean gender pay has increased by 8.96% since.

The table below shows our gender pay gap data for the period 31 March 2017 to 31 March 2023:

	Mean		Median		Gender Pay Gap %	
	Female	Male	Female	Male	Mean	Median
2017	£14.16	£19.57	£12.44	£14.33	27.64%	13.16%
2018	£14.84	£22.54	£13.57	£16.74	34.17%	18.95%
2019	£15.25	£23.56	£13.83	£17.42	35.27%	20.58%
2020	£15.65	£24.32	£14.18	£18.25	35.67%	22.34%
2021	£16.04	£25.35	£14.58	£19.38	36.73%	24.73%
2022	£18.51	£28.78	£16.93	£22.13	35.69%	23.46%
2023	**£17.79**	**£32.14**	**£15.68**	**£20.50**	**44.65%**	**23.51%**

As reported in previous years, our workforce profile shows that there are a greater proportion of male workers within the categories of medical and dental (M&D) and very senior manager (VSM). These roles are the highest paid workers of the organisation and equate to 7.02% of the total workforce.

We continue to support and encourage women into leadership roles, over the past 12 months specific women in leadership events have been held to inspire women in this way. More recently an emphasis has been placed on developing a more specific Medical Leadership programme to hopefully provide similar encouragement to female Medical and Dental staff.

Our actions to improve the Trust's Gender Pay Gap align with our strategic aim to "Value our People". They also support our commitments to the NHS People Plan. All actions from this report will inform the Trusts EDI Action Plan, ensuring that work undertaken aligns with our core objective of improving people outcomes and underpins the EDI programme of work.

Modern Slavery Act

The Trust is committed to driving out acts of modern slavery and human trafficking from within its own business and supply chains. The Trust acknowledges its responsibility under the Modern Slavery Act (2015) and will ensure transparency is achieved within the organisation so that the objectives of the Act are achieved on a consistent basis.

The Trust publishes all of its key policies and strategies on its website and the Trust's annual statement on Modern Slavery can be found at
Modern slavery statement - North Tees and Hartlepool NHS Foundation Trust (nth.nhs.uk)

Absence Data

The Department of Health and Social Care Group Accounting Manual requires the sickness absence data for NHS bodies to be reported in the annual report on a calendar year basis. The most current data for the Trust for the Calendar year 2023 can be found below and at: digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Annual Report Sickness Table 2023

Average FTE 2023	Adjusted FTE Days Lost to Cabinet Office Definitions	Average Sick Days per FTE	FTE Days Available	FTE Days Lost to Sickness Absence	Average Sickness rate 2023
4,881	61,020	12.5	1,781,490	98,987	5.56%

Source: NHS Digital - Sickness Absence Publication - based on data from the ESR Data Warehouse
Period covered: January to December 2023
ESR does not hold details of normal number of days worked by each employee. Data on days available and days recorded sick are based on a 365-day year
Average Annual Sick Days per FTE has been estimated by dividing the estimated number of FTE-days sick by the average FTE, and multiplying by 225 (the typical number of working days per year

4.3.5 Development and Education of Staff

The NHS People Plan emphasises the importance of learning and development in supporting delivery of the NHS Long Term Plan and achieving a safe, effective and sustainable workforce. Education and development activity over the last 12 months has encompassed mandatory training, development opportunities to upskill the existing workforce linked to talent management and succession planning, and engaging with our local population to attract the potential that exists.

To support education activity, the Education Department has developed a new Clinical Skills Lab based at the University Hospital of Hartlepool, which opened in September 2023, enabling a highly effective learning environment accessible to existing staff and students. The skills lab has provided an opportunity to integrate digital technology with traditional teaching methods for clinical skills training, including the use of augmented reality. This blended approach to learning creates valuable opportunities to engage learners in an interactive way, supporting current and future practice and improving care and outcomes for patients. Access to high quality learning environments within the Trust will expand further in summer 2024, when the upcoming Health and Care Academy opens its doors.

Continuing Professional Development (CPD) and Workforce Development (WD) funded programmes

Available funds from NHS England have been utilised to continue to provide development opportunities for the registered and non-registered workforce. CPD opportunities for the registered workforce including nurses, midwives and allied health professionals has focussed on upskilling, developing new ways of working, managing risk and leadership development. WD funding has enabled the Trust to continue to invest in specific courses for non-registrants and broader organisational development including activity linked to culture, leadership, teamwork and quality improvement.

Apprenticeship Levy

We currently have 304 people undertaking an apprenticeship across a broad range of programmes. The Trust continues to make sustained progress in utilising Apprenticeship Levy funding, with data showing that the Trust has utilised 95.8% of its total levy contributions since 2017, when the levy was introduced. The largest proportion of the

Trust's apprenticeships are associated with nursing and direct-care roles, including therapies, which is consistent with the region. We continue to offer apprenticeship opportunities within administration, leadership, management, healthcare science, digital technology, estates and facilities.

T-Levels Industry Work Placements

T-levels are the government's flagship technical level qualification for 16 to 19 year olds, equivalent to 3 A Levels. Every T-Level student is required to complete a mandatory 315-hour industry work placement (IWP). This provides young people with an invaluable opportunity to develop the knowledge, skills, values and behaviours to work within the industry.

Over the last 12 months, the Education department has continued to collaborate with three local colleges with whom we have an agreement to provide T-Level Health pathway placements. With support from the colleges, the Education department was successful in its bid for funding through the government's T-Level Employer Support Fund, enabling development of a dedicated T-Level Administrator role within the Education and Development Hub, to support placement activity throughout the academic year 2023-24. This role has been vital in enabling the Trust to increase placement provision by 200% from the previous year, and provide a robust wrap-around service for students undertaking their IWP in the Trust.

Balancing capacity and demand for placements within the Trust remains an ongoing challenge but provision of engaging opportunities for young people is vital to support future growth of the workforce. The Trust's Healthy Lives Care Group is working collaboratively with the Education department to provide clinical placements for all 24 T-Level Health students, reducing the demand on acute services, and opening up a world of fantastic learning opportunities across alternative nursing and allied health professional (AHP) areas.

In addition to clinical placements, all students participated in a comprehensive induction day and are attending skills development days facilitated by the Education department and members of the Healthy Lives team. Feedback has shown that the students, and the staff supporting them, are benefiting from the placements. The Trust remains committed to exploring opportunities for a sustainable plan for T-Level IWPs and scoping out the potential to support students from other T-Level pathways.

Work Experience

Over the last 12 months the Trust has re-opened applications for short (2 week) work experience placements following an extended period of closure following the COVID-19 pandemic. To improve how we engage and make opportunities accessible to people, we now have a work experience webpage on the Trust's website with key information for potential applicants and an online application portal. The Education department works collaboratively with a wide range of clinical and non-clinical services to support placements and offer insight into the varied roles available within the NHS.

Balancing capacity and demand for placements is an ongoing challenge. To overcome this barrier, the Education department has commenced engagement with High Tide Foundation, an independent charity that provides young people with meaningful work experience and career programmes across the Tees Valley. Innovative alternative work experience opportunities will be explored and piloted over the coming year, including the potential to deliver programmes in local schools and through the upcoming Health and Care Academy.

North Tees and Hartlepool Care Home Education Service

Over the last 12 months, the Education department has completed its seventh year of supporting education for care home staff across Stockton and Hartlepool, aimed at maintaining the wellbeing of residents and early recognition of deterioration, appropriate

management and escalation including use of digital NEWS2 and the '*Is My Resident Unwell?*' assessment tool.

A review of the programme has been undertaken, led by commissioners from the North East and North Cumbria ICB, with a new service specification commissioned for 2024. The new specification recognises how services have evolved since the start of the project and opportunities to work differently. The refreshed service will continue to support care homes across Stockton and Hartlepool and for the first time will include extra care schemes.

Over the next year, the focus of the programme will be on face-to-face training sessions to develop the knowledge, skill and confidence to recognise and escalate deterioration, however, maintaining the wellbeing of the resident remains an important element. The Clinical Educators have developed a number of e-learning packages focussed around maintaining the wellbeing of residents, these will be made available to all of the homes in the coming months. Bespoke training sessions for care homes highlighted through the RASC (Responding to and Addressing Serious Concerns) process will be provided to support sustained improvement in care and outcomes.

Moving forward, to streamline and support broader work regarding the integration of digital technology and business intelligence, non-education delivery posts associated with the project will be hosted by the Healthy Lives Care Group which contains a number of services linked to the educational elements of the programme, including the Integrated Single Point of Access (ISPA) and Community Matrons.

Health and Social Care Academy

In the last 12 months the Trust has commenced a programme of building works to support a fully functioning educational space within Hartlepool Hospital. The Health and Social care Academy will work with a range of internal and external stakeholders to provide quality education across the health and social care sectors in the Tees Valley.

The Academy will house state of the art Simulation and clinical skills spaces, alongside an immersive suite to support student and customer experience. The Academy build is expected to be completed by summer 2024.

4.3.6 Faculty of Leadership, Learning and Improvement

The Faculty of Leadership and Improvement was established at the Trust to drive forward two important priorities; leadership training and development and quality improvement training.

Leadership & Culture - The ability of an organisation to achieve success is critically created through its leadership capabilities and that leadership's ability to shape and role model the optimal culture. The Leadership Strategic Plan describes the three levels of leadership which forms the Trust's development programme designed to support improved delivery. Each component of the leadership strategic plan has been aligned to the corporate strategy.

The foundations of the programme 'It all starts with me' is for every member of staff within the organisation and works interactively with all staff to develop their personal understanding and impact.

The second level is Leading with CARE a 6 month programme delivered in collaboration with Teesside University, ensures that leaders within the organisation have the right skills, behaviours and an understanding of what leadership looks like at North Tees and Hartlepool.

The third level is ‘Leading with Unity’. This 8 month programme delivered by Teesside University develops an understanding of leadership across complex systems.

To complement the face to face delivery we have been working in collaboration with Limehouse who provide digital learning solutions. The platform allows us to share our values and the behaviours which are important to support a positive culture within the organisation.

A Medical Leadership Development programme, delivered in collaboration with Teesside University, has been created tailored to the specific anticipated needs of our medical staff.

Management - The management programme has been redesigned based on staff feedback and now incorporates a one-day launch session along with a passport approach to completing all the key elements to support development of managers.

Quality Improvement – A Quality improvement strategic plan has been developed to support delivery of a culture of continuous improvement this includes a range of development opportunities to support staff in their Quality Improvement journey. This strategic plan has been cross referenced with a self-assessment against NHS IMPACT’s five components of evidenced based improvement methods which are the underpinning requirements for a systematic approach to continuous improvement. This self-assessment was undertaken in consultation with stakeholders within the trust and an improvement plan has been developed to help further development towards a culture of continuous improvement.

Enablers for this include:

- Appointment of the Patients, Public and Lived Experience lead who has developed an information pack for staff for working with patients and a training package. A bank of patients who are willing to be involved in improvement work is now being developed.
- Training offers - Bronze QI training on ESR which is aimed at all staff in the trust, delivery of accredited Quality, Service Improvement and Redesign (QSIR) training by four trained QSIR Associates including a one day fundamental course and a 5 day practitioner course plus.

The Trust continues to support Quality Improvement development through the NTH100 programme. The programme enables staff from all levels and professional backgrounds to initiate change and deliver improvement through a courageous change project. The programme offers a unique opportunity for staff to develop leadership skills and to build their professional networks across the organisation whilst working collaboratively to drive positive changes that make a difference for patients, staff, services and systems.

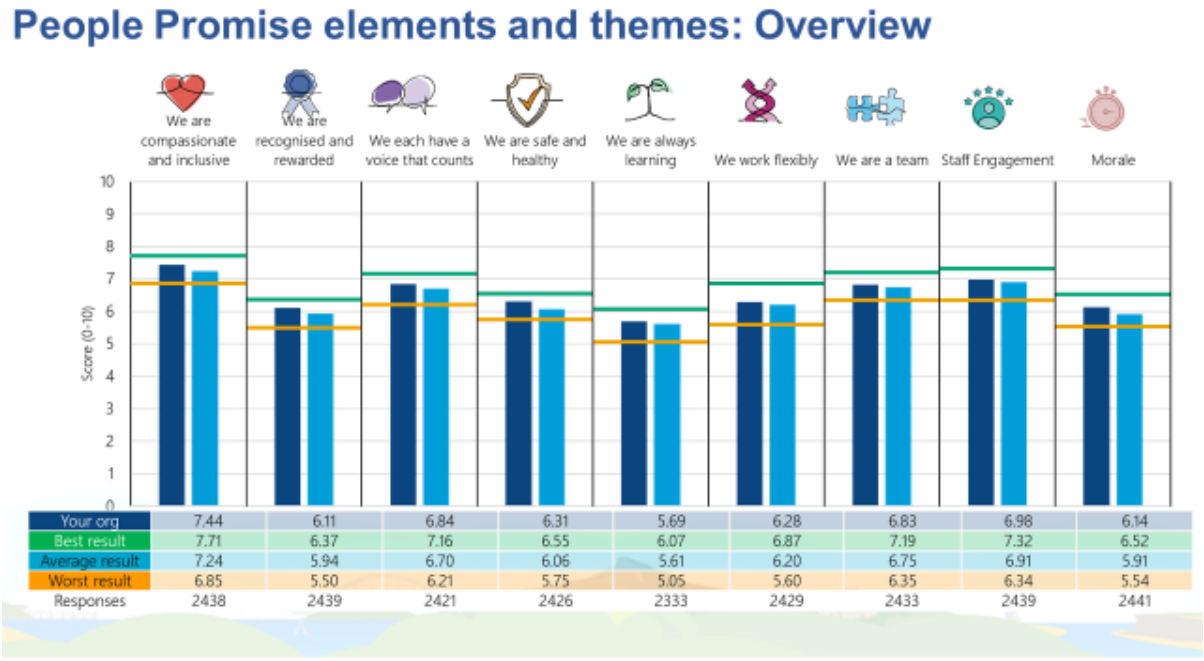
4.3.7 NHS Staff Survey

Participation in the annual NHS Staff Survey is a mandatory requirement for all NHS organisations. NHS England sets the framework and questions for the survey and we commission IQIVIA, a provider to manage the survey for us. The survey was issued to staff substantively employed by North Tees and Hartlepool using a full electronic method of delivery. The survey was open from September to November 2023.

The 2023 survey asked 107 questions which were categorised into the People Promise themes. A series of local questions have again been included this year to allow us to analyse health and wellbeing needs of staff across the trust.

The NHS People Plan, People Promise and NHS Staff Survey and their subsequent questions have been aligned to the nine themes which are titled; We are compassionate and inclusive; We are recognised and rewarded; We each have a voice that counts; We are safe and healthy; We are always learning; We work flexibly; We are a team; Staff engagement and Morale.

Within the Trust, 4 of these themes showed improvement, 5 stayed the same, this was a positive result for the Trust as overall the NHS trend for the themes has been a decline. There were 107 questions asked in this year's survey (new questions were added focused on sexual safety) 50 of these improved, 13 remained the same and 42 declined. The graphic below provides the themes along with the benchmarking data for acute and acute and community combined trusts which is our comparator group.



The table below provides an overview of the nine themes and the sub themes contained within each theme, an average has been created for each sub theme score with comparison to the national comparator (trusts which have used IQIVIA and are described as Acute and Community combined organisations). An overall theme score has then been created along with the Trust 2022 score. The table overleaf also shows the People Promise theme score and sub theme scores for 2023 and a comparison from 2022. The table shows those themes which have improved with a green arrow and those which have stayed the same with an amber dash. It is positive to see that the majority of themes have either improved or remained the same.

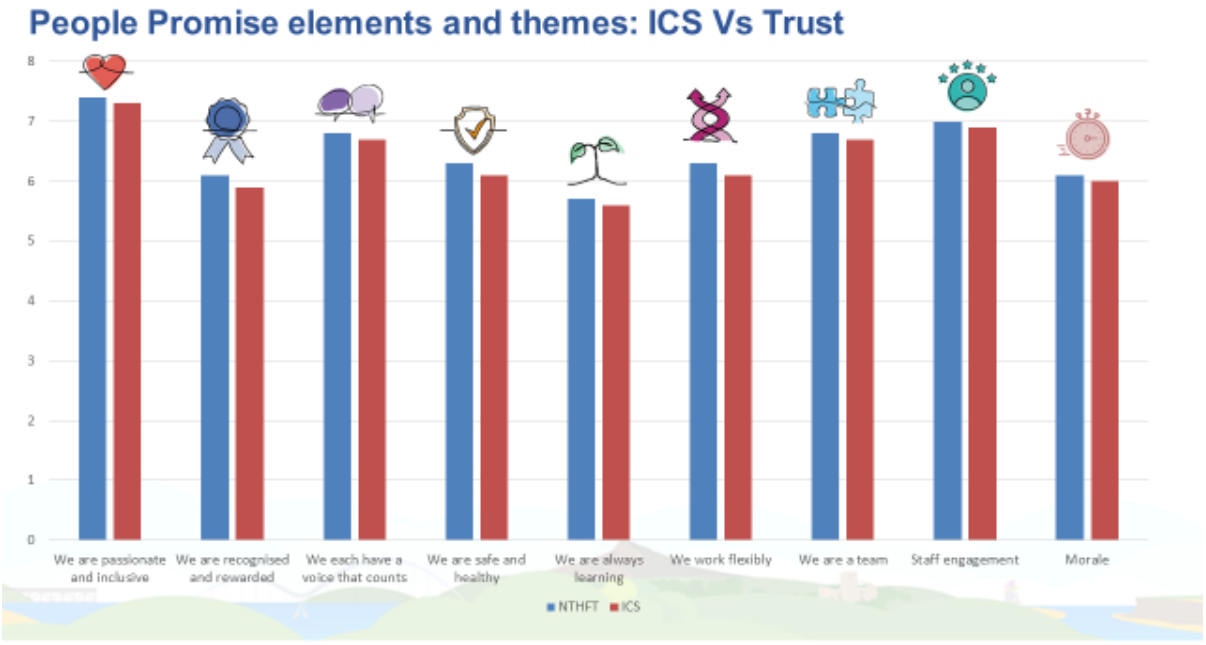
Theme	Sub theme	Trust 2022 sub theme score	Trust 2023	Trust 2022 theme score	Trust 2023 theme score
We are compassionate and inclusive	Compassionate Culture	74%	76%	75%	75% —
	Compassionate Leadership	71%	72%		
	Diversity and Equality	82%	82%		
	Inclusion	74%	72%		
We are recognised and rewarded	We are recognised and rewarded	55%	56%	55%	56% ↑
We each have a voice that counts	Autonomy and Control	71%	71%	70%	70% —
	Raising Concerns	69%	69%		
We are safe and healthy	Health and Safety Climate	49%	50%	56%	57% ↑
	Burnout	33%	34%		
	Negative Experience	79%	80%		
We are always learning	Development	66%	66%	56%	56% —
	Appraisals	45%	45%		
We work flexibly	Support for work-life balance & flexible working	57%	59%	57%	59% ↑
We are a team	Team Working	70%	69%	69%	69% —
	Line Management	69%	68%		
Staff engagement	Motivation	70%	70%	70%	70% —
	Autonomy	70%	70%		
	Advocacy	70%	70%		
Staff morale	Thinking About Leaving	64%	64%	61%	61% ↑
	Work pressure	54%	54%		
	Stressors	66%	65%		

Benchmarking

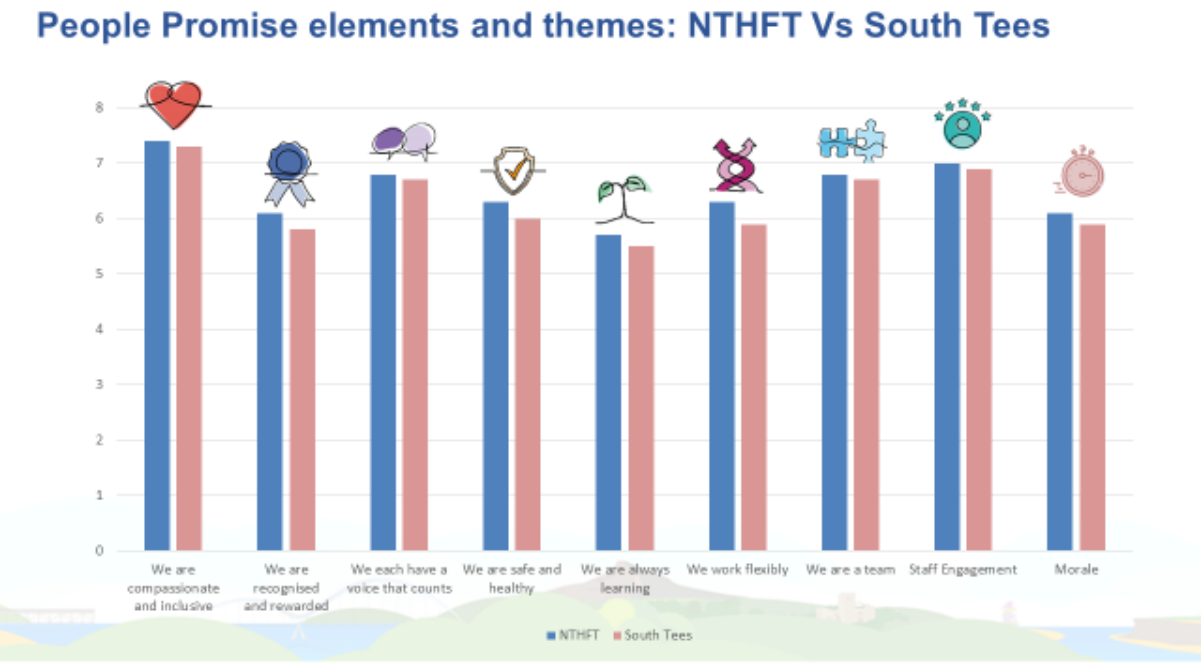
The NHS Staff Survey data was released nationally on 7 March 2024, this provided an opportunity to understand the data across the whole of the NHS and also to benchmark with local Trusts and those within our comparator group of 'Acute and community combined' Trusts. Our performance when compared to trusts within the ICS is shown in the table and graph below.

NHS Staff Survey comparative information North East and Yorkshire

Indicators ('People Promise' elements and themes)	2023-2024		2022-23		2021-22	
	Trust Score	Benchmarking group score	Trust Score	Benchmarking group score	Trust Score	Benchmarking group score
We are compassionate and inclusive	7.4	7.3	7.5	7.2	7.4	7.2
We are recognised and rewarded	6.1	6	6.1	5.7	6.0	5.8
We each have a voice that counts	6.8	6.8	6.9	5.9	6.9	6.7
We are safe and healthy	6.3	6.2	6.2	5.9	6.1	5.9
We are always learning	5.7	5.6	5.6	5.4	5.3	5.2
We work flexibly	6.3	6.1	6.2	6.0	5.9	6.0
We are a team	6.8	6.7	6.9	6.6	6.8	6.6
Staff Engagement	7	6.9	7.0	6.8	7.0	6.8
Morale	6.1	6	6.1	5.7	5.9	5.7



Developing our joint working approach, the below shows benchmarking comparators to South Tees Trust per People Promise Theme.



All reports have been broken down and shared at a Care Group/Corporate level with action planning sessions being supported by the Organisation Development Team. The team leads will be asked to engage and check with their people to understand how the scores reflect the sentiment on the ground since the survey and today, considering how they can influence these areas, what needs to be remedied or change and what needs to be escalated for wider discussion, support and action. Usage of Yellowfin, an analytical business intelligence tool, will be encouraged within these sessions.

It is important that the information contained within staff survey is accessible to as many staff as possible across the trust. To further improve the process of staff survey, information from 2021, 2022 and 2023 has been inputted into the Yellowfin system ensuring the data can be analysed and accessible to more people. Utilising Yellowfin in this way allows for autonomy for the Care groups/Corporate areas and departments. They are able to review the information in as much detail as they require. They are also able to make comparisons to other areas within the trust.

The People Plan acknowledges that the people who are best placed to say when progress has been made are those who work in the NHS. Specifically, using the Staff Survey as the principal way to measure progress will enable teams and departments, as well as whole organisations, to see progress and take action to improve.

By making Our People Promise a reality the NHS will become the best place to work for all of us – where we are part of one team that brings out the very best in each other.

4.3.8 Trade Union Facility Time

The Trust will fulfil its obligations under the Trade Union (Facility Time Publications Requirements) Regulations for the year 2023-24 by reporting the information in July 2024 and then publishing this on the Trust's website.

The information reported for 2022-23 is as follows:

Table 1 - Relevant union officials

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
18	15.05

Reflects a slight increase to the number of employees and the whole time equivalent reported in 2021-22

Table 2 - Percentage of time spent on facility time

Percentage of time	Number of employees
0%	3
1%-50%	14*
51%-99%	0
100%	1

** includes 4 individuals who spent between 0.1% and 0.8% of their working hours since this is above the figure of 0%*

Table 3 - Percentage of pay bill spent on facility time

Provide the total cost of facility time	£76,247
Provide the total pay bill (£000)	£278,919
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.03%

Table 4 - Paid trade union activities

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	8.46%

Reflects a 5.05% increase to the total time spent on trade union activities reported in 2021-22

4.3.9 Disclosure of Concerns (Whistleblowing

The National Guardian Office (NGO) and the Freedom to Speak Up Guardian (FtSUG) role was established in 2016 following the events at Mid-Staffordshire NHS Foundation Trust and the recommendations from the subsequent inquiry led by Sir Robert Francis.

The Francis Report raised 290 recommendations. One of the recommendations was to have a designated person who was impartial and independent working in every Trust. This role would facilitate staff to speak in confidence about concerns at work including any public interest disclosure. It was acknowledged that staff should be listened to, taken seriously and would not suffer detriment as a result of speaking up. The NGO was established to train and support FtSUG's as well as providing appropriate resources to help establish a healthy "Speak Up, Listen Up and Follow Up" culture. All FtSUG's are locally employed but are trained by the NGO.

Philosophy

The Freedom to Speak Up (FtSU) ethos aims to help promote and normalise the raising of staff concerns ultimately for the benefit of patients and workers. Speaking up not only protects patient safety but can also improve the lives of workers by ensuring that they have everything they need to do a great job and deliver an excellent service. FtSU is about encouraging a positive culture where people feel they can speak up, their voices will be heard, and their concerns or suggestions acted upon. In the seven years since Sir Robert Francis recommendations were implemented, the FtSUG role continues to evolve and move away from a whistleblowing culture to one of permission, encouragement, openness and transparency.

"If we can get the culture right, benefits will follow, including improving patient safety, innovation for improvement, retaining workers and making the National Health Service a great place to work".
Dr Jayne Chidgey-Clark, National Guardian for the NHS

The Trust positively encourages all workers to speak up if they have a concern about risk, malpractice, wrongdoing, a good idea or an innovation. Moreover, if there are any behaviours or acts which harm the services the Trust delivers, we have both a duty and right to speak up. Examples may include (but are by no means restricted to):

- Patient safety concerns, quality of care, unsafe staffing.
- A particular way of working or a process that isn't being followed.
- Professional malpractice.
- You feel you are being discriminated against.
- Working relationships e.g. the behaviours of others is affecting your wellbeing or that of your colleagues.
- A bullying culture (across a team rather than individual instances of bullying).
- A breach of confidentiality, trust policy or procedures.
- Suspicion of fraud.
- A criminal offence has been committed or is likely to be committed.
- An idea for an improvement or an innovation.

A new full time FtSUG was appointed in September 2023 to take over from the previous FtSUG. The FTSUG has completed NGO refresher training in October 2023 which is now an annual requirement for registration and practice. The FtSUG is formally registered on the NGO database and a contingency FtSUG is also trained for business continuity purposes. Cases are not shared between the FtSUG and the contingency FtSUG, unless consent by the individual raising the concern has been given.

The FtSUG remains an established member of the North East, Yorkshire and Humberside regional FtSUG network for collaboration, best practice and peer review. The role and ethos continue to be promoted across the Trust at all levels including the senior leadership team. Speak Up, Listen Up, Follow Up training modules and workshops are also available to all staff to complete to enhance their FtSU knowledge, skills and responsibilities.

The number of concerns raised under the Trust Speaking Up Policy for the period 1 April 2023 to 31 March 2024 are shown in the following table:

Cases commenced in 2023-24	Cases concluded in 2023-24 (with outcome)	Total on-going cases carried forward
97	88	9

97 new FtSU contacts were made during the period April 2023 - March 2024. This data shows a decrease of 4 from the previous year's data of 101. This is primarily due to increasing awareness of FtSU across the Trust as well as the continuous promotion of the speaking up ethos and the newly updated "Speaking Up" policy which encourages making

speaking up “business as usual” through the many reporting routes. Speak Up, Listen Up, Follow Up e-learning training and workshops are encouraged, particularly in “Speak Up Month” in October where there is a National and local speak up campaign.

For NGO reporting requirements, contacts were recorded on a quarterly basis as follows:

Q1 Apr – Jun 2023	Q2 July – Sept2023	Q3 Oct – Dec 2023	Q4 Jan – Mar 2024
46	22	11	18

88 cases have now been closed. 9 will be carried forward and these are either under review or awaiting follow up outcomes to be agreed / confirmed.

Themes / Categories

The categories / themes for the 97 new cases (across clinical and non-clinical services) can be summarised as follows:

- Behavioural / Relationship
- Worker Safety or Wellbeing (including staffing)
- Workload
- Poor System / Process
- Patient Safety
- Health and Safety
- Management and Culture
- Poor communication
- Middle Management
- Bullying and Harassment

National Guardian Office Data Reporting

The FtSUG reports numbers and themes quarterly to the NGO. The NGO reporting requirements has evolved over the reporting period to require Trusts to formally record the following elements within each case.

Contains an element of Patient Safety or Quality	Contains an element of Worker Safety or Wellbeing	Contains an element of Bullying or Harassment	Contains an element of Inappropriate Behaviours or Attitudes
21	44	5	29

Method of Reporting Concerns:

Since the new FTSUG commenced in September 2023:

- 96 contacts were received confidentially (99%)
- 1 contact was received openly (1%)
- 0 contacts were received anonymously (0%)

Anonymous reporting at the Trust has come down significantly from last year, from being above the national average of data reported to the NGO at (10.4%) to (0%). This gives assurance that workers are happy to speak up confidentially and that they trust their identity will only be shared with their consent. The highest percentage of concerns being raised are done so confidentially at (99%) and this shows there is a long way to go to make speaking up “business as usual” in an open and transparent way.

The NGO guidelines, all Trusts should be working towards a culture where speaking up is “business as usual”. The FtSU ethos is to reduce anonymous reporting where possible and to move into a confidential – open and transparent speak up culture. It is important to note that anonymous reporting happens in many organisations and confidentiality remains an important aspect of some cases and processes. Speaking up is accepted in all formats and

colleagues are encouraged to report concerns responsibly, with civility and to include any suggested outcomes / improvements if possible.

Supporting / Additional Information

For quality assurance purposes, staff are invited to provide feedback at the end of the FtSU process. Staff also continue to offer feedback on an ad hoc and voluntary basis during the FtSU process and are encouraged to share any concerns about the speak up process. Positive feedback has been received during the reporting period, in particular relating to the support offered by the FtSUG during the “Speak Up, Listen Up, Follow Up” process i.e. regular check ins with staff and follow up information where applicable.

The FtSUG continues to present monthly reports to the Executive Team Meetings, to provide verbal updates and request leadership input and support where required for example how to proactively tackle the issue of detriment after speaking up. All Executive staff have been requested to undertake NGO “Speak Up, Listen Up, Follow Up” training for senior leaders.

The new Speaking Up policy has now been implemented. This is a national policy from NHS England and the NGO in which all Trusts were expected to adopt as minimum standard by January 2024. This new policy (RM36 V2) can be accessed by staff via the FtSU page on the intranet.

The FtSU: A Reflection and Planning Tool was completed and presented to Board 1 February 2024, as per national guidance.

The FtSUG hosted the first Freedom to Speak Up Champion (FtSUC), network meeting, on the 24 January 2024. This was attended by FtSUC, FtSUG from South Tees and safeguarding. The FtSUC found the meeting very useful, and it has been decided to continue the FtSUC network meetings quarterly. The FtSUC have started to collect data on the high-level themes of what workers are speaking up about, before signposting them to the appropriate person, so this can be triangulated as per national guidance.
Currently there are fourteen FtSUC in the Trust. To promote the further recruitment of FtSUC, the FtSUG has drafted a FtSUC role summary, application form and line manager sign off, as part of the fair recruitment process. The FtSUG will work with workforce to implement and be communicated widely across the Trust. The FtSUG has already received a lot of interest about the FtSUC role, whilst out on their walkabouts.

As part of the Group Model, the FtSUG’s at North and South Tees Hospital have established and sustained a good working alliance to work collaboratively as the Joint Partnership evolves. The FtSUG’s have written a joint paper to look at the FtSU arrangements across both sites as part of peer review and sharing best practice, following the Lucy Letby case.

The FtSUG has submitted data to the North East and North Cumbria ICB audit for assurance and peer review of Trust Freedom to Speak Up processes. The ICB request that each trust submit an audit of two anonymised Freedom to Speak Up (FtSU) cases, to ensure that correct FtSU processes have been followed.

Reflecting on discussions about detriment as a perceived barrier for “Speaking Up” the FtSUG has drafted a feedback survey 3,6, and 12 months after closing a case to ask if the worker/s has suffered detriment following “Speaking Up”. To complement the work on detriment the FtSUG has drafted a presentation and leaflet to educate staff on what detriment is and the importance of reporting it.

4.3.10 Staffing Analysis

The Trust employs circa 6,200 staff and the table below shows staff numbers at 31 March 2024. These numbers are inclusive of staff employed within the subsidiary companies, North Tees and Hartlepool Solutions LLP and Optimus Health Limited.

Headcount and FTE/WTE figures split by gender as at 31 March 2024

Headcount and FTE/WTE (as at 31st March 2024)				
	Headcount		WTE	
Category	**Female**	**Male**	**Female**	**Male**
Directors (inc non-execs and chair)	6	8	6	7.10
Senior Managers	210	86	183.71	76.52
Employees	4,758	1,178	3,854.32	964.82
Grand Total	**4,974**	**1,272**	**4,044.04**	**1,048.44**

*(*headcount figures include Bank and Locum staff: Senior Managers include Band 8A and above and senior medics))*

Average number of employees

The information in the following table has been subject to audit review.

			2023-24	2022-23
	Permanent	Other	Total	Total
Medical and dental	555	-	555	552
Ambulance staff	-	-	-	-
Administration and estates	1,603	16	1,619	1,561
Healthcare assistants and other support staff	919	133	1,052	1,023
Nursing, midwifery and health visiting staff	1,477	130	1,607	1,470
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	423	3	426	409
Healthcare science staff	150	12	162	161
Social care staff	-	-	-	-
Agency and contract staff	-	-	-	-
Bank staff	-	-	-	-
Other	7	-	7	7
Total average numbers	**5,134**	**294**	**5,428**	**5,183**
Of which:				
Number of employees (WTE) engaged on capital projects	-	-	-	-

Analysis of staff costs

The information in the following table has been subject to audit review.

			2023-24	2022-23
	Permanent	Other	Total	Total
				£000
Salaries and wages	225,064	-	225,064	212,213
Social security costs	21,027	-	21,027	18,518
Apprenticeship Levy	1,130	-	1,130	976
Employer's contributions to NHS pensions	31,422	-	31,422	28,719
Pension cost - other	367	-	367	345
Agency/contract staff	-	17,980	17,980	17,810
NHS charitable funds staff	203	-	203	205
Total gross staff costs			**297,193**	**278,786**
Recoveries in respect of seconded staff	(788)	-	(788)	-
Total staff costs			**296,405**	**278,786**

Expenditure on consultancy

The Trust, in 2023-24, spent a total of £899,602 on services provided by external consultancies, compared to £1,054,457 in 2022-23.

Staff exit packages

The amounts agreed are highlighted below and the information in the table is subject to audit review.

Exit package cost band	Number of compulsory redundancies 2023-24	Number of other departures agreed 2023-24	Total number of exit packages 2023-24	Number of compulsory redundancies 2022-23	Number of other departures agreed	Total number of exit packages 2022-23
<£10,000	1	-	1	1	-	1
£10,001 - £25,000	-	-	-	2	-	2
£25,001 - £50,000	-	-	-	1	-	1
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	1	-	1
£200,001 - £250,000	-	-	-			
£250,001 - £300,000	-	1	1	-	-	-
Total number of exit packages by type	1	1	2	5	-	5
Total resource cost (£)	**£4,734**	**£255,552**	**£260,286**	**£245,432**	**-**	**£245,432**

The Trust had one compulsory departure payment in 2023-24, and five compulsory departure payments in 2022-23.

Off-payroll arrangements

The Trust, as of 31 March 2024, had no off-payroll engagements for more than £245 per day and that lasted for longer than six months.

The Trust had no off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2023 and 31 March 2024.

The Trust has a policy of not employing senior staff, directors and senior managers via off payroll arrangements. For other staff, the Trust ensures that contracted individuals declare that they are paying an appropriate level of tax to HMRC.

The Trust implemented procedures to ensure that new IR35 regulations were followed as of April 2017 and a review of these procedures took place during 2019 to ensure continued compliance with the regulations.

Highly paid off-payroll worker engagements earning £245 per day or greater	Existing engagements as of 31 March 2024
Number that have existed for less than one year at time of reporting	-
Number that have existed for between one and two years at time of reporting	-
Number that have existed for between two and three years at time of reporting	-
Number that have existed for between three and four years at time of reporting	-
Number that have existed for four or more years at time of reporting	-
All highly paid off-payroll workers engaged at any point during the year earning £245 per day or greater	**Engagements during the year ended 31 March 2024**
Not subject to off-payroll legislation	-
Subject to off-payroll legislation and determined as in-scope of IR35	-
Subject to off-payroll legislation and determined as out-of-scope of IR35	-
Number of engagements reassessed for compliance or assurance purposes during the year	-
Number of engagements that saw a change to IR35 status following review	-
	Number of engagements in 2023-24
Number of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	-
Number of individuals that have been deemed “board members and/ or senior officials with significant financial responsibility”. This figure should include both off- payroll and on-payroll engagements.	-

4.4 Code of Governance

There is a new Code of Governance for NHS provider trusts, which was published in October 2022 and applicable from 1 April 2023.

The Code of governance sets out a common overarching framework for the corporate governance of both trusts and foundation trusts, reflecting developments in UK corporate governance and the development of integrated care systems.

It provides a framework for us to improve our governance practices, contribute to better organisational performance and ultimately enable us to discharge our duties in the best interests of service users and patients.

The Board of Directors and Council of Governors are committed to continuing to operate according to the highest standards of corporate governance, and support and agree with the principles set out in the revised *Code.*

The *Code* is issued as best practice advice, but imposes some disclosure requirements. This annual report includes all the disclosures required by the *Code*, demonstrating compliance with all the requirements.

4.5 NHS Oversight Framework

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

a) Objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
b) Additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

During 2023-24 North Tees and Hartlepool NHS Foundation Trust has been allocated to segment 2 of the NHS Oversight Framework.

The Trust will continue to make significant contributions to the wider local health economy and maintains regular engagement with NHS England.

This segmentation information is the trust's position as at 31 March 2024. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: https://www.england.nhs.uk/publication/nhs-system-oversight-framework-segmentation/

4.6 Statement of the Group Chief Executive

Statement of the chief executive's responsibilities as the accounting officer of North Tees and Hartlepool NHS Foundation Trust.

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

NHS England has given Accounts Directions which require North Tees and Hartlepool NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of North Tees and Hartlepool NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

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

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

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

Stacey Hunter
Group Chief Executive **27 June 2024**

4.7 Annual Governance Statement

1. Scope of Responsibility

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

2. The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of North Tees and Hartlepool 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 North Tees and Hartlepool NHS Foundation Trust for the year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts.

3. Capacity to Handle Risk

Leadership

Responsibility for overseeing risk management across all organisational, financial and clinical activities across acute and community services lies with the Group Chief Executive. Prior to my commencement in post, the Managing Director undertook this responsibility as Accountable Officer for the period 1 April 2023 – 31 January 2024. All Executive Directors are held to account for their performance through both individual and team objectives that also reflect the objectives of the Board.

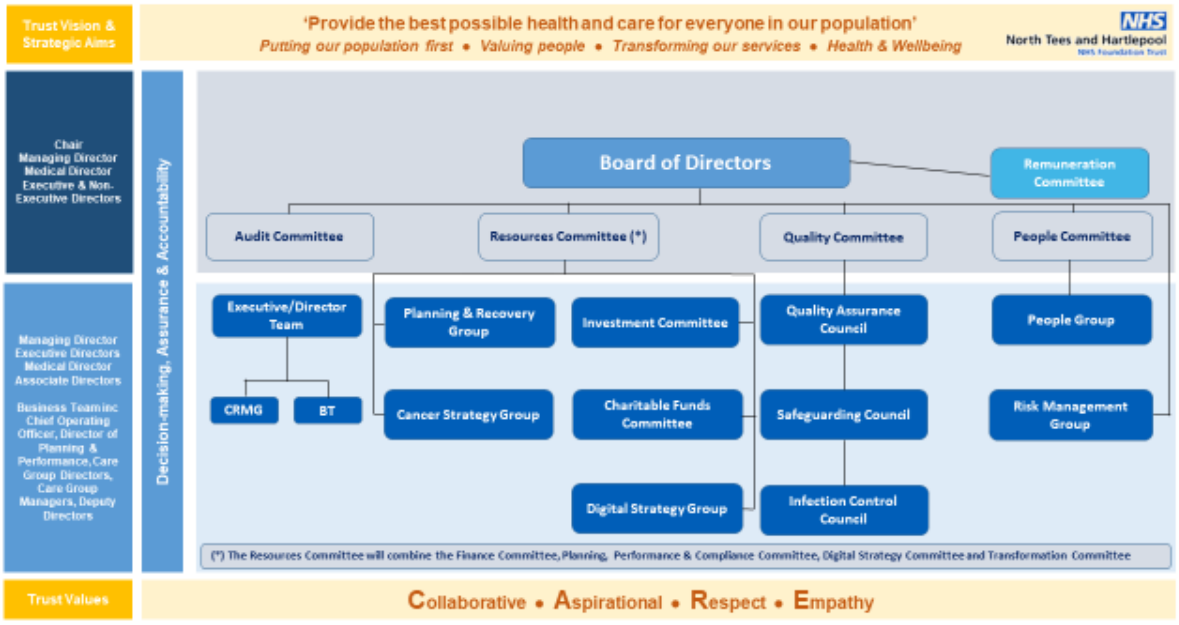
We are a high performing organisation with some of the best outcomes in emergency care and elective care in the country, and a discharge process which has been held up as an exemplar service. Our current model for an integrated urgent and emergency care service is being mobilised from 1 April 2024 across the Tees Valley in partnership with South Tees Hospitals NHS Foundation Trust, North East Ambulance Service and Hartlepool and Stockton Health GP Federation. In addition, we achieved GIRFT elective hub accreditation in December 2023 at our Hartlepool site, with the service becoming a key planned care resource for the Trust, the Group arrangements and the wider system going forward.

There were a number of changes to Board membership during the year, however, Board stability was maintained throughout the process in line with our licence requirements through succession planning at Executive level to ensure sustained operational effectiveness. Further details about Board members and changes to Board membership during the year can be found in the Directors' Report and the Remuneration Report. All changes were undertaken in order to further strengthen the Trust's governance, collaboration and leadership practices.

The governance arrangements underpinning the operating model are kept under regular review. The Board of Directors has established a committee structure to create clear accountabilities and leadership for managing risk with alignment to the Board Assurance Framework. Following a review and changes to the Board Assurance Framework alongside recent governance developments, including changes in the Code of Governance for NHS

Provider Trusts and the finalisation of the governance review, undertaken by the Good Governance Institute, a rationalisation of the committee structure aligned to the Board was undertaken. This resulted in a number of changes to the existing arrangements and a revised governance structure being implemented with effect from 1 September 2023. Three assurance Committees were agreed; Quality Committee, People Committee and Resources Committee, with the Resources Committee amalgamating the previous Planning Performance and Compliance Committee, Finance Committee, Digital Strategy Committee and Transformation Committee. No changes were made to the Audit Committee.
The Board of Directors continues to receive regular minutes, reports and assurance from each of its committees to demonstrate the Trust's capacity to handle risk. The Trust Board Assurance Framework aligns with best practice and reflects assurance on the high-level strategic risks that are deemed the most significant throughout the year.

The Board is responsible for ensuring there is an effective system to identify and manage risk. The Board is supported by a committee structure, effective from 1 September 2023 as follows:



The Group Chief Executive along with the Chief Nurse/Director of Patient Safety and Quality and the Chief Medical Officer lead the Trust's risk management and associated processes. The Managing Director supported by the Interim Director of Finance oversees the adoption and operation of the Trust's Standing Financial Instructions and is the lead for counter fraud. All executive directors have responsibility for the delivery of a robust risk management and governance process in their portfolios. The Senior Information Risk Owner at Board level is the Chief Information and Technology Officer.

Under the leadership and oversight of the Acting Chief Operating Officer, the three Care Group Directors and Clinical Leads have responsibility for the effective and efficient use of resources, including the proactive identification and mitigation of risks to the delivery of annual business plans. They have responsibility for providing leadership to, and ensuring appropriate oversight of the achievement of Care Group objectives, quality, operational and financial performance, through mitigation of risk and review of relevant assurance. The Care Groups are supported through highly skilled and competent staff within the Corporate and Support Service functions that are a central resource for training, advice and guidance on all areas of risk management.

Group Leadership

As an anchor organisation we are acutely aware of the need to work with partners to achieve our broader goals and to aspire to contributing to the system-wide healthcare ambitions of the integrated care system in the North East and North Cumbria region. We are committed to system working and are a key member of the North East and North Cumbria Provider collaborative, where provider trusts in the region are working together to develop an operational and strategic network to agree plans for future delivery to maximise benefits for staff and patients.

Following an independent strategic review in 2022-23 we agreed to greater collaboration with South Tees Hospitals NHS Foundation Trust, moving forward with a group model and group management arrangements with single Board and Executive leadership. In 2023-24, the group arrangements advanced at pace resulting in the appointment of myself as Group Chief Executive for the two organisations from February 2024 followed by the establishment and appointment of a joint Executive Management Team during February and March 2024. In addition, Non-Executive Directors were appointed jointly across both organisations in March 2024 in order to support the furtherance of collaborative governance arrangements and have in place the supporting infrastructure to enable the delegation of functions and authority in line with Partnership Agreement.

The first Group Board meeting will take place in April 2024, which will reinforce the Partnership arrangements, with a schedule of business planned for 2024-25. During 2024-25 unitary Board meetings will still take place in the Trust to facilitate those functions which are unable to be delegated and which need to be undertaken as a statutory requirement.

During the first quarter of 2024-25 further work will be progressed on the governance framework at both Group Board and Trust Board level to ensure each is able to discharge its responsibilities and gain a level of assurance through an appropriate committee structure.

Equipping staff to manage risk

Our Board of Directors participate in annual reviews of skills and competence with regular training, networking and attendance at national events. This enables them to contribute to the whole Trust agenda and in particular safety and quality at a strategic level whilst challenging the delivery of performance and scrutinising the impact of risks. A Senior Independent Director at Non-Executive Board level is available and regularly engages with Governors in order to provide a conduit for Governors to raise concerns on an informal basis, if required.

All members of staff have responsibility for risk management and have access to training including risk management, mandatory training portfolio, reporting systems and processes for managing risks, which are appropriate to their authority role and duties. The Risk Management Strategy provides particular focus to ensure continued consistency and standardisation of application and process, which was updated and approved in March 2024 alongside the Risk Management Policy.

Trust policies and procedures are authorised statements setting out, as a Trust, how we manage particular areas of risk and staff receive training commensurate with their role as part of policy implementation and assurance monitoring. We continue to learn from good practice through a range of mechanisms including clinical supervision, peer review, internal and external quality reviews, performance management, continuing professional development, clinical and internal audit, and the application of evidence based practice and reflective practice. The Trust has also undertaken benchmarking regionally and nationally on risk management processes.

The national Patient Safety Incident Response Framework promotes a range of system based approaches for learning from patient safety incidents. We have adopted the framework and ensure it feeds into our quality improvement initiatives, as well as in a more

supportive emotional and social forum in the Schwartz Rounds. The Patient Safety Patient stories are shared with the Quality Committee and the Board of Directors at each meeting.

All staff can access training including risk assessment, risk management and the use of the Trust's risk reporting system. The training opportunities which are tailored to the needs of staff and services utilise a range of approaches. All learning from good practice and training is shared appropriately across the Trust; this is described further under 'The Risk and Control Framework'.

4. The Risk and Control Framework

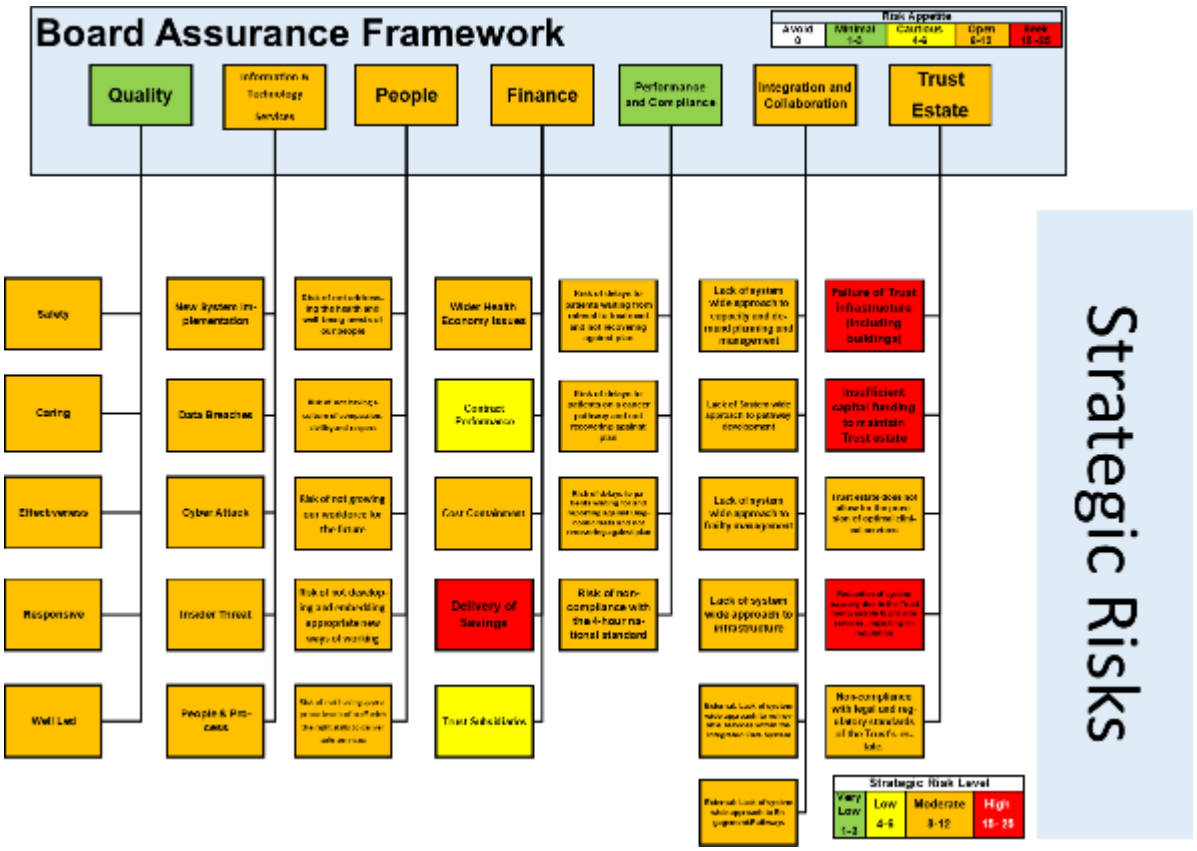
The Board of Directors is committed to leadership of the risk management and governance functions in the Trust. Each Executive Director has within their portfolio a responsibility for specific aspects of risk management and governance. In addition, Non-Executive Directors are designated as Chair for Board Committees, for example, Audit, Resources and Quality. 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 Board of Directors receive at each meeting a summary and assurance report from each Committee as a standing agenda item.

The Trust has a Risk Management Strategy 2024-27, which sets out the structures and processes for the identification, evaluation and control of risk, as well as the system of internal control. The Risk Management Strategy provides a framework, which encompasses strategic, quality, compliance, financial, reputational, and health and safety risks. It also seeks to support consistency and standardisation through the gathering and dissemination of intelligence on risks and mitigation control measures amongst all staff.
Delivery of this strategy is overseen by the Executive Management Team with individual officers having specific delegated responsibilities. The Strategy has been developed to support the delivery of the Trust's Strategic Aims and Objectives in line with the Board's risk appetite to ensure that risks are proactively identified, quantified and managed to an acceptable level and is reviewed on an annual basis.

The Board Assurance Framework assesses and evaluates the principal risks to the achievement of the strategic priorities and there is an alignment between the framework and the 'on the floor' risks currently outlined on the strategic risk register. It provides a mechanism to inform the Board of Directors where the delivery of its strategic objectives is at risk either due to a gap in control or lack of assurance on the effectiveness of the controls. It also provides assurance that effective controls and monitoring arrangements are in place and that sufficient diligence and oversight has been afforded to mitigation, with each section monitored and scrutinised through the appropriate Committee.

The Board Assurance Framework is reviewed by each Committee of the Board at their meetings in relation to the risks linked to the committee's terms of reference. The Board Assurance Framework includes an assessment of the source and level of assurance received as well as gaps in assurance.

For the first 6 months of 2023-24 there were twelve domains on the Board Assurance Framework aligned to the strategic objectives, however, as a result of implementing the new governance structure and reporting of the BAF domains into each Committee, a Board seminar considered the risks in detail and rationalised these into seven core domains going forward. This was as a result of either removing or merging risks, as appropriate, with importantly no reduction to the overall effectiveness of the BAF. The seven domains are as follows:



The Board Assurance Framework is reported through the committee structure to the Board at each meeting. A quarterly Board Assurance Framework report is presented to the Audit Committee and Board of Directors meeting, focusing on high/red risks outside of approved risk appetite. The end of year position is received by the Audit Committee and the Board of Directors. It is also the key document that underpins this Annual Governance Statement.

The Board of Directors regularly reviews its risk appetite and includes its subsidiary organisations fully in the process. We are conscious of the need to consider external factors that may affect the attitude towards risk and this is managed through regular Board strategic sessions and through individual committees when reviewing the BAF.

The Board of Directors has agreed a risk appetite statement, which defines the Board of Directors appetite for each risk identified to the achievement of strategic objectives for the financial year in question.

Our risk register has been developed to support integration of operational risks into the BAF, supporting greater transparency and integration of risk identification and management at all levels throughout the organisation.

Risks are identified through third-party inspections, recommendations, comments and guidelines from external stakeholders and internally through incident forms, complaints, risk assessments, audits (including organisational, clinical and internal), and information from the Patient Experience Team, benchmarking and claims and national survey results. External stakeholders include the Care Quality Commission, NHS England, the Health and Safety Executive, NHS Resolution (previously the NHS Litigation Authority) and the Information Commissioner's Office.

To promote the sharing of good practice, the management of all risks follows the same approach to systematically identify, analyse, evaluate and ensure control of existing and potential risks. There is a responsive approach to the emergent risks, with regular oversight

provided by the Executive Team and Risk Management Group, thus ensuring the response to risk is coordinated and consistent.

Care is also taken to ensure that Care Group and Directorate Business Plans and projects introduced to support the organisation's strategic objectives are informed by reference to the Trust's Risk Assessment process and where necessary included in the risk register. In order to ensure service changes are reviewed effectively, we continue to utilise Quality Impact Assessments (QIA's) to support the introduction of change.

Reporting systems have been developed to strengthen collation and correlation of information, supporting learning lessons and driving continuous improvement of quality. Clinical audits are a key assurance source used to evidence that services are effective and risk monitoring is fully embedded.

We recognise there is always a level of inherent risk in the provision of healthcare which must be accepted or tolerated, but which must also be actively and robustly monitored, controlled and scrutinised.

Systems are in place 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 and Social Care, the CQC, NHS England, and statutory regulators of healthcare professions. This is also supported by the implementation of the good governance recommendations.

We have maintained our governance infrastructures, despite operational demands, which support staff, patients and relatives to raise concerns. Staff can raise concerns confidentially through the Freedom to Speak Up Guardian, which has been strengthened by full time resources, leadership at Board level and a comprehensive launch and continuous visibility programme. We are committed to the continued facilitation of the "NTH100" programme to support leadership and continuous quality improvements to services for the benefit of patients and relatives, simultaneously developing our leaders of the future.

The Audit Committee oversees and monitors the performance of the risk management system, and both internal and external auditors work closely with this committee. The internal auditors undertake reviews and provide assurances on the systems of control operating within the Trust.

Performance Governance Framework

We have a structured performance framework in place to support 'Board to Ward' oversight. This includes a robust governance framework aligning operational delivery to the Trust's strategy objectives, as outlined in the organisation's Corporate Strategy and Governance structures.

The framework encompasses compliance, quality and patient safety, workforce, efficiency and productivity and financial delivery, strategic and transformational delivery. Oversight of operational delivery is monitored through the Care Group structure and Executive Management Team, with the Board of Directors and Council of Governors providing strategic oversight and due diligence.

An appropriate level of earned autonomy, oversight and scrutiny is applied to the governance of individual specialties within the Care Groups through an internal accountability and improvement framework, which is based on the NHSE System Oversight Framework segmentation methodology. Triggers of escalation identify specialties requiring additional support, based on key financial performance standards, with corporate resource available to provide further assistance.

We must plan for and be able to respond to a wide range of emergencies and business continuity incidents that could affect health or patient care. Under the Civil Contingencies Act (2004), the Trust is designated as a Category 1 responder, which means it must be able to provide an effective response in emergencies whilst still maintaining service provision. We are subject to the full range of civil protection duties, including risk assessment to inform contingency planning and sharing information with other responders to enhance co-ordination, which is referred to as Emergency Preparedness, Resilience and Response (EPRR).

Each year we ensure compliance with the EPRR code standards issued by NHS England, however in June 2023, it was confirmed that all providers across North East and Yorkshire were required to transition to a new core standards assessment process for the 2023-24 core standards period. The new process aims to provide a more robust independent assessment of EPRR arrangements to help ensure a more consistent measure of assurance can be achieved and provide a mechanism for achieving a greater depth of internal and external assurance. There has been joint recognition across the region that, because of the short notice rollout of the new process and changes to the evidential threshold within the EPRR core standards process, there will be a reduction in our compliance against the standards for this year.

We have achieved an assurance rating of 'Non Compliance', indicating that the Trust was fully compliant against 76% or less of the agreed standards. A similar reduction has been seen across the region with recognition that the reduction in compliance is a short term impact as organisations adapt to the new arrangements.

Although there has been a significant drop in compliance it should be noted that this does not signal a material change or deterioration in preparedness, but should be considered as a revised and more rigorous baseline from which to improve plans for preparedness, response and recovery, as a result in the increased thresholds associated with the new Core Standards process.

A substantial level of assurance both with regards to our ability to deliver and maintain effective EPRR arrangements can be gained from the effective way in which we have applied appropriate mitigations and response to incidents and disruptions over the past 12 months. Although there was only one standard for which we were deemed to be 'non-compliant', a 'partial' level of compliance was seen across 23 of the 62 standards applicable to NHS Acute Trusts.

Quality Governance Framework

Our Quality Governance Framework underpins governance structures that support the delivery of quality. Ensuring good governance is in place is fundamental to ensuring quality within our organisation, the four components of the Quality Governance Framework are elements of a continuous cycle or journey; Strategy; Capabilities and Culture; Processes and Structures; and Measurement. The Board will gain assurance that the organisation is both compliant with the essential levels of quality and safety, and delivering continuous quality improvement to deliver its strategic objectives.

The system of quality governance is designed to ensure there is an integration of systems, structures and processes from Ward to Board and Board to Ward level. In this way, appropriate actions are taken to ensure required standards are achieved; any variance or risks associated with these can be identified early, investigated and appropriate action introduced. This on-going process of quality assessment can improve planning and supports the drive for continuous improvement. The Trust's committee and governance structure provides for direct escalation to Board and Executive level if required.

The Board encourages multi-disciplinary investigations across the organisation in order to obtain the maximum learning from any incident. The Patient Safety Incident Response

Framework (PSIRF) has been implemented nationally by NHS England, which replaces the 2015 Serious Incident Framework. The Trust has adapted its policy and supportive document templates to ensure compliance with the new guidance and its management of patient safety incidents, underpinned by a comprehensive training programme. As part of the implementation and roll out of PSIRF, a Patient Safety Event Response Plan (PSERP) has been developed, which has identified the need to restructure the existing safety meetings to reflect the variety of approaches that can be implemented within the new structure.

Incident reporting is a vital component of risk and safety management. Our Just Culture is actively promoted and can be observed through our approach to incident reporting. If it is shown that professional or clinical standards or Trust policies have been breached then an appropriate investigation will be initiated, with reporting and monitoring in line with the appropriate governance arrangements. As necessary, this will include Non-Executive representation and result in improvement plans and lessons learnt for sharing Trust wide.

A weekly multi-disciplinary Safety Panel is led by the Chief Nurse/Director of Patient Safety and Quality and Chief Medical Officer. This panel reviews a range of information related to safety, quality and risk from the previous week in order to evaluate any immediate actions and where necessary initiate further actions. Close involvement of the Education team in safety and quality work permits rapid use of lessons learned within educational opportunities disseminates information in relation to quality initiatives and improvement activity, such as mandatory training or Simulation training. A variety of internal communications disseminates information in relation to quality initiatives and improvement activity.

We have continued to use Quality Impact Assessments (QIA's) to support the introduction of change within services, assessing the impact of the proposed changes on process to develop learning and implement into cultural and service change supported through the Faculty of Leadership, Learning and Improvement with consider of patient safety; clinical effectiveness; patient experience and equality and diversity.

All QIAs are reviewed and, if appropriate, approved by the Chief Nurse/Director of Patient Safety and Quality and the Chief Medical Officer prior to any changes being implemented. The assessment is used across all areas of service improvement, transformation and change. An integral part of this process is to identify measures to be used to assess the achievement of the identified improvements in quality following the implementation of change, with compliance monitored through the Quality Committee.

We have, throughout the year, maintained good working relations with NHS England and ensured they were notified of any significant risks to compliance or service continuity. In addition, collaborative meetings have also been held involving NHS England and local commissioners to discuss and progress system wide risks and issues.

Each Care Group and corporate directorate across the Trust produces an annual business plan including a fully scoped workforce plan. Plans include details of any predicted gaps in workforce and any skills deficit by staff group. This reflects the significant workforce risk as a result of national and regional workforce shortages and a local ageing workforce.

The Care Group structure provides an agile structure that can respond to changing and developing needs across acute and community care and health and social care services and this is exemplified through the early adoption of system change regarding population health management, tackling health inequalities and the wider prevention of health disparities through our Consultant in Public Health. Our work in this area is strengthened through the purposeful Board leadership in driving partnership working and collaboration evolving and adapting to the architecture of the ICS. This approach is pivotal in place-based relationship management and leadership throughout the Provider Collaborative.

We recognise that balancing high quality care with long-term financial sustainability and delivering integrated care are significant challenges which require collaboration with partners in the Tees Valley and beyond. Collaborative working continues with South Tees Hospitals NHS Foundation Trust to ensure that quality and sustainable (clinically, operationally and financially) service provision can be delivered and maintained for the population of the Tees Valley. In furtherance of partnership working and increased collaboration, the Chair, Chief Executive, Non-Executive Directors and Executive Directors have been appointed jointly across both Trusts to facilitate robust leadership and shared practice across a Group operating model.

We actively support and assist the development of the North East and North Cumbria ICS and are an active participant in the regional Provider Collaborative as well as the development of a provider collaborative across the Tees Valley region. The Board of Directors contribute to the work of both the Provider Collaborative and the new Group Board with South Tees Hospitals moving forward with the implementation of the Group model involving strong and shared governance arrangements.

The Board of Directors discusses at each meeting an Integrated Performance Report, which includes all NHS System Oversight Framework metrics. Exception reports are discussed in more detail at the relevant committee. The Quality Committee receives reports in relation to any external assurance visits undertaken to assess compliance with national standards. The Committee also considers national reports, to establish if there are any identified gaps in service provision and opportunities to share learning and good practice. We have a policy advising on the process of follow up of external reports and inspections to ensure agreed actions are implemented accordingly.

We actively promote patient and public involvement in the development and evaluation of quality initiatives with members of the Hospital Users Group (HUG) attending the Patient and Carer Experience committee alongside patient representatives and Healthwatch representatives.

The Accessibility Group supports patients and carers with physical and mental health needs across the Trust's services, helping us to improve our services to ensure that they are accessible to all. The Trust endeavours to maintain the principle of national surveys were possible using a localised approach to understand the experience of the patients. National patient survey alongside the NHS staff survey is presented to the Quality Committee as well as other linked committees or groups.

The Board of Directors has, over the last year continued to implement the requirements in line with the "Learning from Deaths" guidance published by the National Quality Board in 2017. The "Learning from Deaths policy" identifies how this national guidance is being applied. The policy outlines specific mortality cases to be reviewed within the Trust to ensure there is a robust approach towards identifying any preventable deaths and opportunities to learn from any reviews undertaken.

From April 2023 the Trust no longer uses or reports on the Hospital Standardised Mortality Rate (HSMR). The Summary Hospital-Level Mortality Index (SHMI) along with other measures such as Structured Judgement Reviews form our overall mortality picture. The SHMI value shows we are within the national "as expected" range with the depth of coding remaining consistent, indicating that we are capturing the multiple co-morbidities of our patients.

Strategic risks

During the first half of 2023-24 the Board Assurance Framework had 12 risk domains associated with delivery of the four strategic objectives – Putting our population first, Valuing People, Transforming our services and Health and Wellbeing. Due to the implementation of new governance arrangements and reporting of the BAF domains into the Committee structure, a review was undertaken which resulted in seven risk domains being implemented from September 2023.

The Board of Directors annual cycle of business ensures that all risks are reviewed within the Board Committee structure to ensure there is consistency, alignment and relevance to the principal risks for the appropriate Committees. There are a total of four red/high risks, as of March 2024, outside of Committee approved risk appetite, three are within the Estate BAF domain and one is within the Finance BAF domain as show below:

BAF domain	Approved risk appetite	Risk Score Range	Number of strategic risks outside of appetite
Finance	Open	**8 - 12**	**1**
Trust Estate	Open	**8 - 12**	**3**

1. **Delivery of savings** (current risk score of 16) relates to the delivery of savings within the Trust's Cost Improvement Programme (CIP) for 2023-24 which is £20.7m. This risk acknowledges the significant challenge to deliver the CIP programme for 2023-24 and the potential impact of increased CIP that is required to support future delivery of a breakeven position across the ICP/ICS, in light of indicative underlying financial positions and the external system requirement to deliver additional savings in year.

   Controls implemented to mitigate this risk include CIP workshops and support to Care Groups from the Project Management and Improvement Team to identify, scope, cost and facilitate delivery of schemes to deliver the cost improvement plan. This is underpinned by the established Financial Management Performance Framework and the associated levels of escalation to the Executive Team. The Resources Committee receive monthly reports on the financial position for 2023-24, including CIP delivery and future planning.

2. **Failure of Trust infrastructure** (current risk score of 15), with mitigating planned actions including a desktop review and simulation exercises for EPRR in 2023-24 and NTH Solutions to write to landlords to obtain third party assurance that the buildings the Trust utilises has been assessed for RAAC.

3. **Insufficient capital funding to maintain the Trust's estate** (current risk score of 20), with a mitigating action to develop an Outline Business Case (OBC) and the capital requirement to redevelop the estate being split over a 5 year period. This will be reflected in the OBC.

4. **Reduction of system capacity due to the Trust being unable to provide services, impacting on reputation** (current risk score of 15), with a mitigating planned action to develop a plan to determine the distribution of services if the Trust is unable to provide services from its estate (linked to desktop and simulation exercise).

Corporate Governance

The Board maintains continuous oversight of the Trust's risk management arrangements and system of internal control through reporting to the Board and the Audit Committee.

The Audit Committee oversees and monitors the effectiveness of the risk management system, with support from internal and external audit. The internal auditors undertake reviews and provide assurances on the systems of control operating within the Trust.

The conditions are detailed within the Corporate Governance Statement, the validity of which has been assured by the Audit Committee.

Workforce

Our People Plan describes the framework by which we plan, deliver, monitor and manage our workforce, which will support the development and delivery of the Clinical Services Strategy. The concept of Attract, Develop and Retain runs through the strategy; it is a simple way of expressing the complexity of ensuring we have the right people with the right skills in the right place at the right time.

The Board receives a report on the bi-annual workforce review of nursing and midwifery staffing levels, health professionals, medical and dental staffing. The report adopts a triangulated approach in relation to the use of evidence-based tools, professional judgement and patient outcomes to provide assurance of safe, sustainable and effective staffing.

Care Quality Commission

We are fully compliant with the registration requirements of the Care Quality Commission (CQC).

The Care Quality Commission (CQC) published a report in September 2022, following the inspection of two core services (maternity and children and young people). The report identified that the ratings for the Trust were 'good' in two of the domains and 'requires improvement' in three domains; safe, effective and well-led. This meant that the trust's overall rating changed from 'good' to 'requires improvement'. The report outlined 13 'Must Dos' and 18 'Should Dos'; with the Trust implementing actions to address all of these.

The Trust has focused on improving Governance oversight with executive-level ownership to ensure staff and stakeholders have a better understanding of the improvements taking place. Progress is monitored through the Trust CQC Operational Group, Quality Assurance Council with escalation to the Executive Management Team. Progress reports are also provided to the Quality Committee and Board of Directors on a regular basis.

The priority for 2023-24 has been to fully understand the new CQC single assessment approach. A ten-week intensive training programme has been completed for senior managers, with on-going training across Care groups on CQC Quality statements for all staff groups. We have communicated across the organisation in relation to continuous improvement and the ability to demonstrate improvements in practice delivery of high quality safe care for our patients.
The full inspection reports for the Trust are available to the public on the CQC website: www.cqc.org.uk/provider/RVW

Well Led

In 2023-24, we have kept our corporate governance arrangements under review to ensure we meet the standards set out in the NHS Improvement Well-Led framework. We were inspected by the Care Quality Commission during 2022, which included a well-led inspection resulting in a rating of 'requires improvement.

Following the inspection findings and also a period of change at Board level, we commissioned an independent governance review in December 2022, which was undertaken by the Good Governance Institute (GGI). The review was to focus on governance systems, management of risks and our responsibility for maintaining a sound system of internal control and governance that supports the delivery of strategy within the context of system working

and the achievement of our strategic aims and objectives, and that those systems remain fit for purpose.

GGI undertook the review between March and May 2023, which focused on seven key themes;

- Board Membership & Profile
- Governance Structures
- Board and Committee Business
- Assurance and Reporting
- Risk Management
- Accountability
- Communications and Stakeholder Engagement

A final report was issued in July 2023, which contained 24 recommendations to strengthen existing governance systems and processes. These were agreed and a work plan was developed to support and evidence the implementation of the recommendations. This process was supported by a Non-Executive lead who provided robust oversight and challenge to the implementation of the governance work plan.

Progress has been significant in implementing the recommendations with 13 fully completed and 9 due to be completed by April 2024. The two remaining recommendations will be temporarily paused due to the development and implementation of the Group model and will be revisited in early 2024-25.

On 2 August 2023, NHS England published revised requirements in respect of the Fit and Proper Person Test (FPPT) for board members following recommendations in the Kark Review (2019). A FPPT Framework has been introduced, which sets out new and more comprehensive requirements both for new board appointments and annual review. The purpose of strengthening the FPPT is to prioritise patient safety and good leadership within NHS organisations. A portfolio of evidence is required for board members to demonstrate meeting the requirements as well as highlighting those deemed unfit and preventing them from moving between NHS organisations. We have developed new procedures, checklists and templates for collation and collection of information in order to ensure compliance with the national framework, including an attestation form, reference template and appraisal documentation. The new check process for the FPPT has been carried out for all current board members and Directors employed by the Trust and was issued on 6 October 2023.

In addition, NHS England has also published a new leadership competency framework (LCF) for board members of provider organisations in response to a recommendation from the FPPT review. It will be applicable for board member recruitment, appraisals and will inform future board leadership and management training. Along with South Tees Hospitals NHS Foundation Trust, we are looking to be early adopters of the framework.

Compliance Statements

We are required to make an annual statement of confirmation in relation to compliance with elements of the NHS Provider Licence including General Condition 6, Continuity of Service Condition 7, Corporate Governance Statement (FT4) and certification on training of Governors. The Board of Directors confirmed compliance against the declarations and agreed submission of the self-certifications to NHS England in May 2023.

We have published on our website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined with reference to the guidance) within the past twelve months, as required by the ‘Managing Conflicts of Interest in the NHS’ guidance. The Trust has also published a separate register of interests for the full Board of Directors and maintains a separate register of interests for the Council of Governors.

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

We have undertaken risk assessments and have plans in place, which take account of the 'Delivering a Net Zero Health Service' report under the Greener NHS programme. We ensure that our obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with. Our progress and achievements to date are detailed in section 3.2.9 of this annual report.

Control measures are in place to ensure that all of the organisation's obligations under equality, diversity and human rights legislation are complied with. This includes Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Equality Impact Assessments (EIA), Staff Survey results, Gender Pay Gap reporting and People Strategy objectives.

A culture of respect in the workplace indicates that an organisation values its workforce which can improve staff engagement and morale, leading to increased motivation and productivity. Having a diverse workforce running throughout the organisation at every level means that staff bring different perspectives, styles and approaches to problem solving, different viewpoints, skills and varied knowledge. This helps to engage, retain and promote talent and develop a culture of helping others to experience learning, growth and an increasing influence.

We commissioned an external review around Equality, Diversity and Inclusion as one of the lessons learned from previous employment tribunal cases. The recommendations from the review have since evolved into our wider EDI Programme of Work; with the ambition of EDI being business as usual and part of the overall culture of the Trust.

As a means of achieving this, significant progress has been achieved on a number of priorities including EDI simulation training, managing difficult situations training for managers, Board Development, Staff Network Leads development, Assessment training, embedding of Values Based Recruitment transitioning to the new EDS reporting requirements and progress towards Disability Confident Leader accreditation.

The continued roll out of the EDI programme of work continues, with review and scrutiny through the People Committee, Executive Team and Board of Directors.

5. Review of economy, efficiency and effectiveness of the use of resources –

There are arrangements in place for setting objectives and targets on a strategic and annual basis. These arrangements include seeking to ensure that the financial strategy is aligned to the service strategy and is affordable. Savings plans are scrutinised to ensure compliance with terms of authorisation. Individual objectives are co-ordinated with corporate objectives as identified in the Annual Plan, to ensure the aims of the Trust are delivered.

The financial performance of the Trust during 2023-24 was ahead of the plan agreed with NHS England. This improved position, is due in part to strengthened financial governance and reporting arrangements, as well as enhancing 'Grip and Control' within the Trust.

Our financial governance for managing public money is also reflected in the governance framework of the organisation, which can also be found at section 4 of this report, in addition to:

- The Board's Committee Structure;

- Board attendance records;
- Board committee reports (audit and nomination committees);
- Account of corporate governance including Board assessment of compliance with Code of Governance

The following processes and mechanisms were in place or have been enhanced in year:

- The Trust received an annual funding allocation from the Integrated Care Board, under the Health & Care Act 2022 and have consistently reported ahead of plans submitted to NHS England.
- Monthly reporting to the Finance Committee, latterly Resources Committee and Board of Directors on key performance indicators; including income position; pay and non-pay expenditure run rates; capital investments; cash position, balance sheet flexibilities and forecasts.
- Strengthened governance arrangements to ensure greater 'grip and control' with regular presentations from service areas on performance against plan and targets;
- The continued application of a robust financial management performance framework with appropriate levels of escalation and specific focus on forecasting;
- Regular reporting to Executive Management Team meeting on key factors affecting the Trust's financial position and performance
- A rigorous process of setting annual budgets with underpinning service improvement, run-rate and efficiency programmes presented and approved by the Board of Directors or a delegated sub-committee of the Board prior to the start of the financial year;
- Daily, weekly and monthly cash flow monitoring and a rolling 12-month cash flow projection in accordance with the approved Treasury Management Policy;
- Regular review of Standing Financial Instructions and Scheme of Delegation;
- Development of service line reporting/management and patient level information and costing system (PLICS) to support directorates to better understand and manage their relative efficiency and profitability, and to make informed business decisions;
- Enhanced collaborative arrangements with South Tees Hospitals NHS Foundation Trust;
- Continued to be part of the wider system collaborative with NHS organisations.
- Estate rationalisation, workforce skill mix review and staffing reviews linked to Key Performance Indicators (KPIs) and key strategic objectives;
- Regular reporting and meetings with NHS England and Integrated Care Board (ICB) colleagues; and
- Efficient and effective working relationships with wider system partner organisations.

The Board of Directors delegates responsibility for reviewing the economy, efficiency and effectiveness of the use of resources to the Audit Committee and Finance Committee / Resources Committee. This is supported throughout the year with:

- Agreeing and approving the Annual Plan;
- Detailed monthly review of financial performance, financial risk and monitoring the delivery of the service improvement and efficiency programme; and
- Reviewing and agreeing all plans for major capital investment and disinvestment.

The Board of Directors also gains assurance from:

- Internal audit reports, including value for money audits;
- External audit reports;
- The Care Quality Commission inspection report;
- ICS regular reviews;
- Ad-hoc service reviews;
- Benchmarking; and
- Various other external accreditation bodies.

There is little financial flexibility to support transition between present and desired service models unless the wider health and social care system work together to understand how funding will be managed for the benefits of the patients we serve. The Integrated Care Board continues to develop and mature across Cumbria and the North East and wider system leadership.

In developing this approach, we continue to work with a number of stakeholders including clinicians and staff; ICB colleagues; Local Authority providers; NHS England local area team; Primary Care Networks and individual practices and GPs; Health and Wellbeing Boards; local scrutiny functions; Public Health departments; and patient representatives, including local Health-watch organisations; and the Foundation Trust Provider Collaborative. We continue to strive to address the challenge of health inequalities and deprivation of the local population and the place based arrangements in 2024-25 will support our actions.

6. Information governance

The Data Security and Protection Standards for health and care set out the National Data Guardian's (NDG) data security 10 standards. Completing DSPT self-assessment, by providing evidence and judging whether we meet the assertions, will demonstrate that our organisation is working towards or meeting the ten NDG standard.

1. **Personal Confidential Data**
2. **Staff Responsibilities**
3. **Training**
4. **Managing Data Access**
5. **Process Reviews**
6. **Responding to Incidents**
7. **Continuity Planning**
8. **Unsupported Systems**
9. **IT Protection**
10. **Accountable Suppliers**

All organisations that have access to NHS patient data and systems must use this toolkit to provide assurance that they are practising good data security and that personal information is handled correctly. The Data Security Protection Toolkit (DSPT) for 2023 set out 113 mandatory evidence items which cover these 10 standards, the Trust must evidence compliance against all ten in order to gain full compliance.

The Trust submitted its DSPT submission on the 29 June 2023. The Trust has self-assessed compliance with all 10 standards and all 113 mandatory evidence items were evidenced, meeting all mandatory assertions; therefore, the Trust scored as all 'Standards Met' for the 2023 DSPT.

The 2023 DSPT was also subject to external audit, a sample of thirteen of the mandatory assertions taken across the ten standards were audited by Internal Audit (Audit One) during March /April 2023 prior to the DSPT submission.

The Trusts independent risk assessment scored the Trust as 'Substantial' for eight and 'Moderate' for two of the ten National Data Guardian Standards. All recommended actions for the two moderate areas were completed and verified by the auditor prior to the DSPT submission date providing the Trust with substantial assurance for all 10 standards.
The overall confidence level of the independent assessor in the veracity of the self-assessment was rated as '***Substantial'.***

Data Security

The confidentiality and security of information regarding patients and staff is monitored and maintained through the implementation of our Governance Framework which encompasses the elements of law and policy from which applicable information Governance (IG) standards are derived.
Personal information is increasingly held electronically within secure digital systems, it is inevitable that in complex NHS organisations, especially where there is a continued reliance

upon manual paper records during a transitional phase to paperless or a paper light environment, that a level of data security incidents can occur.

Any incident involving loss or damage to personal date is comprehensively investigated by the Trust in line with its Data and Cyber Breach Management Policy and graded in line with the NHS Digital 'Guide to the Notification of Data Security and Protection Incidents'.

All incidents are graded using the NHS Digital breach assessment criteria and our risk assessment tool according to the significance of the breach and the likelihood of those serious consequences occurring. The incidents are also graded according to the impact on the individual or groups of individuals rather than on the Trust. Those incidents deemed to be of a high risk are reportable to the Information Commissioners Office (ICO) via the Data Security Protection Toolkit within 72 hours of being reported to the Trust.

We actively encourage staff to report any suspected data protection and cyber breaches irrespective of their severity in line with its reporting policy.

We reported four incidents to the ICO during 2023-24, the same number as in 2022-23.

Incident ID	Reported date	Brief description	Outcome
36264	15/03/2024	Unauthorised access of personal data of one data subject by a staff member. Non-compliance with Trust policy.	• Incident logged with ICO • HR outcome pending • Additional staff training given/ procedures reviewed • Low risk of detriment
35470	19/01/2024	Risk of disclosure of personal data in error caused by non-compliance with Trust policy and procedures	• Incident closed by ICO • Incident found to have not disclosed identifiable data • Further risk mitigated via update to policy and procedures & additional staff training provided • No risk of detriment
33866	08/09/2023	Unauthorised access of personal data of one data subject by a staff member. Non-compliance with Trust policy.	• Incident closed by ICO • HR disciplinary action as per policy • Additional staff training given • Low risk of detriment
33684	25/08/2023	Unauthorised access of personal data of one data subject by a staff member. Non-compliance with Trust policy.	• Incident closed by ICO • HR disciplinary action as per policy • Additional staff training given • Low risk of detriment

In order to further strengthen existing Trust policy and to prevent repeat incidents in areas where incidents have occurred during 2023-24 the following key actions were undertaken or are planned:

- Review of IG policies and standard operating procedures to ensure they reflect the specific needs and practicalities of each internal department and they reflect the changing needs of legislation and national guidance.
- Continued programme of comprehensive quality assurance and spot checks to ensure all departments are complying with Trust policies relating to the protection of personal data.
- Continue to provide annual Data Security Training inclusive of Cyber Security and the provision of targeted training in areas of non-compliance.
- Robust monitoring of departmental action plans following incidents to ensure appropriate actions have been implemented via the Digital Governance Committee.

- Full annual review of information assets and information flows through the Trust within a redesigned framework to comply with GDPR requirements.
- Regular staff awareness campaigns run via communications team targeting areas of non-compliance.
- HR processes followed where repeated non-compliance has been found.

Assurance continues to be provided to the Board of Directors that systems and processes are being constantly assessed and improved to ensure that information is safe.

In accordance with UK GDPR Article 37, we have an appointed Data Protection Officer (DPO) who provides support, advice and assurance to the Board in respect of obligations pursuant to legislation, monitors compliance and acts as a point of contact for data subjects and the supervisory authority (ICO).

8. Data Quality and Governance

The quality reporting structure is fully embedded within the organisation with the quality dashboard and alternative sources of benchmarking data and assurance (North East Quality Observatory Service, NHS Digital and Healthcare Evaluation Data) are used to validate conclusions and recommendations. Internal controls are in place to ensure the accuracy of data and the reporting of measures of performance.

Mandatory training is provided to raise awareness of information governance and control with employees. Internal audits are undertaken.

9. Review of effectiveness

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

The governance structure aligns our quality, risk and performance management arrangements. Committees, individuals and groups have defined responsibilities to ensure delivery of the Trust's objectives measured by compliance with performance and quality indicators and management of associated risks. The Assurance Framework is well established and is designed to meet the requirements of the 2023-24 Annual Governance Statement and provide reasonable assurance that there is an effective system of internal control to manage the principal risks identified by the organisation. A plan to address the weaknesses and ensure continuous improvement of the system is in place.

Key Review Bodies:

The Role of the Board of Directors and its Committees in maintaining and reviewing the Trust's systems of internal control is described in section 3 of the Annual Governance Statement.

Internal Audit provides an independent and objective assurance. Through the agreed audit programme, it assists the Trust to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Head of Internal Audit, as part of his requirements,

provides me with an annual opinion based upon all internal audit work undertaken during the year and the arrangements for gaining assurance via the Assurance Framework.

In his opinion, from his review of our systems of internal control, he is providing good assurance that there is a sound system of internal control, designed to meet the Trust's objectives, and that controls are generally being applied consistently. It is also the Head of Internal Audit's opinion that there are no significant control issues which he would wish to bring to my attention for potential disclosure/inclusion within this statement. In addition to this, the Trust's Executive Directors have reviewed the findings of all internal audit work throughout the year and have not identified any significant control weaknesses for disclosure.
External Audit provides an independent opinion on the review of resources and the financial aspects of corporate governance as set out in their Code of Audit Practice.

NHS England – is responsible for overseeing the performance of foundation trusts as the independent regulator. The NHS Oversight Framework is based on the principle of earned autonomy, which segments providers according to the extent to which they meet the definition of success. We have maintained regular contact and reporting with the regulator over the last 12 months.

Care Quality Commission – In 2015, the CQC published guidance regarding how it expects NHS Bodies to comply with the Fundamental Standards identified in the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. The CQC inspection regime ensures we are compliant with these fundamental standards. We continued to comply with the CQC registration without conditions and continued to deliver against key standards.

ICB Clinical Commissioning –The commissioning of services for Foundation Trusts in our system is the responsibility of the North East and North Cumbria Integrated Care Board. We have therefore maintained an ongoing focus on safety and quality within all of our services.

Our system of internal control is designed to identify principal risks to the achievement of our objectives, it is designed to manage rather than eliminate risk and can therefore only provide reasonable and not absolute assurance of effectiveness against material misstatement or risk.

The Audit Committee is not aware of any material issues regarding fundamental failures which stem directly from a failure of the control environment or internal controls which comprise that environment. The responsibilities of the Board of Directors' Committees and executive led meetings are defined in the terms of reference and subject to review,

We undertake an annual assessment of all directors to ensure that they continue to meet the fit and proper person's regulations. This is in addition to checks undertaken during the appointment process. We have implemented the new national guidance on FPPT and ensured all the Board and senior staff are compliant with requirements.

Reported incidents, complaints, claims and patient feedback are routinely analysed to identify risk, learning and improvement to support internal control. Lessons learnt and improvements are disseminated to staff using a variety of methods including sharing of investigation reports and identified trends within Care Groups and relevant Trust Groups (i.e. deteriorating patient, falls, tissue viability etc) for learning and inclusion in forward work plans; inclusion of learning and improvements at Trust panels and committees; inclusion of learning within monthly and quarterly reports; and where relevant, learning from individual incidents or emerging trends are highlighted via the 'incident on a page' format and sent out via communications.

There have been no Never Events reported in 2023-24. All serious incidents are scrutinised at a weekly Safety Panel and monitored on behalf of the Board of Directors by the Quality Committee supported by a robust governance process.

There were 18 events that met the criteria for reporting to the Health and Safety Executive under the provisions of the Reporting of Injuries, Diseases or Dangerous Occurrences (RIDDOR) Regulations.

We have applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. These can be found in the Accountability section of the Annual Report.

Conclusion

The Board of Directors have considered the Annual Governance Statement and I can confirm that there are no significant internal control issues within the Trust.

Stacey Hunter
Group Chief Executive
27 June 2024

5. External Audit Opinion

Independent auditor's report to the Council of Governors and Board of Directors of North Tees and Hartlepool NHS Foundation Trust

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of North Tees and Hartlepool NHS Foundation Trust (the 'Foundation Trust') and its subsidiaries (the 'Group'):

- give a true and fair view of the state of the Group's and the Foundation Trust's affairs as at 31 March 2024 and of the Group's and Foundation Trust's income and expenditure for the year then ended;
- have been properly prepared in accordance with the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

We have audited the financial statements which comprise:

- the Consolidated Statement of Comprehensive Income;
- the Group and Foundation Trust Statements of Financial Position;
- the Consolidated and Foundation Trust Statements of Changes in Equity;
- the Group and Foundation Trust Statements of Cash Flows; and
- the related notes 1 to 37.

The financial reporting framework that has been applied in their preparation is applicable law and the accounting requirements of the Department of Health and Social Care Group Accounting Manual, as directed by NHS England.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), the Code of Audit Practice issued by the Comptroller & Auditor General and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Group and the Foundation Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the accounting officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's and the Foundation Trust's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

The going concern basis of accounting for the Group and the Foundation Trust is adopted in consideration of the requirements set out in the Department of Health and Social Care Group Accounting Manual which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

Other information
The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The accounting officer is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Responsibilities of accounting officer
As explained more fully in the Chief Executive's Statement, the accounting officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the accounting officer is responsible for assessing the Group's and the Foundation Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Foundation Trust without the transfer of the Foundation Trust's services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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 auditor's report.

Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which our procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

We considered the nature of the Group and its control environment, and reviewed the Group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management, internal audit and the local counter fraud service about their own identification and assessment of the risks of non-compliance with laws and regulations.

We obtained an understanding of the legal and regulatory framework that the Group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. This included the National Health Service Act 2006; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Group's ability to operate or to avoid a material penalty. These included the Data Protection Act 2018 and relevant employment legislation.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud or non-compliance with laws and regulations in the following area, and our specific procedures performed to address them are described below:

- the validity of accruals recorded at 31 March 2024 and the timing of their recognition are subject to potential management bias: we tested a sample of accruals to supporting documentation to assess whether the liability had been incurred as at 31 March 2024; and
- the capitalisation of expenditure in March 2024 and the determination of whether the expenditure is capital in nature is subjective: we tested a sample of additions recognised in March 2024 and agreed these to supporting documentation, with a particular focus on whether the expenditure meets the criteria to be capitalised as at 31 March 2024.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management, internal audit and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations;

- review of local counter fraud reports produced; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the National Health Service Act 2006
In our opinion:

- the parts of the Remuneration Report and Staff Report subject to audit have been prepared properly in accordance with the National Health Service Act 2006, in all material respects; and
- the information given in the Performance Report and the Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Use of resources

Under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006, we are required to report to you if we have not been able to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in respect of this matter.

Respective responsibilities of the accounting officer and auditor relating to the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources
The accounting officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of the Foundation Trust's resources.

We are required under the Code of Audit Practice and Schedule 10(1(d)) of the National Health Service Act 2006 to satisfy ourselves that the Foundation Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Foundation Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We undertake our work in accordance with the Code of Audit Practice, having regard to the Auditor Guidance Notes issued by the Comptroller & Auditor General, as to whether the Foundation Trust has proper arrangements for securing economy, efficiency and effectiveness in the use of resources against the specified criteria of financial sustainability, governance, and improving economy, efficiency and effectiveness.

The Comptroller & Auditor General has determined that under the Code of Audit Practice, we discharge this responsibility by reporting by exception if we have reported to the Foundation Trust a significant weakness in arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2024 by the time of the issue of our audit report. Other findings from our work, including our commentary on the Foundation Trust's arrangements, will be reported in our separate Auditor's Annual Report.

Annual Governance Statement and compilation of financial statements

Under the Code of Audit Practice, we are required to report to you if, in our opinion:

- the Annual Governance Statement does not meet the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual, is misleading, or is inconsistent with information of which we are aware from our audit; or
- proper practices have not been observed in the compilation of the financial statements.

We are not required to consider, nor have we considered, whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of these matters.

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are also required to report to you if:

- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit; or
- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006 because we have reason to believe that the Foundation Trust, or a director or officer of the Foundation Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency.

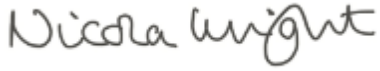
We have nothing to report in respect of these matters.

Certificate of completion of the audit

We certify that we have completed the audit of North Tees and Hartlepool NHS Foundation Trust in accordance with requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors and Board of Directors ("the Boards") of North Tees and Hartlepool NHS Foundation Trust, as a body, in accordance with paragraph 4 of Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Boards those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Boards as a body, for our audit work, for this report, or for the opinions we have formed.



Nicola Wright (Key Audit Partner)
For and on behalf of Deloitte LLP
Appointed Auditor
Newcastle upon Tyne
01 July 2024

INDEPENDENT AUDITOR'S STATEMENT TO THE DIRECTORS OF NORTH TEES AND HARTLEPOOL NHS FOUNDATION TRUST ON THE NHS FOUNDATION TRUST CONSOLIDATION SCHEDULES

We have examined the consolidation schedules of North Tees and Hartlepool NHS Foundation Trust, version 1.23.12.2 for the year ended 31 March 2024, which have been prepared by the Director of Finance and acknowledged by the Chief Executive. Our examination of the consolidation schedules covers the following:

- Designated TAC02 to TAC29 for tables outlined in red, excluding TAC05A, TAC014X, TAC014B and TAC23.

This statement is made solely to the Board of Directors of North Tees and Hartlepool NHS Foundation Trust in accordance with paragraph 24(4A) of Schedule 7 of the National Health Service Act 2006 (the Act) and paragraph 4.8 of the Code of Audit Practice and for no other purpose.

For the purpose of this statement, reviewing the consistency of figures between the audited financial statements and the consolidation schedules extends only to those figures within the consolidation schedules which are also included in the audited financial statements.

Auditors are required to report on any differences over £300,000 between the audited financial statements and the consolidation schedules, with the following exceptions as set out in NHS England TAC completion instructions and financial reporting guidance:

- Centrally-procured inventory – where trusts do not recognise consumables in inventory on the grounds of materiality, and inventory remains immaterial, the receipt and utilisation may be omitted from the inventory note in local accounts. However, trusts should record the receipt of items in inventory with an equivalent figure in utilisation within the TAC form. (footnote on page 58 of the TAC Completion Instructions M12 2023-24).
- Prior year small discretionary awards to staff – where NHSE have removed cases from comparatives in TAC29 upon customisation of files but the trust does not restate its accounts, this is a permissible inconsistency between the accounts and TACs for the prior year comparative.
  (Clarification on prior year approach for small discretionary awards to staff – 3 May 2024 NHS England » Financial accounting and reporting updates).

The figures reported in the consolidation schedules are consistent with the audited financial statements, on which we have issued an unqualified opinion.

Deloitte LLP

Nicola Wright
for and on behalf of Deloitte LLP, Appointed Auditor
Newcastle upon Tyne
01 July 2024

6. Financial Performance

6.1 Foreword to the accounts

These accounts for the year ending 31 March 2024 have been prepared by North Tees and Hartlepool NHS Foundation Trust in accordance with paragraphs 24 and 25 of Schedule 7 to the NHS Act 2006 and are presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the National Health Service Act 2006; and have been audited by Deloitte LLP the Trust's external auditor.

The accounts have received an unmodified opinion that they give a true and fair view of the state of affairs of the Trust as at 31 March 2024 including its income and expenditure for the period.

This report contains the four primary financial statements:

- the statement of comprehensive income;
- the statement of financial position;
- statement of changes in equity; and
- statement of cash flows.

Also included for information are the supporting notes to the accounts.

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

Stacey Hunter
Group Chief Executive
27 June 2024

6.2 Financial Performance 2023-24

The Trust has continued to focus on supporting the national elective recovery programme and maintaining robust financial control. The challenging demands on NHS services and the wider economic environment continues to impact the Trust, particularly given a prolonged period of national industrial action.

There remains a continued focus on delivering high quality patient care, which has been achieved throughout the year. In conjunction with this, the Trust is implementing robust action plans in readiness for a future CQC inspection with the aim of returning to a Good rating. The key financial issue for the Trust is the delivery of efficiency savings on a non-recurrent basis rather than a recurrent basis that will negatively impact on the underlying financial position, this is a regional and national issue.

The Trust complies with IAS 27, which requires the preparation of consolidated accounts for a group of entities under the “control” of a parent. Control is defined as "the power to govern the financial and operating policies of an entity so as to obtain benefit from its activities”.

The Trust has therefore consolidated the Charitable Funds, North Tees and Hartlepool Solutions LLP subsidiary and its wholly owned Optimus Health Ltd subsidiary into the Group position for 2023-24.

Optimus Health Limited trades as Panacea Pharmacy and offers a dispensing service for outpatients on the North Tees site, as well as retail goods to all visitors and staff. North Tees and Hartlepool Solutions LLP commenced trading on 1 March 2018 and the Trust holds a 95% shareholding. The LLP delivers estates, facilities, supplies and procurement services to the Trust whilst also operating as a commercial business entity.

At the end of 2023-24, per the Statement of Comprehensive Income, the Trust reported a deficit of £1.8m, however after excluding technical adjustments (e.g. impairments and donated assets) the Trust has reported a surplus position of £1.354m, which is the figure that will be reported against the ICS system achievement. This is a positive achievement and demonstrates continued delivery of a reported surplus (£5.7m surplus in 2022-23). The reported position has been underpinned by efficient and effective cost containment, controls and processes.

The table below shows the Trust’s reported surplus position against the Trust’s control total. This is before impairments, revaluations, the impact of donated assets, centrally sourced PPE stock adjustment and the impact of the charitable funds and is one of the primary financial KPIs used by the Trust and NHSE. This non-GAAP measure has been referred to as 'Operational Surplus' in the Annual Report**.**

Analysis of Surplus/(Deficit) for the year	Group	
	2023-24	2022-23
	£000	£000
Surplus/(Deficit) from continuing operations – before consolidation of the charity. Excludes £252,000 charity deficit as per Note 37	**(2,073)**	**(1,457)**
Movement in fair value of investment property and other investments	6,136	6,435
Remove capital donations/grants I&E impact	(3,315)	141
Remove net impact of consumables donated from other DHSC bodies	606	627
Surplus/(Deficit) for the financial period before impairments, revaluations, the impact of donated assets, centrally sourced PPE stock adjustment and charitable funds – Performance against control total	**1,354**	**5,746**

The Trust's continued positive reporting of surplus positions in recent years is as a result of robust grip and control of the financial position, underspend on non-recurrent funding across the year and over-performing subsidiary companies. In addition the Trust has performed well on the aspect of its contract linked to delivery of elective (planned) activity, this is separately funded as part of the national elective recovery programme.

The MEA valuation for March 2024 resulted in an overall decrease in the building valuation. This included an impairment of £6.1m and an increase in the revaluation reserve of £5.6m, so a net reduction in value of £0.5m (this is a non-cash transaction).

The main reason for the material impairment is the recognised reduction in the life of the Trust's buildings and is informed by an independent 6 facet survey that was commissioned at the start of 2021-22. This means that there is a reduced life of the building and increases annual deprecation costs. The reduced remaining life results in a lower Net Replacement Cost (NRC) capital value following the valuation process performed by the District Valuer.

Statement of Comprehensive Income (SoCI) Group Position excluding charity			
Reporting period 1 April 2023 to 31 March 2024	**Actual**	**Exceptional Items**	**Revised Position**
	£000	**£000**	**£000**
Income	**425,554**	**-**	**425,554**
Pay expenditure	(296,310)	-	(296,310)
Non-pay expenditure	(114,068)	-	(114,068)
Total expenditure	**(410,378)**	**-**	**(410,378)**
EBITDA	**15,176**		**15,176**
Depreciation / amortisation	(17,984)	-	(17,984)
Interest receivable	3,351	-	3,351
Interest payable	(704)	-	(704)
PDC	(1,816)	-	(1,816)
Corporation Tax	(61)	-	(61)
Other Gains and Losses on Disposal	(35)	-	(35)
Interest, Depreciation, PDC, Corporation Tax and disposal	**(17,249)**	**-**	**(17,249)**
Surplus/(Deficit) for the Period/Year	**(2,073)**	**-**	**(2,073)**
Impairment	6,136	(6,136)	-
I&E impact of capital grants and donations	(3,315)	3,315	-
PPE centrally procured stock adjustment	606	(606)	**-**
Total Trust Adjusted Financial Performance	**1,354**	**(3,427)**	**(2,073)**

The Trust's primary focus in 2023-24 was to continue to support the national elective recovery agenda, whilst maintaining financial control. The Trust had an original financial plan to deliver break-even in 2023-24.

The table overleaf summarises the financial performance 2023-24 and 2022-23.

Income and expenditure Summary as at 31 March 2024 (including consolidation of Charity)	Group	
	2023-24	2022-23
	£000	£000
Operating income from patient care activities (*)	392,563	370,392
Other operating income (**)	33,745	31,766
Operating expenses	(422,761)	(395,735)
Operating surplus excluding impairment	**3,547**	**(6,423)**
Impairment (***)	(6,136)	(6,435)
Operating (deficit) / surplus	**(2,589)**	**(12)**
Finance income	3,404	1,482
Finance expenses	(724)	(759)
PDC dividends payable	(1,816)	(1,715)
Net finance costs	**864**	**(992)**
Other losses (****)	(35)	(61)
Corporation Tax	(61)	(67)
Deficit for the year	**(1,821)**	**(1,132)**
Other comprehensive income		
Will not be reclassified to income and expenditure:		
Impairments	(67)	(480)
Revaluations	5,880	1,461
May be reclassified to income and expenditure when certain conditions are met:		
Fair value (losses) / gains on available-for-sale financial investments	131	(55)
Total comprehensive expense for the period	**4,123**	**(206)**

(*) Increase relates to additional commissioner block funding relating to growth and inflation, plus additional elective recovery funding (ERF), and community diagnostic centre (CDC) funding.
(**) Increase primarily relates to increased education and training funding.
(***) The impairment primarily relates to the reduction of the useful economic life of Trust buildings.
(****) This relates to the disposal of plant and equipment.

Table 1 – Financial Performance against Plan 2023-24

	Plan	Actual	Variance
Closing Cash Balance (Excluding Charitable Funds)	53,851	70,125	16,274
Control Total (Excluding Charitable Funds)	-	1,354	1,354

6.3 Income and contract performance

Income in 2023-24 totalled £426.3m including charity. The majority of the Group's income (£350.0m, 82%) relates to patient care funding from Integrated Care Boards. Patient care income from NHS England contributed £39.5m (9%) of the Group's income. Other operating income includes £14.1m of education and training income, £6.7m from support services provided to other bodies (mainly providers), and miscellaneous fees and charges. A summary of the Group's total income is illustrated in the chart and table below:

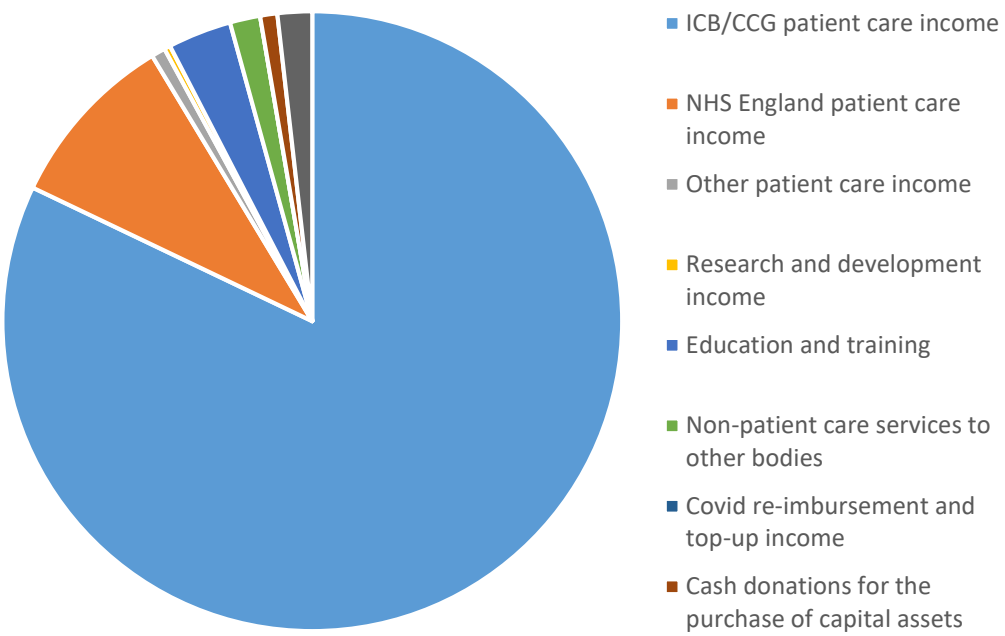


Table 2 – Analysis of Sources of Operating Income 1 April 2022 to 31 March 2023

	2023-24	2023-24	2022-23	2022-23
Operating Income	**£m**	**%**	**£m**	**%**
ICB patient care income	350.0	82%	318.9	79%
NHS England patient care income	39.5	9%	48.7	12%
Other patient care income	3.1	1%	2.8	1%
Research and development income	1.4	0%	1.0	0%
Education and training	14.1	3%	12.5	3%
Non-patient care services to other bodies	6.7	2%	7.1	2%
COVID-19 re-imbursement and top-up income	0.0	0%	1.3	0%
Central PPE and equipment funding	3.8	1%	0.4	0%
Other income (*)	7.7	2%	9.4	2%
Total Operating Income	**426.3**	**100%**	**402.2**	**100%**

(*) Other income includes charitable funds, LLP sales revenue, and other trust revenue streams such as catering, lease cars, car parking, quality control labs, rental revenue and occupational health.

The key movements from 2022-23 include:

- £31.1m increase in ICB/CCG patient care income mostly in relation to growth and inflation applied to block funding, but also due to additional elective recovery funding (ERF), and community diagnostic centre (CDC) funding. In 2023-24, pay award funding was reflected in ICB inflationary uplifts. In 2022-23, pay award funding was received from NHS England.
- £9.2m decrease in NHS England patient care income, because 2022-23 included £9.1m central funding for the non-consolidated agenda for change pay offer for 2022-23.

A summary of income from Integrated Care Boards (ICBs) and NHS England is illustrated in the chart and table overleaf:

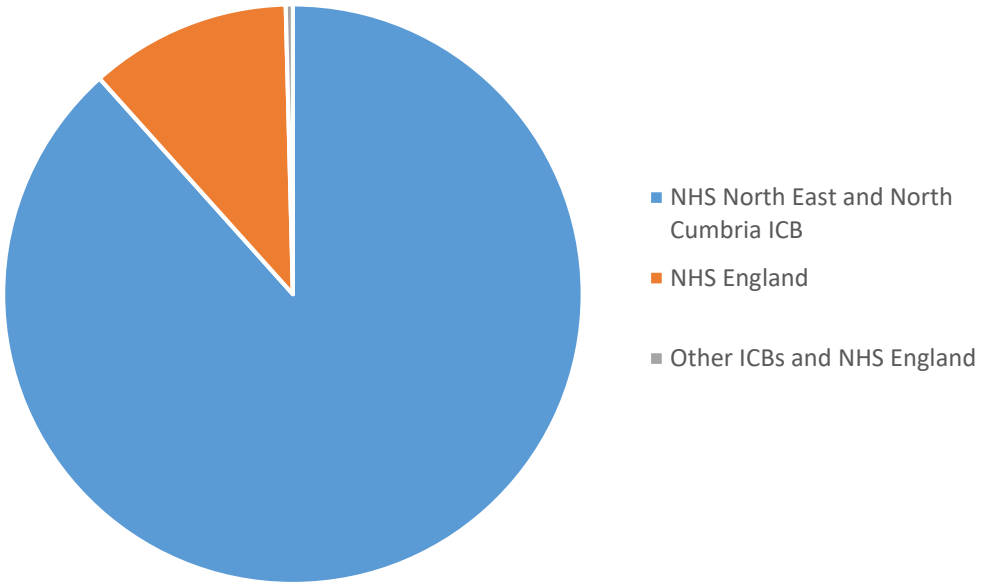


Table 3 – Analysis of income from NHS commissioners 1 April 2023 to 31 March 2024

	2023-24	2023-24	2022-23	2022-23
ICBs and NHS England Income	**£m**	**%**	**£m**	**%**
NHS North East and North Cumbria ICB	349.2	88%	318.3	88%
NHS England	44.4	11%	42.0	12%
Other ICBs and NHS England	1.6	0%	1.3	0%
Total ICBs and NHS England Income	**395.2**	**100%**	**361.6**	**100%**

he main movement from 2022-23 relates to an increase of £31m in funding from NHS North East and North Cumbria ICB (the Trust's main commissioner) due to growth, inflation (including pay award funding), ERF, and CDC funding. The increase is also impacted by the fact that the agenda for change pay award funding in 2022-23 was received from NHS England.

Expenditure

An analysis of the Group’s operating expenditure is presented in table 4 and the chart overleaf:

Table 3 – Analysis of Operating Expenses 1 April 2022 to 31 March 2023

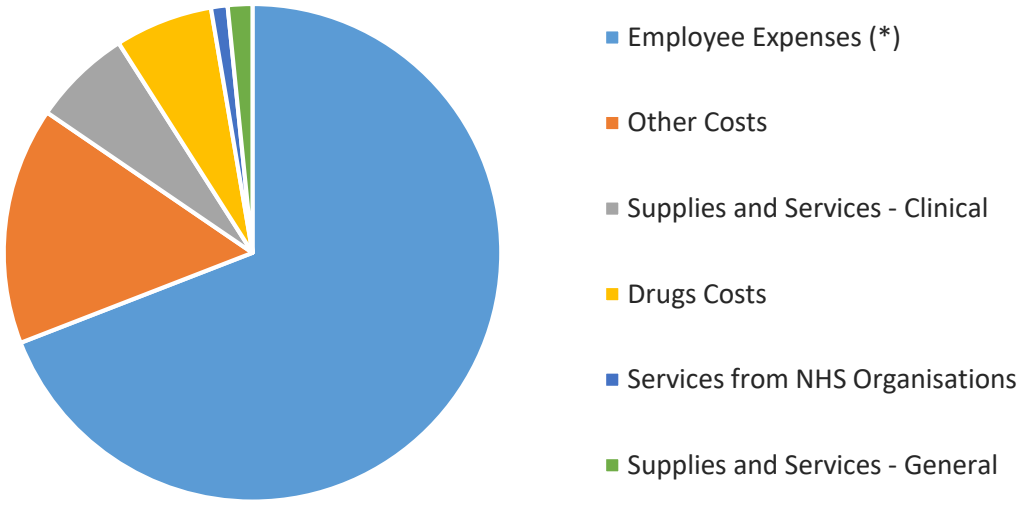


Table 4

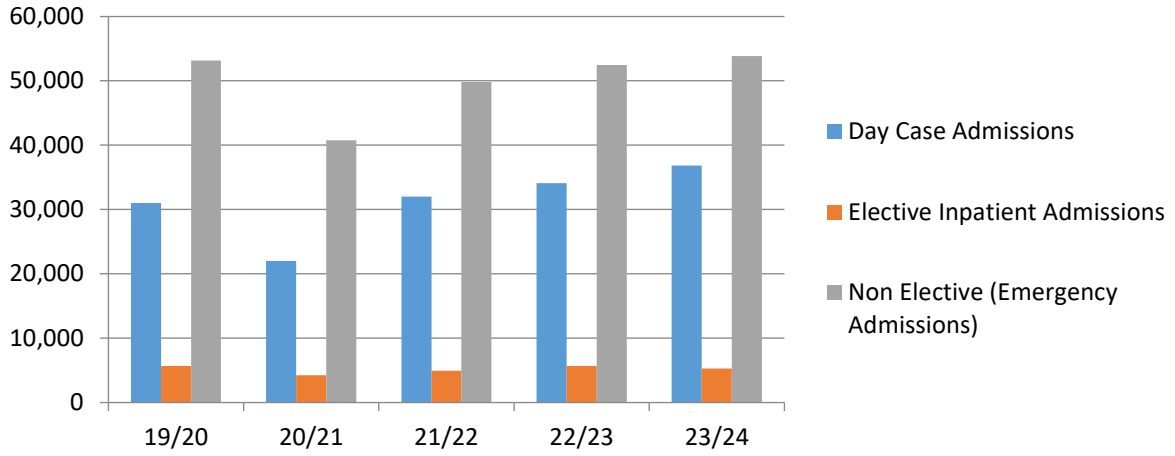
	2023-24	2023-24	2022-23	2022-23
Operating Expenses	**£m**	**%**	**£m**	**%**
Employee Expenses (*)	296.4	69%	278.8	69%
Other Costs	66.2	15%	60.2	15%
Supplies and Services - Clinical	27.5	6%	29.0	7%
Drugs Costs	27.3	6%	25.2	6%
Services from NHS Organisations	4.6	1%	2.3	1%
Supplies and Services - General	6.7	2%	6.7	2%
Total Operating Expenditure	**428.9**	**100%**	**402.2**	**100%**

(*) The main reason for the increase relates to the 2023-24 pay award and increased costs associated with returning activity and recovery.

Tables 5 and 6 below and overleaf show the Trust's activity profile over current and previous years.

- Day case admissions have increased by 2,773 (8%) compared to 2022-23;
- Elective inpatient admissions have decreased by 405 (7%);
- Non-elective admissions have increased by 1,376 (3%);
- First outpatient attendances have increased by 1,854 (3%);
- Follow-up attendances have decreased by 1,126 (1%); and
- Outpatient procedures have increased by 735 (5%).

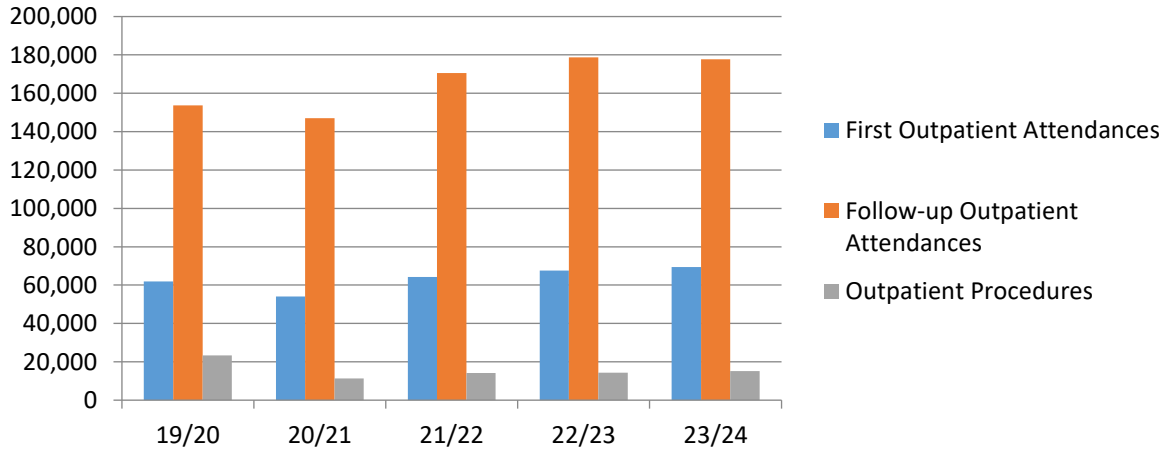
Table 5 –Analysis of the financial components of 2019-20; 2020-21; 2021-22; 2022-23; 2023-24 contract admitted patient care activity



Analysis of Activity	2019-20	2020-21	2021-22	2022-23	2023-24
Day Case Spells	30,997	22,034	32,030	34,081	36,854
Elective Inpatient Spells	5,677	4,253	4,951	5,704	5,299
Non Elective (Emergency Spells) and Ambulatory	53,172	40,751	49,831	52,459	53,835

The Trust had been significantly impacted by COVID-19 since March 2020 in terms of activity levels but the impact of the recovery programme is now apparent. Day cases and elective inpatient admissions collectively have exceeded pre-pandemic levels,

Table 6 –Analysis of the financial components of 2019-20; 2020-21; 2021-22; 2022-23; 2023-24 Contract Outpatient Activity



Analysis of Activity	2019-20	2020-21	2021-22	2022-23	2023-24
First Outpatient Attendances	61,862	54,082	64,198	67,489	69,343
Follow-up Outpatient Attendances	153,722	147,044	170,614	178,787	177,661
Outpatient Procedures	23,419	11,239	14,105	14,383	15,118

As with admitted patient care, outpatient activity has exceeded pre-pandemic levels.

6.4 Capital Investment

During 2023-24, the Trust maintained its commitment to the improvement of clinical services and invested £39.8m in line with its Estates Strategy.

Capital expenditure had been invested in the following areas during 2023-24:

- Medical Equipment – £4.2m
- ICT schemes – £3.3m
- Community Diagnostic Centre – £13.2m
- Digital diagnostic spend – £1.0m
- Endoscopy diagnostic equipment – £0.1m
- Estates and backlog maintenance schemes – £11.8m. This includes £2.2m for the pathology collaboration, £1.3m for the new hospital design fees and £1.9m on the surgical robot enabling works design fees.
- IFRS16 leases – £2.3m
- Donated Assets from various sources – £3.9m.

The above investment has resulted in improved patient services and hospital environment.

The Trust recognises the risk relating to its ageing estate and is developing an outline business case for a new hospital on the North Tees site in a four phased approach.

6.5 Financial Outlook for 2024-25

Financial Outlook

The Trust's Medium Term Financial Plan was significantly impacted by COVID-19 and the two years of national interim funding arrangements. In 2023-24, capital and revenue funding was allocated at Integrated Care Board (ICB) level and plans were agreed locally at provider level. This arrangement continues moving into 2024-25 and there will be a requirement to develop new Medium Term Financial Plans, which will be co-ordinated by the ICB. In accordance with the Health & Care Act 2022, Integrated Care Systems will continue to be legally required to deliver an overall breakeven position, this will place additional pressure on the Trust to continue to improve its financial performance, underpinned by the delivery of recurrent CIP targets in 2024-25.

National operational and financial planning guidance was issued on 28 March 2024 The guidance for 2024-25 requires the continued delivery of the recovery agenda and meet new national performance targets, underpinned by a significant reduction in non-recurrent funding arrangements and annual convergence adjustments (a continuation from 2023-24 and will continue to 2025-26). The aim of the annual convergence adjustment is to return to funding arrangements on a population and fair shares basis. The North East & North Cumbria system is deemed to be over-funded using a national allocation formula and is therefore defunded. Despite the short time available, the Trust has produced and approved an annual financial plan for 2024-25, which plans for a breakeven position, but contains risk in relation to excessive inflationary pressures and increased efficiencies targets (a regional and national issue).

The Trust's financial plan is consistent with current financial performance and run rate expenditure, but does contain significant efficiency targets to support the Integrated Care System to deliver a breakeven position in 2024-25 and this risk is prudently documented. This plan is in keeping with the Trust's ambition to return to surplus and this will be detailed in the planned Medium Term Financial Plan, but will need to be reflective of future financial

funding allocations and financial pressures, which will be established as part of the planning process.

Like most health economies, significant financial challenges continue to be faced by the local NHS, particularly in 2024-25, which will see a continuation of significant reduction of non-recurrent funding, convergence adjustments and inflationary cost pressures.

The Trust's financial plan for 2024-25 was approved at the Board of Directors meeting on 17 April 2024, and is a breakeven plan, which requires the Trust to deliver efficiencies of £26m (approx. 5.9% of turnover).

The Trust has made a number of significant contributions to the Integrated Care System during 2023-24 and will continue its positive engagement in 2024-25, with a focus on identifying ways to address clinical and financial sustainability for the longer term and is actively engaged in system wide Medium Term Financial planning and has aligned internal workstreams accordingly. The Trust will also continue to explore the potential opportunities as part of the Provider Collaboration as well as continuing local Group arrangements with South Tees Hospitals NHS Foundation Trust.

Planning and Recovery

The Trust has submitted an ambitious annual activity plan for 2024-25 to support the continued recovery of patient activity to achieve 121% of 2019/20 value based activity levels. This will be closely monitored and reported in 2024-25. The Trust will ensure that it continues to provide safe, efficient and effective services to our patients.

Capital Planning

Significant capital investment will be required on the North Tees site in the next 5 years and the 2023-24 capital programme reflected this position.

In total, the capital programme is funded to the value of £34.921m in 2023-24 (CDEL £24.012m) with the Trust continuing to invest in equipment replacement plans to ensure patients receive high quality care. The capital allocations are categorised into the following main areas of work:

	2024-25 £m
Estates backlog	2.4
New Hospital support	0.3
Robot Enabling works	2.7
Pathology Collaboration	0.5
Medical Equipment Programme	1.8
IT	1.1
Community Diagnostic Hub (internally funded)	3.9
Urgent and Emergency Care Capital	5.0
Community Diagnostic Hub (externally funded)	7.2
OCT machine (externally funded)	0.1
IFRS 16	4.1
Donated (includes Hartlepool decarbonisation grant from Salix)	10.9
Total	**40.0**

6.6 Summary

In setting the financial plan for 2024-25 the Board of Directors recognise the need to maintain high quality and safe care and deliver financial balance.

The Trust will continue to deliver a capital programme that will result in a significant upgrade to site infrastructure on our main sites in Stockton and Hartlepool and in the community, which will ultimately drive future efficiencies and improve both patient safety and the delivery of patient care.

6.7 Key performance targets

The Trust will continue to plan to meet the targets, as set out by NHS England and detailed in the System Oversight framework.

Regulatory Ratings

The System Oversight Framework 2022-23 set out a direction of travel for oversight and escalation arrangements, whereby Integrated Care System governance arrangements would include leading on oversight of organisations and ICPs within the ICS area.

The Health & Care Act 2022 now makes it a legal requirement for the Integrated Care System to deliver a balanced financial position on an annual basis. It is the individual responsibility and collective responsibility of all organisations that form the ICS to support the overall delivery of this requirement.

The approach to system oversight for finance metrics will need to be considered by the ICS and will in turn be considered and incorporated into a single comprehensive oversight framework established by each ICB. This is anticipated to be implemented across the system in 2024-25 and NHS England is currently in consultation on updates to the oversight framework.

6.8 Annual Accounts 2023-24 including financial statements and notes

Consolidated Statement of Comprehensive Income for the year ended 31 March 2024		Group	
		2023-24	2022-23
	Note	£000	£000
Operating income from patient care activities	3	392,563	370,392
Other operating income	4	33,745	31,766
Operating expenses	7, 9	(428,897)	(402,170)
Operating deficit		**(2,589)**	**(12)**
Finance income	11	3,404	1,482
Finance expenses	12	(724)	(759)
PDC dividends payable		(1,816)	(1,715)
Net finance income / (expenses)		**864**	**(992)**
Other losses	13	(35)	(61)
Corporation tax expense		(61)	(67)
Deficit for the year		**(1,821)**	**(1,132)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8, 21.3	(67)	(480)
Revaluations	8, 20, 21.3	5,880	1,461
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI	22	131	(55)
Total comprehensive income / (expense) for the period		**4,123**	**(206)**

Please note that the deficit for the year of £1.821m (2022-23 £1.132m deficit for the year) includes income and expenses which fall outside of control total. The control total is the surplus/deficit set by NHS England for NHS organisations to adhere to. The performance against control total is a surplus of £1.354m (2022-23 £5.746m surplus for the year) and note 37 details and explains the movement from annual deficit to control total surplus. The note also includes the prior year comparator.

Statement of Financial Position		Group		Trust	
		31 March 2024	31 March 2023	31 March 2024	31 March 2023
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	15,16	1,209	7	1,203	-
Property, plant and equipment	17,18	134,514	113,158	134,513	113,151
Right of use assets	21	20,337	21,438	20,337	21,438
Other investments / financial assets	22	1,545	1,414	-	-
Receivables	25	1,790	1,899	27,452	29,053
Total non-current assets		**159,395**	**137,916**	**183,505**	**163,642**
Current assets					
Inventories	24	6,626	6,570	6,145	6,135
Receivables	25	24,209	27,774	25,771	28,940
Cash and cash equivalents	26	72,000	73,526	65,007	66,497
Total current assets		**102,835**	**108,870**	**96,923**	**101,572**
Current liabilities					
Trade and other payables	27	(70,730)	(70,589)	(58,063)	(72,807)
Borrowings	29	(4,804)	(5,893)	(4,804)	(5,893)
Provisions	31	(6,532)	(8,543)	(6,454)	(8,485)
Other liabilities	28	(3,918)	(4,793)	(3,887)	(4,690)
Total current liabilities		**(85,984)**	**(89,818)**	**(73,208)**	**(91,875)**
Total assets less current liabilities		**176,246**	**156,968**	**207,220**	**173,339**
Non-current liabilities					
Borrowings	29	(34,884)	(36,777)	(34,884)	(36,777)
Other financial liabilities	30	-	-	(38,725)	(22,764)
Provisions	31	(1,997)	(2,015)	(1,997)	(2,015)
Total non-current liabilities		**(36,881)**	**(38,792)**	**(75,606)**	**(61,556)**
Total assets employed		**139,365**	**118,176**	**131,614**	**111,783**
Financed by					
Public dividend capital		186,081	169,015	186,081	169,015
Revaluation reserve		18,225	12,412	18,225	12,412
Income and expenditure reserve		(68,211)	(66,138)	(72,692)	(69,644)
Charitable fund reserves	23	3,270	2,887	-	-
Total taxpayers' equity		**139,365**	**118,176**	**131,614**	**111,783**

The notes on pages 151 to 196 form part of these accounts.

Stacey Hunter
Group Chief Executive
27 June 2024

Consolidated Statement of Changes in Equity for the year ended 31 March 2024

Group	Public dividend capital	Revaluation Reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2023 - brought forward	**169,015**	**12,412**	**(66,138)**	**2,887**	**118,176**
(Deficit)/surplus for the year	-	-	(2,073)	252	**(1,821)**
Impairments	-	(67)	-	-	**(67)**
Revaluations	-	5,880	-	-	**5,880**
Fair value gains on financial assets mandated at fair value through OCI	-	-	-	131	**131**
Public dividend capital received	17,266	-	-	-	**17,266**
Public dividend capital repaid	**(200)**	**-**	**-**	**-**	**(200)**
Taxpayers' and others' equity at 31 March 2024	**186,081**	**18,225**	**(68,211)**	**3,270**	**139,365**

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Group	Public dividend capital	Revaluation Reserve	Income and expenditure reserve	Charitable fund reserves	Total
	£000	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2022 - brought forward	**167,538**	**11,431**	**(65,004)**	**2,617**	**116,582**
Impact of implementing IFRS16 on 1 April 2022	-	-	323	-	**323**
(Deficit)/surplus for the year	-	-	(1,457)	325	**(1,132)**
Impairments	-	(480)	-	-	**(480)**
Revaluations	-	1,461	-	-	**1,461**
Fair value losses on financial assets mandated at fair value through OCI	-	-	-	(55)	**(55)**
Public dividend capital received	1,477	-	-	-	**1,477**
Taxpayers' and others' equity at 31 March 2023	**169,015**	**12,412**	**(66,138)**	**2,887**	**118,176**

Statement of Changes in Equity for the year ended 31 March 2024

Foundation Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£00(
Taxpayers' and others' equity at 1 April 2023 - brought forward	**169,015**	**12,412**	**(69,644)**	**111,783**
Deficit for the year	-	-	(4,013)	**(4,013)**
Impairments	-	(67)	-	**(67)**
Revaluations	-	5,880	-	**5,880**
Public dividend capital received	17,266	-	-	**17,266**
Public dividend capital repaid	(200)			**(200)**
Other reserve movements	-	-	965	**965**
Taxpayers' and others' equity at 31 March 2024	**186,081**	**18,225**	**(72,692)**	**131,614**

Statement of Changes in Equity for the year ended 31 March 2023

Foundation Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£00(
Taxpayers' and others' equity at 1 April 2022 - brought forward	**167,528**	**11,431**	**(67,397)**	**111,572**
Impact of implementing IFRS16 on 1 April 2022	-	-	324	**324**
Deficit for the year	-	-	(2,571)	**(2,571)**
Impairments	-	(480)	-	**(480)**
Revaluations	-	1,461	-	**1,461**
Public dividend capital received	1,477	-	-	**1,477**
Taxpayers' and others' equity at 31 March 2023	**169,015**	**12,412**	**(69,644)**	**111,783**

Information on reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the Trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the Trust.

Charitable funds reserve

This reserve comprises the ring-fenced funds held by the NHS charitable funds consolidated within these accounts. These reserves are classified as restricted or unrestricted; a breakdown is provided in note 23.

Statement of Cash Flows

		Group		Foundation Trust	
		2023-24	2022-23	2023-24	2022-23
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating deficit		(2,589)	(12)	(4,850)	(1,697)
Non-cash income and expense:					
Depreciation and amortisation	7.1	17,984	15,831	17,977	15,826
Net impairments	8	6,136	6,435	6,136	6,435
Income recognised in respect of capital donations	4	(3,814)	(402)	(3,814)	(402)
Decrease/ (Increase) in receivables and other assets		4,828	(8,077)	4,919	(4,033)
(Increase)/Decrease in inventories		(56)	35	(10)	112
(Decrease)/Increase in payables and other liabilities		(852)	4,756	368	2,830
Decrease in provisions		(2,049)	(968)	(2,069)	(981)
Movements in charitable fund working capital		68	(17)	-	-
Tax paid		(61)	(67)	-	-
Other movements in operating cash flows		(94)	344	869	336
Net cash flows generated from operating activities		**19,501**	**17,858**	**19,526**	**18,426**
Cash flows used in investing activities					
Interest received		3,351	1,441	4,432	2,629
Purchase of intangible assets		(1,205)	-	(1,205)	-
Purchase of PPE		(36,380)	(23,055)	(36,380)	(23,055)
Sales of PPE		83	-	83	-
Receipt of cash donations to purchase assets		3,908	57	3,908	57
Net cash flows used in charitable fund investing activities		53	41	-	-
Net cash flows used in investing activities		**(30,190)**	**(21,516)**	**(29,162)**	**(20,369)**
Cash flows from financing activities					
Public dividend capital received		17,266	1,477	17,266	1,477
Public dividend capital repaid		(200)	-	(200)	-
Movement on loans from DHSC		(1,088)	(1,088)	(1,088)	(1,088)
Capital element of finance lease rental payments		(4,133)	(2,690)	(4,133)	(2,690)
Interest on loans		(482)	(506)	(1,499)	(1,463)
Interest paid on lease liability repayments		(234)	(243)	(234)	(243)
PDC dividend paid		(1,966)	(1,862)	(1,966)	(1,862)
Net cash flows from / (used in) financing activities		**9,163**	**(4,912)**	**8,146**	**(5,869)**
Decrease in cash and cash equivalents		**(1,526)**	**(8,569)**	**(1,490)**	**(7,812)**
Cash and cash equivalents at 1 April – brought forward		**73,526**	**82,096**	**66,497**	**74,309**
Cash and cash equivalents at 31 March	26	**72,000**	**73,526**	**65,007**	**66,497**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the accounts of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following accounts have been prepared in accordance with the GAM 2023-24 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

Note 1.3 Consolidation

Subsidiaries

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

NHS Charitable Funds

The Trust is the corporate trustee to North Tees and Hartlepool NHS Foundation Trust General Charitable Fund. The Trust has assessed its relationship to the charitable fund and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102. On consolidation, necessary adjustments are made to the charity's assets, liabilities and transactions to:

- recognise and measure them in accordance with the Trust's accounting policies; and
- eliminate intra-group transactions, balances, gains and losses.

Optimus Health Limited and North Tees and Hartlepool Solutions Limited Liability Partnership

The amounts consolidated are drawn from the draft accounts of the subsidiaries for the year to 31 March 2024 for Optimus Health Limited and North Tees and Hartlepool Solutions Limited Liability Partnership (LLP).

Where subsidiaries' accounting policies are not aligned with those of the Trust (including where they report under UK FRS 102) then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Note 1.4. Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional, a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners under the NHS Payment Scheme (NHSPS) which replaced the National Tariff Payment System on 1 April 2023. The NHSPS sets out rules to establish the amount payable to trusts for NHS funded secondary healthcare.

Aligned payment and incentive (API) contracts form the main payment mechanism under the NHSPS. In 2023-24 API contracts contain both a fixed and variable element. Under the variable element, providers earn income for elective activity (both ordinary and day case), out-patient procedures, out-patient first attendances, diagnostic imaging and nuclear medicine, and chemotherapy delivery activity. The precise definition of these activities is given in the NHSPS. Income is earned at NHSPS prices based on actual activity. The fixed element includes income for all other services covered by the NHSPS, assuming an agreed level of activity with 'fixed' in this context meaning not varying based on units of activity. Elements within this are accounted for as variable consideration under IFRS 15 as explained below.

High costs drugs and devices excluded from the calculation of national prices are reimbursed by NHS England based on actual usage or at a fixed baseline in addition to the price of the related service.

The Trust also receives income from commissioners under Commissioning for Quality Innovation (CQUIN) and Best Practice Tariff (BPT) schemes. Delivery under these schemes is part of how care is provided to patients. As such CQUIN and BPT payments are not considered distinct performance obligations in their own right; instead they form part of the

transaction price for performance obligations under the overall contract with the commissioner and accounted for as variable consideration under IFRS 15. Payment for CQUIN and BPT on non-elective services is included in the fixed element of API contracts with adjustments for actual achievement being made at the end of the year. BPT earned on elective activity is included in the variable element of API contracts and paid in line with actual activity performed.

Where the relationship with a particular integrated care board is expected to be a low volume of activity (annual value below £0.5m), an annual fixed payment is received by the provider as determined in the NHSPS documentation. Such income is classified as 'other clinical income' in these accounts.

Elective recovery funding provides additional funding to integrated care boards to fund the commissioning of elective services within their systems. In 2023-24, Trusts do not directly earn elective recovery funding, instead earning income for actual activity performed under API contract arrangements as explained above. The level of activity delivered by the Trust contributes to system performance and therefore the availability of funding to the Trust's commissioners. In 2022-23 elective recovery funding for providers was separately identified within the aligned payment and incentive contracts.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5 Other forms of income

Grants and Donations

Government grants are grants from government bodies other than income from commissioners or Trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure, once conditions attached to the grant have been met. Where the grants is used to fund capital expenditure, it is credited to the Statement of Comprehensive Income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Note 1.6 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the accounts to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs

NHS Pension Scheme
Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of The Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to operating expenses at the time the Trust commits itself to the retirement, regardless of the method of payment.

NEST Pension Scheme
The Trust (and its subsidiaries, North Tees and Hartlepool Solutions LLP and Optimus Health Limited) offers the National Employment Savings Trust (NEST) to employees. This is a defined contribution pension scheme.

Note 1.7 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that, they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.8 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised where:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably;
- the item has a cost of at least £5,000; or
- collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control.

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 lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use; and
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the Trust’s private Buildings, where the construction is completed by the Trust’s subsidiary - North Tees and Hartlepool Solutions LLP and the costs have recoverable VAT for the Trust.

The Trust has a contract with the valuation Office Agency for production for the MEA valuation. The name of the surveyor is Joe Green, Senior Surveyor, RICS Registered Valuer.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment, which has been reclassified as 'held for sale', cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use.

Revaluation, gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve.

Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised.

Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once the criteria in IFRS 5 are met. The sale must be highly probable and the asset is available for immediate sale in its present condition.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's useful life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

This includes assets donated to the trust by the Department of Health and Social Care as part of the response to the coronavirus pandemic. As defined in the GAM, the Trust applies the principle of donated asset accounting to assets that the Trust controls and is obtaining economic benefits from at the year-end.

Useful lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	9	87
Dwellings	92	92
Plant & machinery	1	25
Transport equipment	5	15
Information technology	2	10
Furniture & fittings	5	12
Land has an infinite life		

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the Trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.9 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Trust and where the cost of the asset can be measured reliably

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value there are no restrictions on sale at the reporting date and where they do not meet the definitions of assets held for sale.

Intangible assets held for sale are measured at the lower of their carrying amount or fair value less costs to sell.

Amortisation

Useful lives of intangible assets

Useful lives reflect the total life of an asset and not the remaining life of an asset.

The range of useful lives are shown in the table below:

	Min life	Max life
	Years	Years
Software licences	2	7
Licences & trademarks	10	10

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

The Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department.

Note 1.11 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.

Note 1.12 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, i.e, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leasing arrangements are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure charitable funds equity instruments at fair value through other comprehensive income:

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For all Non NHS debtors:

- 100% expected credit losses is assumed on all invoices over 9 months old;
- 90% expected credit losses is assumed on all invoices between 6 months and 9 months;
- 75% expected credit losses is assumed on all invoices between 3 months and 6 months;
- 50% expected credit losses is assumed on all invoices between 1 month and 3 months; and
- 0% expected credit losses is assumed on all invoices between 0 months and 1 month

For overseas visitors and for BUPA invoices, 100% expected credit losses has been assumed on all outstanding invoices. The BUPA debtor balance relates to invoices over 12 months old and all of these invoices are in dispute.

For NHS, expected credit losses have been assumed on specific disputed invoices and where no agreement for receipt has been received via the agreement of balances exercise, the Trust has applied the same percentage credit loss as with Non NHS debtors, based on the age of the outstanding debt.

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.13 Leases

A lease is a contract or part of a contract that conveys the right to use an asset for a period of time in exchange for consideration. An adaptation of the relevant accounting standard by HM Treasury for the public sector means that for NHS bodies, this includes lease-like arrangements with other public sector entities that do not take the legal form of a contract. It also includes peppercorn leases where consideration paid is nil or nominal (significantly below market value) but in all other respects meet the definition of a lease. The Trust does not apply lease accounting to new contracts for the use of intangible assets.

The Trust determines the term of the lease term with reference to the non-cancellable period and any options to extend or terminate the lease which the Trust is reasonably certain to exercise.

The Trust as a lessee

Recognition and initial measurement

At the commencement date of the lease, being when the asset is made available for use, the Trust recognises a right of use asset and a lease liability.

The right of use asset is recognised at cost comprising the lease liability, any lease payments made before or at commencement, any direct costs incurred by the lessee, less any cash lease incentives received. It also includes any estimate of costs to be incurred restoring the site or underlying asset on completion of the lease term.

The lease liability is initially measured at the present value of future lease payments discounted at the interest rate implicit in the lease. Lease payments include fixed lease payments, variable lease payments dependent on an index or rate and amounts payable under residual value guarantees. It also includes amounts payable for purchase options and termination penalties where these options are reasonably certain to be exercised.

Where an implicit rate cannot be readily determined, the Trust's incremental borrowing rate is applied. This rate is determined by HM Treasury annually for each calendar year. A nominal rate of 3.51% applied to new leases commencing in 2023 and 4.72% to new leases commencing in 2024.

The Trust does not apply the above recognition requirements to leases with a term of 12 months or less or to leases where the value of the underlying asset is below £5,000, excluding any irrecoverable VAT. Lease payments associated with these leases are expensed on a straight-line basis or another systematic basis over the lease term. Irrecoverable VAT on lease payments is expensed as it falls due.

The Trust has vehicle leases which do not qualify as low value, but are immaterial to the Trust. Following the requirements of IAS 1 Presentation of Financial Statements, the Trust has not applied IFRS 16 to those immaterial leases (regardless of those leases failing to qualify as leases of low-value underlying assets).

Subsequent measurement

As required by a HM Treasury interpretation of the accounting standard for the public sector, the Trust employs a revaluation model for subsequent measurement of right of use assets, unless the cost model is considered to be an appropriate proxy for current value in existing use or fair value, in line with the accounting policy for owned assets. Where consideration exchanged is identified as significantly below market value, the cost model is not considered to be an appropriate proxy for the value of the right of use asset.

The Trust subsequently measures the lease liability by increasing the carrying amount for interest arising which is also charged to expenditure as a finance cost and reducing the carrying amount for lease payments made. The liability is also remeasured for changes in assessments impacting the lease term, lease modifications or to reflect actual changes in lease payments. Such remeasurements are also reflected in the cost of the right of use asset. Where there is a change in the lease term or option to purchase the underlying asset, an updated discount rate is applied to the remaining lease payments.

The Trust as a lessor

The Trust assesses each of its leases and classifies them as either a finance lease or an operating lease. Leases are classified as finance leases when substantially all the risks and

rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

Where the Trust is an intermediate lessor, classification of the sublease is determined with reference to the right of use asset arising from the headlease.

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the Trust's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Trust's net investment outstanding in respect of the leases.

Operating leases

Income from operating leases is recognised on a straight-line basis or another systematic basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Initial application of IFRS 16 in 2022-23

IFRS 16 Leases as adapted and interpreted for the public sector by HM Treasury was applied to these accounts with an initial application date of 1 April 2022. IFRS 16 replaced IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations.

The standard was applied using a modified retrospective approach with the cumulative impact recognised in the income and expenditure reserve on 1 April 2022. Upon initial application, the provisions of IFRS 16 were only applied to existing contracts where they were previously deemed to be a lease or contain a lease under IAS 17 and IFRIC 4. Where existing contracts were previously assessed not to be or contain a lease, these assessments were not revisited.

The Trust as lessee

For continuing leases previously classified as operating leases, a lease liability was established on 1 April 2022 equal to the present value of future lease payments discounted at the Trust's incremental borrowing rate of 0.95%. A right of use asset was created equal to the lease liability and adjusted for prepaid and accrued lease payments and deferred lease incentives recognised in the Statement of Financial Position immediately prior to initial application. Hindsight has been used in determining the lease term where lease arrangements contain options for extension or earlier termination

No adjustments were made on initial application in respect of leases with a remaining term of 12 months or less from 1 April 2022 or for leases where the underlying assets had a value below £5,000. No adjustments were made in respect of leases previously classified as finance leases.

The Trust as lessor

Leases of owned assets where the Trust is lessor were unaffected by the initial application of IFRS 16. For existing arrangements where the Trust is an intermediate lessor, classification of all continuing sublease arrangements was reassessed with reference to the right of use asset.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount

recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

		Nominal Rate	Prior year rate
Short-Term	Up to 5 years	4.26%	3.27%
Medium-term	After 5 years up to 10 years	4.03%	3.20%
Long-term	After 10 years up to 40 years	4.72%	3.51%
Very long-term	Exceeding 40 years	4.40%	3.00%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2023:

	Inflation Rate	Prior year rate
Year 1	3.60%	7.40%
Year 2	1.80%	0.60%
Into perpetuity	2.00%	7.40%

Early retirement provisions and injury benefit provisions both use the HM Treasury's post-employment benefits discount rate of 2.45% in real terms (prior year: 1.70%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the Trust is disclosed at note 31.3 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The Trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the Trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.15 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined by the Department of Health and Social Care.

This policy is available at https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.16 Value added tax

Most of the activities of the Trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.17 Corporation tax

Foundation Trusts are exempt from corporation tax on their principal healthcare income streams under section 519A Income and Corporation Taxes Act 1988. In determining whether other income may be taxable, a three-stage test must be employed which asks whether the activity is an authorised activity related to the provision of core healthcare, whether the activity is actually or potentially in competition with the private sector, and whether the annual profits of the activity are in excess of £50k per trading activity. The Trust has assessed its car parking and catering income against this criteria and does not have any corporation tax liability in the current or prior year.

Optimus Health Limited has carried out its own tax computation and corporation tax is payable on its trading year of £61k (2022-23 £67k). The Foundation Trust has assessed that no tax liability arises from North Tees and Hartlepool Solutions LLP.

Note 1.18 Climate change levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.19 Foreign Exchange

The functional and presentational currency of the Trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the Trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.20 Third party assets

Assets belonging to third parties in which the Trust has no beneficial interest (such as money held on behalf of patients) are not recognised in the accounts. However, they are disclosed in note 26.2 in accordance with the requirements of HM Treasury's FReM.

Note 1.21 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature, they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register, which reports on an accrual basis with the exception of provisions for future losses.

Note 1.22 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.23 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2023-24.

Note 1.24 Standards, amendments and interpretations in issue but not yet effective or adopted

There are no standards, amendments and interpretations in issue but not yet effective or adopted and there are no early adoptions. There will be no significant impact from the other standards in financial year 2023-24.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the accounts.

a. The Trust's land and buildings non-current assets are valued by the Valuation Office on an annual basis. In financial year 2022-23 a full valuation exercise and physical inspection was carried out. The Trust commissions a full physical valuation of all land and buildings every five years and in other years, a table exercise is carried out and only areas of significant capital spend in year will be physically inspected. The remaining life applied to land and building assets is provided by the Valuation Office but in the financial year 2021-22, a detailed structural survey was commissioned by the Trust and the report produced by Faithful and Gould Limited, indicated that the majority of the buildings on the North Tees site have a maximum remaining life of 10 years. This detailed report has

been reviewed by the District Valuer and the valuation report has been amended accordingly. The majority of the buildings on the North Tees site now have a maximum life of 7 years at the end of March 2024.

b. The inclusion of the three Trust subsidiaries in the consolidated accounts is a critical judgement. Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

Note 1.26 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

a) The cost of annual leave entitlement earned but not taken by employees at the end of March 2024 is recognised in the accounts as an expenditure accrual. As the calculation involves a large number of staff, sampling techniques are used to collate the results for the entire Group. The returned sample equated to an average of 19.63 hours per staff member and the average cost of annual leave per hour is £41.12.

b) The useful economic life (UEL) of each category of fixed asset is assessed when acquired by the Trust. A degree of estimation is occasionally used in assessing the useful economic lives of assets. The average UEL for tangible fixed assets is 11 years and annual depreciation is £14.386m, therefore on average if all assets were to increase or decrease by 1 year in UEL, the impact would be £1.2m per annum in depreciation.

c) When arriving at the valuation for property, Trust management engages a qualified surveyor to assist them in forming estimates. The value of land and buildings for the Trust is £83.231m and a 1% change in value would equate to £0.832m.

d) Trust provisions include specific Trust employment cases and the Flowers provision. Ex-gratia payments were made in 2021-22 for overtime corrective payments, agreed and funded nationally to pay staff for annual leave entitlement as a result of additional hours worked above contracted hours. This payment covers the period April 2019 to March 2021. The value and number of claims was £0.782m and 7,421 claims respectively. A provision has been made to cover the previous 4 years as neighbouring Trusts have on-going claims from staff requesting a corrective payment covering 6 years as opposed to 2 years. This provision is estimated based on previous years additional standard hours and overtime worked.

Note 2 Operating Segments

The Board of Directors act as the Chief Operating Decision Maker for the Trust and the monthly financial position of the Trust is presented/reported to them as a single segment.

The 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.

Organisations which contribute 5% or more of the Trust's income in either period are set out in the table overleaf. Further information can be found in note 36, Related Party Transactions.

	2023-24	2022-23
NHS North East and North Cumbria ICB*	82%	60%
Tees Valley Clinical Commissioning Group	-	16%
County Durham Clinical Commissioning Group	-	3%
North East and North Yorkshire Regional Office (inc NHSE NE Commissioning Hub)	6%	7%

*all North East and North Cumbria CCGs ceased to exist on 1 July 2022 and were replaced by NHS North East and North Cumbria ICB

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4.

Note 3.1 Income from patient care activities (by nature)

	2023-24	2022-23
	£000	£000
Acute services		
Income from commissioners under API contracts	314,991	282,166
High cost drugs income from commissioners (excluding pass-through costs)	17,844	17,098
Other NHS clinical income	2,754	3,718
Community services		
Income from commissioners under API contracts*	44,168	39,555
Income from other sources (e.g. local authorities)	903	1,068
All services		
Private patient income	36	20
Elective Recovery Fund	-	7,269
National pay award central funding***	173	9,066
Additional pension contribution central funding**	9,534	8,747
Other clinical income	2,160	1,685
Total income from activities	**392,563**	**370,392**

*Aligned payment and incentive (API) contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2023-234 NHS Payment Scheme documentation https://www.england.nhs.uk/pay-syst/nhs-payment-scheme

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019-20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

*** Additional funding was made available by NHS England in 2023-24 and 2022-23 for implementing the backdated element of pay awards where government offers were made at the end of the financial year. 2023-24: In March 2024, the government announced a revised pay offer for consultants, reforming consultant pay scales with an effective date of 1 March 2024. Trade Unions representing consultant doctors accepted the offer in April 2024. 2022-23: In March 2023, the government made a pay offer for staff on agenda for change terms and conditions which was later confirmed in May 2023. The additional pay for 2022-23 was based on individuals in employment at 31 March 2023.

Note 3.2 Income from patient care activities (by source)

	2023-24	2022-23
Income from patient care activities received from:	**£000**	**£000**
NHS England	39,501	48,670
Clinical commissioning groups	-	78,364
Integrated Care Boards	349,966	240,547
Local authorities	903	1,068
Non-NHS: private patients	36	20
Non-NHS: overseas patients (chargeable to patient)	79	89
NHS injury cost recovery scheme	768	789
Non NHS: other	1,310	845
Total income from activities	**392,563**	**370,392**

Note 3.3 Overseas visitors (relating to patients charged directly by the provider

	2023-24	2022-23
	£000	£000
Income recognised in year	79	89
Cash payments received in-year	20	18
Amounts added to provision for impairment of receivables	5	47
Amounts written off in-year	3	231

Note 4 Other operating income (Group)

	2023-24			2022-23		
	Contract Income	Non-contract income	Total	Contract Income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	1,366	-	1,366	1,026	-	1,026
Education and training	14,136	-	14,136	12,545	-	12,545
Non-patient care services to other bodies	6,739	-	6,739	7,052	-	7,052
Reimbursement and top up funding	-	-	-	1,344	-	1,344
Receipt of capital grants and donations and peppercorn leases	-	3,814	3,814	-	402	402
Charitable and other contributions to expenditure	-	76	76	-	422	422
Revenue from operating leases	-	1,007	1,007	-	703	703
Charitable fund incoming resources	-	754	754	-	662	662
Other income	-5,853	-	5,853	7,610	-	7,610
Total other operating income	**28,094**	**5,651**	**33,745**	**29,577**	**2,189**	**31,766**

* Other income includes: car parking £1.848m (£1.479m 2022-23); LLP sales £1.448m (£2.935m 2022-23); catering income £1.108m (£0.962m 2022-23); lease cars £0.771m (£0.676m 2022-23); quality control labs £0.226m (£0.446m 2022-23); the remainder is made up of miscellaneous other revenue streams.

Note 5 Additional information on income (Group)

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2023-24	2022-23
	£000	£000
Revenue recognised in the reporting period that was included within contract liabilities at the previous period end	4,151	4,148
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March 2024	31 March 2023
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year-	3,918	4,793
after one year, not later than five years	-	-
after five years		-
Total revenue allocated to remaining performance obligations	**3,918**	**4,793**

The trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed

Note 5.3 Income from activities arising from commissioner requested services

The Trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

	2023-24	2022-23
	£000	£000
Income from services designated as commissioner requested services	377,003	346,088
Income from services not designated as commissioner requested services	48,551	55,408
Total	**425,554**	**401,496**

Note 5.4 Fees and charges (Group)

HM Treasury requires disclosure of fees and charges income. The Trust does not receive income from charges to service users where income from that service exceeds £1m.

Note 6 Operating Leases – North Tees and Hartlepool NHS Foundation Trust as a lessor

This note discloses income generated in operating lease agreements where the Trust is the lessor.

Note 6.1 Operating leases income (Group)

	2023-24	2022-23
	£000	£000
Lease receipts recognised as income in year:		
Minimum lease receipts	1,007	703
Total in-year operating lease income	**1,007**	**703**

Note 6.2 Future lease receipts (Group)

	31 March 2024	31 March 2023
	£000	
Future minimum lease receipts due in:		
Not later than one year	603	471
Later than one year and not later than two years	325	277
Later than two years and not later than three years	232	118
Later than three years and not later than four years	207	108
Later than four years and not later than five years	170	37
Later than five years	2,208	1,725
Total	**3,745**	**2,736**

Note 7 Operating expenses

Note 7.1 Operating expenses (Group)

	2023-24	2022-23
	£000	£000
Purchase of healthcare from NHS and DHSC bodies	4,625	2,290
Purchase of healthcare from non-NHS and non-DHSC bodies	4,352	2,132
Staff and executive directors costs	296,401	278,773
Remuneration of Non-Executive directors	112	146
Supplies and services - clinical (excluding drugs costs)	27,545	28,977
Supplies and services - general	6,859	6,720
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	27,288	25,209
Inventories written down	27	72
Consultancy costs	899	1,054
Establishment	4,937	4,012
Premises	16,677	17,292
Transport (including patient travel)	910	630
Depreciation on property, plant and equipment and right of use assets	17,955	15,831
Amortisation of intangible assets	29	-
Net impairments	6,136	6,435
Movement in credit loss allowance: contract receivables/contract assets	1,348	81
Decrease in other provisions	(765)	(256)
Change in provisions discount rate(s)	(87)	(260)
Fees payable to the external auditor		
audit services- statutory audit	190	190
Internal audit costs	233	240
Clinical negligence	10,541	9,407
Legal fees	52	344
Insurance	407	324
Research and development	1	16
Education and training	968	1,243
Expenditure on low value leases	521	500
Redundancy	260	245
Car parking and security	112	54
Losses, ex gratia & special payments	21	305
Other NHS charitable fund resources expended	343	164
Total	**428,897**	**402,170**

Note 7.2 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2022-23: £1m).

Note 8 Impairments of assets (Group)

	2023-24	2022-23
	£000	£000
Net impairments charged to operating surplus/(deficit) resulting from:		
Changes in market price	6,136	6,435
Total net impairments charged to operating surplus/(deficit)	**6,136**	**6,435**
Impairments charged to the revaluation reserve	67	480
Total net impairments	**6,203**	**6,915**

Changes in market price of £6.1m (2022-23 £6.4) relate to the MEA valuation as at 31 March 2024 and corresponding decreases in individual building valuations. The revaluation reserve has increased by £5.6m (2022-23 £1.0m) also, so a net reduction in value of £0.5m (2022-23 £5.4m).

The main reason for the impairment is a result of a reduction in the remaining life applied to the building at the North Tees site due to a detailed structural survey report produced by Faithful and Gould Limited at the start of 2021-22, indicating that the majority of the buildings on the North Tees site have a maximum remaining life of 10 years. This detailed report has been reviewed by the District Valuer and the MEA report has been amended accordingly. At 31 March 2024, the remaining life on the majority of the buildings on the North Tees site is now 7 years.

Note 9 Employee benefits (Group)

Note 9.1 Employee benefits (Group)

	2023-24	2022-23
	Total	Total
	£000	£000
Salaries and wages	225,064	212,445
Social security costs	21,027	18,518
Apprenticeship levy	1,130	976
Employer's contributions to NHS pensions	31,422	28,719
Pension cost - other	367	345
Temporary staff (including agency)	17,980	17,810
NHS charitable funds staff	203	205
Total gross staff costs	**297,193**	**279,018**
Recoveries in respect of seconded staff	(788)	-
Total staff costs	**296,405**	**279,018**

Note 9.2 Retirements due to ill health (Group)

During 2023-24 there were 7 early retirements from the Trust agreed on the grounds of ill health (none in the year ended 31 March 2023). The estimated additional pension liabilities of these ill-health retirements is £1,259k (£0k in 2022-23).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 9.3 Directors' remuneration (Group)

The aggregate amounts payable to directors were:

	Group	
	2023-24	2022-23
	£000	£000
Salary	1,656	1,553
Taxable benefits	15	9
Other remuneration	-	24
Employer's pension contributions	171	167
Total	**1,842**	**1,753**

Further details of directors' remuneration can be found in the remuneration report.

Note 10 Pension costs

Past and present employees are covered by the provisions of the NHS Pension Schemes. Details of the benefits payable and rules of the schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both the 1995/2008 and 2015 schemes are accounted for, and the scheme liability valued, as a single combined scheme. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State for Health and Social Care in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that “the period between formal valuations shall be four years, with approximate assessments in intervening years”. An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary’s Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2024, is based on valuation data as at 31 March 2023, updated to 31 March 2024 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2020. The results of this valuation set the employer contribution rate payable from April 2024. The Department of Health and Social Care has recently laid Scheme Regulations confirming the employer contribution rate will increase to 23.7% of pensionable pay from 1 April 2024 (previously 20.6%). The core cost cap cost of the scheme was calculated to be outside of the 3% cost cap corridor as at 31 March 2020. However, when the wider economic situation was taken into account through the economic cost cap cost of the scheme, the cost cap corridor was not similarly breached. As a result, there was no impact on the member benefit structure or contribution rates.

Note 11 Finance Income Group)

Finance income represents interest received on assets and investments in the year.

	2023-24	2022-23
	£000	£000
Interest on bank accounts	3,351	1,441
NHS charitable fund investment income	53	41
Total finance income	**3,404**	**1,482**

Note 12 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2023-24	2022-23
	£000	£000
Interest expense:		
Interest on loans from the Department of Health and Social Care	470	496
Interest on lease obligations	234	243
Total interest expense	**704**	**739**
Unwinding of discount on provisions	20	20
Total finance costs	**724**	**759**

Note 13 Other losses (Group)

	2023-24	2022-23
	£000	£000
Losses on disposal of assets	(35)	(61)
Total other losses	**(35)**	**(61)**

Total disposals include medical equipment, IT and furniture and fittings assets. These items had a NBV of £118k when disposed and the Trust received sale proceeds of £83k resulting in a net loss of £35k.

Note 14 Trust income statement and statement of comprehensive income

In accordance with Section 408 of the Companies Act 2006, the Trust is exempt from the requirement to present its own income statement and Statement of Comprehensive Income.

The Trust's deficit for the period was £4,013k (2022-23: £2,571k`). The Trust's total comprehensive income/(expense) for the period was £1,800k (2022-23: £1,590k).

Note 15 Intangible assets (Group)

Note 15.1 Intangible assets – 2023-24

Group	Software licences	Licences & trademarks	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2023	**206**	**8**	**214**
Additions	1,205	-	**1,205**
Reclassifications	26	-	**26**
Valuation / gross cost at 31 March 2024	**1,437**	**8**	**1,445**
Amortisation at 1 April 2023	**206**	**1**	**207**
Provided during the year	28	1	**29**
Amortisation at 31 March 2024	**234**	**2**	**236**
Net book value at 31 March 2024	**1,203**	**6**	**1,209**
Net book value at 1 April 2023	**-**	**7**	**7**

Note 15.2 Intangible assets – 2022-23

Group	Software licences	Licences & trademarks	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022	**206**	**8**	**214**
Valuation / gross cost at 31 March 2023	**206**	**8**	**214**
Amortisation at 1 April 2022	**206**	**1**	**207**
Amortisation at 31 March 2023	**206**	**1**	**207**
Net book value at 31 March 2023	**-**	**7**	**7**
Net book value at 1 April 2022	**-**	**7**	**7**

Note 16 Intangible assets (Foundation Trust)

Note 16.1 Intangible assets – 2023-24

Foundation Trust	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2023	**206**	**206**
Additions	1,205	1,205
Reclassifications	26	26
Valuation / gross cost at 31 March 2024	**1,437**	**1,437**
Amortisation at 1 April 2023	**206**	**206**
Provided during the year	28	28
Amortisation at 31 March 2024	**234**	**234**
Net book value at 31 March 2024	**1,203**	**1,203**
Net book value at 1 April 2023	**-**	**-**

Note 16.2 Intangible assets – 2022-23

Foundation Trust	Software licences	Total
	£000	£000
Valuation / gross cost at 1 April 2022	206	206
Valuation / gross cost at 31 March 2023	206	206
Amortisation at 1 April 2022	206	206
Amortisation at 31 March 2023	206	206
Net book value at 31 March 2023	-	-
Net book value at 1 April 2022	-	-

Note 17 Property, plant and equipment (Group)

Note 17.1 Property, plant and equipment – 2023-24

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023	**6,180**	**73,824**	**230**	**624**	**49,234**	**682**	**28,897**	**3,727**	**163,398**
Additions	-	10,665	281	14,823	7,862	-	2,788	7	**36,426**
Impairments	(50)	(8,957)	(396)	-	-	-	-	-	**(9,403)**
Reversals of impairments	-	(145)	-	-	-	-	-	-	**(145)**
Revaluations	1,630	(79)	-	-	-	-	-	-	**1,551**
Reclassifications	-	48	-	(180)	(182)	-	289	(1)	**(26)**
Disposals/derecognition	-	-	-	-	(2,611)	(2)	(37)	(899)	**(3,549)**
Valuation/gross cost at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**54,303**	**680**	**31,937**	**2,834**	**188,252**
Accumulated depreciation at 1 April 2023	**-**	**-**	**-**	**-**	**27,331**	**623**	**20,732**	**1,554**	**50,240**
Provided during the year	-	7,449	8	-	4,362	19	2,204	344	**14,386**
Impairments	-	(2,738)	(8)	-	-	-	-	-	**(2,746)**
Reversals of impairments	-	(602)	-	-	-	-	-	-	**(602)**
Revaluations	-	(4,109)	-	-	-	-	-	-	**(4,109)**
Disposals/derecognition	-	-	-	-	(2,501)	(2)	(30)	(898)	**(3,431)**
Accumulated depreciation at 31 March 2024	-	-	-	-	29,192	640	22,906	1,000	**53,738**
Net book value at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,111**	**40**	**9,031**	**1,834**	**134,514**
Net book value at 1 April 2023	**6,180**	**73,824**	**230**	**624**	**21,903**	**59**	**8,165**	**2,173**	**113,158**

Note 17.2 Property, plant and equipment – 2022-23

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022	**5,883**	**73,773**	**230**	**213**	**39,966**	**664**	**32,706**	**3,535**	**156,970**
IFRS 16 Implementation – reclassification to right of use assets	-	-	-	-	-	-	(3,903)	-	**(3,903)**
Additions	-	11,039	373	613	7,017	18	2,215	254	**21,529**
Impairments	-	(10,053)	(373)	-	-	-	-	-	**(10,426)**
Reversals of impairments	135	330	-	-	-	-	-	-	**465**
Revaluations	162	(897)	-	-	-	-	-	-	**(735)**
Reclassifications	-	(368)	-	(202)	2,753	-	(2,121)	(62)	**-**
Disposals/derecognition	-	-	-	-	(502)	-	-	-	**(502)**
Valuation/gross cost at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**49,234**	**682**	**28,897**	**3,727**	**163,398**
Accumulated depreciation at 1 April 2022	**-**	**-**	**-**	**-**	**24,045**	**601**	**20,909**	**1,253**	**46,808**
IFRS 16 Implementation – reclassification to right of use assets	-	-	-	-	-	-	(3,017)	-	**(3,017)**
Provided during the year	-	5,230	13	-	3,727	22	2,840	300	**12,132**
Impairments	-	(2,556)	(13)	-	-	-	-	-	**(2,569)**
Reversals of impairments	-	(477)	-	-	-	-	-	-	**(477)**
Revaluations	-	(2,196)	-	-	-	-	-	-	**(2,196)**
Reclassifications	-	(1)	-	-	-	-	-	1	**-**
Disposals/derecognition	-	-	-	-	(441)	-	-	-	**(441)**
Accumulated depreciation at 31 March 2023	-	-	-	-	27,331	623	20,732	1,554	**50,240**
Net book value at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,903**	**59**	**8,165**	**2,173**	**113,158**
Net book value at 1 April 2022	**5,883**	**73,773**	**230**	**213**	**15,921**	**63**	**11,797**	**2,282**	**110,162**

Note 17.3 Property, plant and equipment financing – 31March 2024

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned – purchased	7,760	74,982	115	11,812	23,780	40	8,715	1,770	**128,974**
Owned – donated/granted	-	374	-	3,455	1,331	-	316	64	**5,540**
NBV total at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,111**	**40**	**9,031**	**1,834**	**134,514**

Note 17.4 Property, plant and equipment financing – 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned – purchased	6,180	73,461	230	553	20,513	59	7,797	2,088	**110,881**
Owned – donated/granted	-	363	-	71	1,390	-	368	85	**2,277**
NBV total at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,903**	**59**	**8,165**	**2,173**	**113,158**

Note 17.5 Property, plant and equipment assets subject to an operating lease (Trust as a lessor) – 31 March 2024

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	1,781	1,965	-	-	-	-	-	-	**3,746**
Not subject to an operating lease	5,979	73,391	115	15,267	25,111	40	9,031	1,834	**130,768**
NBV total at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,111**	**40**	**9,031**	**1,834**	**134,514**

Note 17.6 Property, plant and equipment assets subject to an operating lease (Trust as a lessor) – 31 March 2023

Group	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	207	624	-	-	-	-	-	-	**831**
Not subject to an operating lease	5,973	73,200	230	624	21,903	59	8,165	2,173	**112,327**
NBV total at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,903**	**59**	**8,165**	**2,173**	**113,158**

Note 18 Property, plant and equipment (Foundation Trust)

Note 18.1 Property, plant and equipment – 2023-24

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023	**6,180**	**73,824**	**230**	**624**	**49,223**	**682**	**28,897**	**3,727**	**163,387**
Additions	-	10,665	281	14,823	7,862	-	2,788	7	**36,426**
Impairments	(50)	(8,957)	(396)	-	-	-	-	-	**(9,403)**
Reversals of impairments	-	(145)	-	-	-	-	-	-	**(145)**
Revaluations	1,630	(79)	-	-	-	-	-	-	**1,551**
Reclassifications	-	48	-	(180)	(182)	-	289	(1)	**(26)**
Disposals/derecognition	-	-	-	-	(2,611)	(2)	(37)	(899)	**(3,549)**
Valuation/gross cost at 31 March 2024	**7,760**	**75,356**	**115**	**15,627**	**54,292**	**680**	**31,937**	**2,834**	**188,241**
Accumulated depreciation at 1 April 2023	**-**	**-**	**-**	**-**	**27,327**	**623**	**20,732**	**1,554**	**50,236**
Provided during the year	-	7,449	8	-	4,356	19	2,204	344	**14,380**
Impairments	-	(2,738)	(8)	-	-	-	-	-	**(2,746)**
Reversals of impairments	-	(602)	-	-	-	-	-	-	**(602)**
Revaluations	-	(4,109)	-	-	-	-	-	-	**(4,109)**
Disposals/derecognition	-	-	-	-	(2,501)	(2)	(30)	(898)	**(3,431)**
Accumulated depreciation at 31 March 2024	-	-	-	-	29,182	640	22,906	1,000	**53,728**
Net book value at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,110**	**40**	**9,031**	**1,834**	**134,513**
Net book value at 1 April 2023	**6,180**	**73,824**	**230**	**624**	**21,896**	**59**	**8,165**	**2,173**	**113,151**

Note 18.2 Property, plant and equipment – 2022-23

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022	**5,883**	**73,773**	**230**	**213**	**39,955**	**664**	**32,706**	**3,535**	**156,959**
IFRS 16 Implementation – reclassification existing leased assets to right of use assets	-	-	-	-	-	-	(3,903)	-	**(3,903)**
Additions	-	11,039	373	613	7,017	18	2,215	254	**21,529**
Impairments	-	(10,053)	(373)	-	-	-	-	-	**(10,426)**
Reversals of impairments	135	330	-	-	-	-	-	-	**465**
Revaluations	162	(897)	-	-	-	-	-	-	**(735)**
Reclassifications	-	(368)	-	(202)	2,753	-	(2,121)	(62)	**-**
Disposals / derecognition	-	-	-	-	(502)	-	-	-	**(502)**
Valuation/gross cost at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**49,223**	**682**	**28,897**	**3,727**	**163,387**
Accumulated depreciation at 1 April 2022	**-**	**-**	**-**	**-**	**24,045**	**601**	**20,909**	**1,253**	**46,808**
IFRS 16 Implementation – reclassification existing leased assets to right of use assets	-	-	-	-	-	-	(3,017)	-	(3,017)
Provided during the year	-	5,230	13	-	3,723	22	2,840	300	12,128
Impairments	-	(2,556)	(13)	-	-	-	-	-	(2,569)
Reversals of impairments	-	(477)	-	-	-	-	-	-	(477)
Revaluations	-	(2,196)	-	-	-	-	-	-	(2,196)
Reclassifications	-	(1)	-	-	-	-	-	1	-
Disposals / derecognition	-	-	-	-	(441)	-	-	-	(441)-
Accumulated depreciation at 31 March 2023	**-**	**-**	**-**	**-**	**27,327**	**623**	**20,732**	**1,554**	**50,236**
Net book value at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,896**	**59**	**8,165**	**2,173**	**113,151**
Net book value at 1 April March 2022	**5,883**	**73,773**	**230**	**213**	**15,910**	**63**	**11,797**	**2,282**	**110,151**

Note 18.3 Property, plant and equipment financing – 31 March 2024

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned – purchased	7,760	74,982	115	11,812	23,779	40	8,715	1,770	**128,973**
Owned – donated/granted	-	374	-	3,455	1,331	-	316	64	**5,540**
NBV total at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,110**	**40**	**9,031**	**1,834**	**134,513**

Note 18.4 Property, plant and equipment financing – 31 March 2023

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Owned – purchased	6,180	73,461	230	553	20,506	59	7,797	2,088	**110,874**
Owned – donated/granted	-	363	-	71	1,390	-	368	85	**2,277**
NBV total at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,896**	**59**	**8,165**	**2,173**	**113,151**

Note 18.5 Property, plant and equipment assets subject to an operating lease (Trust as a lessor) - 31March 2024

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	1,781	1,965	-	-	-	-	-	-	**3,746**
Not subject to an operating lease	5,979	73,391	115	15,267	25,110	40	9,031	1,834	**130,767**
NBV total at 31 March 2024	**7,760**	**75,356**	**115**	**15,267**	**25,110**	**40**	**9,031**	**1,834**	**134,513**

Note 18.6 Property, plant and equipment assets subject to an operating lease (Trust as a lessor) - 31March 2023

Foundation Trust	Land	Buildings excluding dwellings	Dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Subject to an operating lease	207	624	-	-	-	-	-	-	**831**
Not subject to an operating lease	5,973	73,200	230	624	21,896	59	8,165	2,173	**112,320**
NBV total at 31 March 2023	**6,180**	**73,824**	**230**	**624**	**21,896**	**59**	**8,165**	**2,173**	**113,151**

Note 19 Donations of property, plant and equipment

	2023-24 £000
Decarbonisation Project at Hartlepool	3,084
Health and Social Care Academy	245
Therapy Garden	134
Training equipment	107
Laparoscopic and Robotic Surgery	85
Training facility Ward 9 UHH	49
Farndale House Psychology Department Refurbishment	34
Nurses Welfare facilities	29
Haematology equipment	18
Breast pathway – PACS workstations	11
Other	112
	3,908

Note 20 Revaluations of property, plant and equipment

	2023-24	2022-23
	£000	£000
Impairment charged/(credited) to the Statement of Comprehensive Income		
Buildings excluding dwellings	5,696	6,513
Dwellings	387	57
Land	50	(135)
Total	**6,133**	**6,435**
Increase / (decrease) in Revaluation Reserve		
Buildings excluding dwellings	3,963	1,122
Dwellings	-	(303)
Land	1,850	162
Total	**5,813**	**981**

The Trust has a contract with the Valuation Office Agency for production of the MEA valuation. The name of the surveyor is Joe Green, Senior Surveyor, RICS Registered Valuer. The effective date of the valuation is 31 March 2024.

The impairment of £6.1m (2022-23: £6.4m) relates to the MEA valuation as at 31 March 2024 and corresponding decreases in individual building valuations. The revaluation reserve has increased by £5.6m (2022-23: £1.0m) also, so a net reduction in value of £0.5m (2022-23: £5.4m). The table above also includes revaluation of peppercorn leases. The revaluation reserve has increased by £0.2m (2022-23 £0m) and there is a small impairment of £0.0m (2022-23 £0m).

The main reason for the impairment is a result of a reduction in the remaining life applied to the buildings at the North Tees site due to a detailed structural survey report produced by Faithful and Gould Limited at the start of 2021-22 financial year, indicating that the majority of the buildings on the North Tees site have a maximum remaining life of 10 years. This detailed report has been reviewed by the District Valuer and the MEA report has been amended accordingly. At 31 March 2024, the remaining life on the majority of the buildings on the North Tees site is now 7 years.

Note 21 Leases – North Tees and Hartlepool NHS Foundation Trust as a lessee

This note details information about leases for which the Trust is a lessee.

72% of the net book value of all right of use assets relates to properties where the lessor is either NHS Property Services or Community Health Partnerships. 23% of the net book value of all right of use assets relates to managed service contracts for Radiology and Pathology. The remaining leases either relate to plant and machinery or information technology.

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives.

Note 21.1 Right of use assets – 2023-24

Group and Foundation Trust	Property (land and buildings)	Plant & machinery	Information Technology	Total	Of which: lased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2023 – brought forward	**15,409**	**6,248**	**6,497**	**28,154**	**15,201**
Additions	-	140	-	140	-
Remeasurements of the lease liability	2,173	(62)	-	2,111	2,157
Impairments	(3)	-	-	(3)	-
Revaluations	220	-	-	220	220
Reclassifications	-	-	(435)	(435)	-
Valuation/gross cost at 1 March 2024	**17.799**	**6,326**	**6,062**	**30,187**	**17,578**
Accumulated depreciation at 1 April 2023 - brought forward	**1,474**	**1,616**	**3,626**	**6,716**	**1,440**
Provided during the year	**1,677**	**1,389**	**503**	**3,569**	**1,638**
Reclassifications	-	-	(435)	(435)	-
Accumulated depreciation at 31 March 2024	**3,151**	**3,005**	**3,694**	**9,850**	**3,078**
Net book value at 31 March 2024	**14,648**	**3,321**	**2,368**	**20,337**	**14,500**
Net book value at 1 April 2023	**13,935**	**4,632**	**2,871**	**21,438**	**13,761**
Net book value of right of use assets leased from other NHS providers					-
Net book value of right of use assets leased from other DHSC group bodies					14,500

Note 21.2 Right of use assets – 2022-23

Group and Foundation Trust	Property (land and buildings)	Plant & machinery	Information Technology	Total	Of which: lased from DHSC group bodies
	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2022 – brought forward	**-**	**-**	**-**	**-**	**-**
IFRS 16 implementation – reclassification of existing leased assets from PPE or intangible assets	-	-	3,903	**3,903**	-
IFRS 16 implementation – adjustments for existing operating leases/sub leases	15,183	6,248	2,594	**24,025**	14,975
Additions	226	-	-	**226**	226
Valuation/gross cost at 31 March 2023	**15,409**	**6,248**	**6,497**	**28,154**	**15,201**
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-	-
IFRS 16 implementation – reclassification of existing leased assets from PPE or intangible assets	**-**	**-**	**3,017**	**3,017**	**-**
Provided during the year	1,474	1,616	609	**3,699**	1,440
Accumulated depreciation at 31 March 2023	**1,474**	**1,616**	**3,626**	**6,716**	**1,440**
Net book value at 31 March 2023	**13,935**	**4,632**	**2,871**	**21,438**	**13,761**
Net book value at 1 April 2022	**-**	**-**	**-**	**-**	**13,761**
Net book value of right of use assets leased from other NHS providers					-
Net book value of right of use assets leased from other DHSC group bodies					13,761

Note 21.3 Revaluation of right of use assets

Revaluations have taken place in year on peppercorn leases as detailed below. The impairment and revaluation impact on peppercorn leases is also included in note 8 and note 20.

69% of the net book value of all non peppercorn leases relates to property leases and as they are subject to annual rent reviews, the cost model can function as a proxy for valuation.

	2023-24 £000	2022-23 £000
Impairment charged/(credited) to the Statement of Comprehensive income		
Buildings excluding dwellings	3	-
Total	**3**	**-**
Increase in Revaluation Reserve		
Land	220	-
Total	**220**	**-**

Note 21.4 Reconciliation of the carrying value of lease liabilities

Group and Foundation Trust	2023-24 £000	2022-23 £000
Carrying value 1 April	**22,314**	**678**
IFRS 16 implementation – adjustments for existing operating leases	-	24,100
Lease additions	140	226
Lease Liability remeasurements	2,111	-
Interest charge arising in year	234	243
Lease payments (cash outflows)	**(4,367)**	**(2,933)**
Carrying value at 31 March	**20,432**	**22,314**

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure. The Trust has vehicle leases which do not qualify as low value, but are immaterial to the Trust. Following the requirements of IAS 1 Presentation of Financial Statements, the Trust has not applied IFRS 16 to those immaterial leases (regardless of those leases failing to qualify as leases of low-value underlying assets), these leases are recognised in operating expenditure.

These payments are disclosed in Note 7.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 21.5 Maturity analysis of future lease payments at 31 March 2024

Group and Foundation Trust	Total	Of which leased from DHSC group bodies
	31 March 2024	31 March 2024
	£000	**£000**
Undiscounted future lease payments payable in:		
- not later than one year:	3,550	1,917
- later than one year and not later than five years;	9,151	6,167
- later than five years	7,731	5,866
Net lease liabilities at 31 March 2024	**20,432**	**13,950**
Of which:		
Leased from other NHS providers		-
Leased from other DHSC group bodies		13,950

Note 21.6 Maturity analysis of future lease liabilities at 31 March 2023

Group and Foundation Trust	Total	Of which leased from DHSC group bodies
	31 March 2023	31 March 2023
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year:	4,628	2,419
- later than one year and not later than five years;	9,090	5,679
- later than five years	8,596	6,263
Net lease liabilities at 31 March 2023	**22,314**	**14,361**
Of which:		
Leased from other NHS providers		-
Leased from other DHSC group bodies		14,361

Note 22 Other investments/financial assets (non-current)

	Group	
	2023-24	2022-23
	£000	£000
Carrying value at 1 April – brought forward	1,414	1,469
Movement to fair value through OCI	131	(55)
Carrying value at 31 March	**1,545**	**1,414**

Note 23 Analysis of charitable fund reserves

The Trust has consolidated the accounts of the North Tees and Hartlepool NHS Foundation Trust General Charitable Fund within these statements.

	31 March 2024	31 March 2023
	£000	£000
Unrestricted funds: Revaluation reserve	1,927	1,638
Restricted funds: Other restricted income funds	1,343	1,249
	3,270	**2,887**

Unrestricted income funds are accumulated income funds that are expendable at the discretion of the Trustees in furtherance of the charity's objects. Unrestricted funds may be earmarked or designated for a specific future purpose, which reduces the amount that is readily available to the charity.

Restricted funds may be accumulated income funds, which are expendable at the Trustee's discretion only in furtherance of the specified conditions of the donor and the objects of the charity. They may also be capital funds (e.g. endowments) where the assets are required to be invested, or retained for use rather than expended.

Note 24 Inventories

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Drugs	1,585	1,716	1,167	1,347
Consumables	5,041	4,854	4,978	4,788
Total inventories	**6,626**	**6,570**	**6,145**	**6,135**

Inventories recognised in expenses for the year were £49,818k (2022-23: £53,594k). Write-down of inventories recognised as expenses for the year were £27k (2022-23: £72k).

In response to the COVID-19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2023-24 the Trust received £76k of items purchased by DHSC (2022-23: £422k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

Note 25 Receivables

Note 25.1 Receivables

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Contract receivables	15,219	20,178	15,055	18,667
Allowance for other impaired receivables/assets	(2,941)	(1,775)	(2,903)	(1,775)
Prepayments (non PFI)	5,704	5,691	5,546	5,515
PDC dividend receivable	396	246	396	246
VAT receivable	4,846	3,635	4,892	3,798
Corporation and other taxes receivable	16	19	16	19
Other receivables	954	769	2,769	2,470
NHS charitable funds receivables	15	11	-	-
Total current receivables	**24,209**	**28,774**	**25,771**	**28,940**
Non-current				
Contract receivables	1,211	1,252	1,211	1,235
Other receivables	579	647	26,241	27,818
Total non-current receivables	**1,790**	**1,899**	**27,452**	**29,053**
Of which receivables from NHS and DHSC group bodies:				
Current	8,423	15,382	8,110	14,648
Non-current	579	664	579	647

Contract receivables have decreased by £5.0m due to non-consolidated pay award accrual £0m (2022-23 £9.1m), prime contract receipts outstanding £4.8m (2022-23 £2.6m) agreed to be paid early 2024-25 and Salix grant income for Hartlepool decarbonisation income accrual of £2.6m (2022-23 £0m).

Note 25.2 Allowances for credit losses – 2023-24

	Group	Foundation Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April 2023 – brought forward	**1,775**	**1,775**
New allowances arising	2,064	2,026
Changes in existing allowances	2	2
Reversals of allowances	(718)	(718)
Utilisation of allowances (write offs)	(182)	(182)
Allowances as at 31 March 2024	**2,941**	**2,903**

Note 25.3 Allowances for credit losses – 2022-23

	Group	Foundation Trust
	Contract receivables and contract assets	Contract receivables and contract assets
	£000	£000
Allowances as at 1 April 2022 – brought forward	**2,272**	**2,272**
New allowances arising	1,019	1,019
Changes in existing allowances	87	87
Reversals of allowances	(1,025)	(1,025)
Utilisation of allowances (write offs)	(578)	(578)
Allowances as at 31 March 2023	**1,775**	**1,775**

Note 25.4 Exposure to credit risk

The majority of the Trust's income comes from contracts with other public sector bodies, the Trust therefore has low exposure to credit risk. The maximum exposure as at 31 March 2024 is in receivables from private sector bodies. Note 25.1 details total receivables for the Group at £25,999k (2022-23 £30,673k). The receivable value attributable to private sector bodies is £4,327k (2022-23 £3,234k). This is calculated as £25,999k (2022-23 £30,673k), less NHS and DHSC £9,002k (2022-23 £16,046k), prepayments £5,704k (2022-23 £5,691k), VAT receivable £4,846k (2022-23 £3,635k) and injury cost recovery debtor £2,120k (2022-23 £2,067k).

Note 26 Cash and cash equivalents movements

Note 26.1 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value, which are subject to an insignificant risk of change in value.

	Group		Foundation Trust	
	2023-24	2022-23	2023-24	2022-23
	£000	£000	£000	£000
At 1 April	**73,526**	**82,096**	**66,497**	**74,309**
Net change in year	(1,526)	(8,570)	(1,490)	(7,812)
At 31 March	**72,000**	**73,526**	**65,007**	**66,497**
Broken down into:				
Cash at commercial banks and in hand	7,441	7,317	448	288
Cash with the Government Banking Service	64,559	66,209	64,559	66,209
Total cash and cash equivalents as in SoFP	**72,000**	**73,526**	**65,007**	**66,497**
Total cash and cash equivalents as in SoCF	**72,000**	**73,526**	**65,007**	**66,497**

Note 26.2 Third party assets held by the Trust

North Tees and Hartlepool NHS Foundation Trust held cash and cash equivalents, which relate to monies held by the Trust on behalf of patients or other parties. This has been excluded from the cash and cash equivalents figure reported in the accounts.

Group and Foundation Trust	31 March 2024	31 March 2023
	£000	£000
Bank balances	24	28
Total third party assets	**24**	**28**

Note 27 Trade and other payables

Note 27.1 Trade and other payables

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Trade payables	22,791	15,254	10,751	5,898
Capital payables	1,536	1,490	1,536	1,490
Accruals	36,349	45,898	31,634	53,314
Social security costs	6,293	4,697	5,928	4,363
Other taxes payable	61	67	-	-
Pension contributions payable	3,213	2,848	3,058	2,703
Other payables	322	242	5,156	5,039
NHS charitable funds: trade and other payables	165	93	-	-
Total current trade and other payables	**70,730**	**70,589**	**58,063**	**72,807**
Of which payables from NHS and DHSC group bodies:				
Current	8,738	2,369	7,609	2,323
Non-current	-	-	-	-

Note 27.2 Early retirements in NHS payables above

There are no early retirement amounts included within NHS payables in financial year 2023-24 (2022-23: none).

Note 28 Other liabilities

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Deferred income: contract liabilities	3,918	4,793	3,887	4,690
Total other current liabilities	**3,918**	**4,793**	**3,887**	**4,690**

Note 29 Borrowings

Note 29.1 Borrowings

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Current				
Loans from DHSC	1,254	1,265	1,254	1,265
Lease liabilities*	3,550	4,628	3,550	4,628
Total current borrowings	**4,804**	**5,893**	**4,804**	**5,893**
Non-current				
Loans from DHSC	18,002	19,091	18,002	19,091
Lease liabilities*	16,882	17,686	16,882	17,686
Total non-current borrowings	**34,884**	**36,777**	**34,884**	**36,777**

Note 29.2 Reconciliation of liabilities arising from financing activities

Group and foundation trust 2023-24	Loans from DHSC	Lease liabilities	Total
	£000	£000	£000
Carrying value at 1 April 2023	**20,356**	**22,314**	**42,670**
Cash movements			
Financing cash flows – payments and receipts of principal	(1,088)	(4,133)	**(5,221)**
Financing cash flows – payments of interest	(482)	(234)	**(716)**
Non-cash movements			
Additions	-	140	**140**
Lease liability remeasurements	-	2,111	**2,111**
Application of effective interest rate	470	234	**704**
Carrying value at 31 March 2024	**19,256**	**20,432**	**39,688**

Group and foundation trust 2022-23	Loans from DHSC	Lease liabilities	Total
	£000	£000	£000
Carrying value at 1 April 2022	**21,454**	**678**	**22,132**
Cash movements			
Financing cash flows – payments and receipts of principal	(1,088)	(2,690)	**(3,778)**
Financing cash flows – payments of interest	(506)	(243)	**(749)**
Non-cash movements			
IFRS 16 implementation – adjustments for exiting operating leases/subleases	-	24,100	**24,100**
Additions	-	226	**226**
Application of effective interest rate	496	243	**739**
Carrying value at 31 March 2023	**20,356**	**22,314**	**42,670**

Note 30 Other financial liabilities

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Non-current				
Other financial liabilities*	-	-	(38,725)	(22,764)
Total non-current other financial liabilities	-	-	**(38,725)**	**(22,764)**

* This is the financial creditor of the Trust with its subsidiary, North Tees and Hartlepool Solutions LLP. There is also a value of £2,199k (2022-23 £4,881k) included in current trade and other payables. This provides a total liability of £40,924k (2022-23 £27,645k).

Note 31 Provisions for liabilities and charges analysis

Note 31.1 Provisions for liabilities and charges analysis (Group)

Group	Pensions - early departure costs	Pensions – injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	**762**	**740**	**147**	**-**	**8,909**	**10,558**
Change in the discount rate	(36)	(51)	-	-	(129)	**(216)**
Arising during the year	156	123	58	243	1,240	**1,820**
Utilised during the year	(91)	(57)	(109)	-	(875)	**(1,132)**
Reversed unused	-	-	-	-	(2,560)	(2,560)
Unwinding of discount	12	8	-	-	39	**59**
At 31 March 2024	**803**	**763**	**96**	**243**	**6,624**	**8,529**
Expected timing of cash flows:						
- not later than one year;	91	57	96	243	6,045	**6,532**
- later than one year and not later than five years;	364	228	-	-	39	**631**
- later than five years.	348	478	-	-	540	**1,366**
Total	**803**	**763**	**96**	**243**	**6,624**	**8,529**

- Pensions: early departure costs provision is in relation to employees who were in the pre-95 pension scheme and have been made redundant prior to 2006. The provision is the enhanced element of the lump sum plus any interest charge on the early payment of the lump sum.
- Pensions: injury benefits provision is to provide support for staff who sustain an injury, disease or other health condition which is attributable to their employment.
- Legal claims provision is for third party injury claims against the Trust. This can include staff, contractors or the public.

Other provisions include:

- Flowers provision. Ex-gratia payments have been made in 2021-22 for overtime corrective payments, agreed and funded nationally to pay staff for annual leave entitlement as a result of additional hours worked above contracted hours. This payment covers the period April 2019 to March 2021. The value and number of claims is £782k and 7,421 claims respectively. The remaining provision covers the previous 4 years as neighbouring Trusts have on-going claims from staff requesting a corrective payment covering 6 years as opposed to 2 years.
- Clinician pension tax liability for which there is a corresponding income accrual.
- A provision for specific Trust employment cases and a provision for re-banding of staff.

Note 31.2 Provisions for liabilities and charges analysis (Foundation Trust)

Foundation Trust	Pensions - early departure costs	Pensions – injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2023	**762**	**740**	**147**	**-**	**8,851**	**10,500**
Change in the discount rate	(36)	(51)	-	-	(129)	**(216)**
Arising during the year	156	123	58	243	1,220	**1,800**
Utilised during the year	(91)	(57)	(109)	-	(875)	**(1,132)**
Reversed unused	-	-	-	-	(2,560)	(2,560)
Unwinding of discount	12	8	-	-	39	**59**
At 31 March 2024	**803**	**763**	**96**	**243**	**6,546**	**8,451**
Expected timing of cash flows:						
- not later than one year;	91	57	96	243	5,967	**6,454**
- later than one year and not later than five years;	364	228	-	-	39	**631**
- later than five years.	348	478	-	-	540	**1,366**
Total	**803**	**763**	**96**	**243**	**6,546**	**8,451**

Provisions for the Foundation Trust are the same as for the Group detailed on the previous page, with the exception of £3k Optimus provisions (NEST ERS pension contribution) and £75k LLP provisions (specific employment cases.

Note 31.3 Clinical negligence liabilities

At 31 March 2024, £195,704k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North Tees and Hartlepool NHS Foundation Trust (31 March 2023: £177,455k).

Note 32 Contractual capital commitments

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
Property, plant and equipment	17,461	2,873	17,461	5,498
Intangible assets	113	-	113	-
Total	**17,574**	**2,873**	**17,574**	**5,498**

Note 33 Defined contribution pension schemes

NEST payments	2023-24 £000	2022-23 £000
North Tees and Hartlepool NHS Foundation Trust	175	194
North Tees and Hartlepool Solutions LLP	184	144
Optimus Health Limited	7	6
Total	**366**	**344**

Note 34 Financial instruments

Note 34.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its

activities. Because of the continuing service provider relationship that the Trust has with commissioners and the way those commissioners are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2024 are in receivables from customers, as disclosed in the Trade and other receivables note.

Liquidity risk

The Trust's operating costs are incurred under contracts with Integrated Care Boards, which are financed from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks.

Note 34.2 Carrying values of financial assets (Group)

Group	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2024			
Trade and other receivables excluding non-financial assets	15,038	-	**15,038**
Cash and cash equivalents	70,125	-	**70,125**
Consolidated NHS Charitable fund financial assets	-	**3,435**	**3,435**
Total at 31 March 2024	**85,163**	**3,435**	**88,598**

Group	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2023			
Trade and other receivables excluding non-financial assets	21,090	-	**21,090**
Cash and cash equivalents	71,971	-	**71,971**
Consolidated NHS Charitable fund financial assets	-	**2,980**	**2,980**
Total at 31 March 2023	**93,061**	**2,980**	**96,041**

Note 34.3 Carrying values of financial assets (Foundation Trust)

Foundation Trust	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2024			
Trade and other receivables excluding non-financial assets	42,389	-	**42,389**
Cash and cash equivalents	65,007	-	**65,007**
Total at 31 March 2024	**107,396**	-	**107,396**

Foundation Trust	Held at amortised cost	Held at fair value through OCI	Total book value
	£000	£000	£000
Carrying values of financial assets as at 31 March 2023			
Trade and other receivables excluding non-financial assets	48,434	-	**48,434**
Cash and cash equivalents	66,497	-	**66,497**
Total at 31 March 2023	**114,931**	-	**114,931**

Note 34.4 Carrying values of financial liabilities (Group)

Group	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2024			
Loans from the Department of Health and Social Care	19,256	-	**19,256**
Obligations under leases	20,432	-	**20,432**
Trade and other payables excluding non-financial liabilities	59,016	-	**59,016**
Provisions under contract	8,529	-	**8,529**
Consolidated NHS charities fund financial liabilities	-	165	**165**
Total at 31 March 2024	**107,233**	**165**	**107,398**

Group	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	20,356	-	**20,356**
Obligations under leases	22,314	-	**22,314**
Trade and other payables excluding non-financial liabilities	62,947	-	**62,947**
Provisions under contract	10,558	-	**10,558**
Consolidated NHS charities fund financial liabilities	-	93	**93**
Total at 31 March 2023	**116,175**	**93**	**116,268**

Note 34.5 Carrying values of financial liabilities (Foundation Trust)

Foundation Trust	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2024			
Loans from the Department of Health and Social Care	19,256	-	**19,256**
Obligations under finance leases	20,432	-	**20,432**
Trade and other payables excluding non-financial liabilities	86,329	-	**86,329**
Provisions under contract	8,451	-	**8,451**
Total at 31 March 2024	**134,468**	-	**134,468**

Foundation Trust	Held at amortised cost	Held at fair value through I&E	Total book value
	£000	£000	£000
Carrying values of financial liabilities as at 31 March 2023			
Loans from the Department of Health and Social Care	20,356	-	**20,356**
Obligations under finance leases	22,314	-	**22,314**
Trade and other payables excluding non-financial liabilities	88,503	-	**88,503**
Provisions under contract	10,500	-	**10,500**
Total at 31 March 2023	**141,673**	-	**141,673**

Note 34.6 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the Statement of Financial Position, which are discounted to present value.

	Group		Foundation Trust	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£000	£000	£000	£000
In one year or less	70,517	77,477	57,082	65,074
In more than one year but not more than five years	14,136	14,011	18,409	3,043
In more than five years	22,745	24,781	58,977	16,801
Total	**107,398**	**116,269**	**134,468**	**84,918**

Note 35 Losses and special payments

Group and Foundation Trust	2023-24		2022-23 restated	
	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Bad debts and claims abandoned	11	3	255	295
Stores losses and damage to property	61	27	-	-
Total losses	**72**	**30**	**255**	**295**
Special payments				
Ex-gratia payments	23	18	25	10
Total special payments	**23**	**18**	**25**	**10**
Total losses and special payments	**95**	**48**	**280**	**305**
Compensation payments received	-	-	-	-

The disclosure of special payments in the 2022-23 financial statements included 6,075 cases with a value of £4,148k, in respect of a payment to staff to provide support with the cost of living. During the 2022-23 year end process, NHS England has advised providers to disclose small discretionary awards to staff of this type as ex gratia payments, while NHS England considered how these should be treated (and therefore whether any HM Treasury approvals were required). NHS England has subsequently concluded that this type of payment does not represent a special payment (unless other factors mean that a payment is novel, contentious or repercussive), and that no approvals were required. The 2022-23 figures have been restated following this clarification from NHS England.

Note 36 Related parties

North Tees and Hartlepool NHS Foundation Trust is a public benefit corporation established under the National Health Service Act 2006. Monitor (NHS England), the Independent Regulator for NHS Foundation Trust, has the power to control the Trust within the meaning of IAS27 "Consolidated and Separate accounts.

NHS England does not prepare group accounts but does prepare separate NHS Foundation Trust Consolidated Accounts. The NHS FT Consolidated Accounts are included within the Whole of Government Accounts. NHSI is accountable to the Secretary of State for Health and Social Care and therefore the Trust's ultimate parent is the Department of Health and Social Care.

The transactions included in the note relate to transactions with non-Government bodies and intra-group transactions between the Trust and its subsidiaries. The note does not include all of the main entities within the public sector that the Trust has had dealings with as this is not required in accordance with IAS 24. These entities are however listed below.

North Tees and Hartlepool NHS Foundation Trust	31 March 2024				31 March 2023			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£	£	£	£	£
Prof Derek Bell - Joint Chair, Lay Council Member, Newcastle University	(7,300)	474,657	-	4,192	-	-	-	-
Prof Elizabeth Barnes - Non-Executive Director, Governor University of Sunderland	(32,064)	135,408	-	24,000	(17,791)	24,400	-	10,833
Mrs Alison Fellows - Non-Executive Director, Family member is a partner at Ward Hadaway Solicitors	(960)	-	-	-	(2,640)	-	-	-
Mrs Alison Fellows - Non-Executive Director, Governor of the Board, Northumbria University and Member of its Audit Committee	(57,570)	533	-	-	(17,791)	24,400	-	10,833
Mrs Kate Hudson-Halliday - Acting Director of Finance. Family member employed by Gateshead Council	(373)	-	-	-	-	-	-	-
Mrs Kate Hudson-Halliday - Acting Director of Finance. Acquaintances who work in senior positions at Alice House	(392,253)	222,419	-	1,351	-	-	-	-
Mr Stuart Irvine - Director of Strategy, Assurance and Compliance / Company Secretary. Chair of Hartlepool College of Further Education	(2,002)	12,612	-	7,000	-	-	-	-

DHSC related party information

	31 March 2024				31 March 2023			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£	£	£	£	£
Currys Group	(11,578)	-	(1,040)	-	(2,416)	-	-	-
Vyaire UK 236 Limited	(43,545)	-	(2,228)	-	-	-	-	-

Main Public Sector Entities the Trust has dealt with within 2023-24

NHS England
Integrated Care Boards
Department of Health and Social Care
Other NHS Providers
Local Authorities

The Trust has two subsidiary companies Optimus Health Limited and North Tees and Hartlepool Solutions LLP. The tables below total all intra-group transactions for 2023-24 and 2022-23 with related parties and list the Subsidiary Directors.

North Tees and Hartlepool Solutions LLP	31 March 2024				31 March 2023			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£	£	£	£	£
All Directors	(102,181,194)	206,745	(2,718,348)	24,629	(101,385,223)	4,605,482	(5,425,729)	1,020,572

List of Directors – these are Trust Directors that sit on the Board of North Tees and Hartlepool Solutions LLP

Mr Ian Simpson – Chair
Mr Michael Houghton – Director
Mrs Kate Hudson-Halliday – Director

Optimus Health Limited	31 March 2024				31 March 2023			
	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party	Payments to Related Party	Receipts from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£	£	£	£	£	£	£	£
All Directors	(8,136,143)	114,425	-	-	(7,221,618)	98,436	-	-

List of Directors – these are Trust Directors that sit on the Board of Optimus Health Limited

Mr Ian Simpson – Chair

Note 37 Movement between deficit for the year and control total performance

	Group	
	2023-24 £000	2022-23 £000
Adjusted financial performance (control total basis):		
a) Deficit for the period	(1,821)	(1,132)
b) Remove impact of consolidating NHS charitable fund	(252)	(325)
c) Remove net impairments not scoring to the Departmental expenditure limit	**6,136**	6,435
d) Remove I&E impact of capital grants and donations	**(3,315)**	141
e) Remove net impact of inventories received from DHSC group bodies for COVID-19 response	**606**	627
Adjusted financial performance surplus	**1,354**	**5,746**

a) This is the overall deficit achieved by the Trust in the financial year, including any non-cash items such as impairments.
b) North Tees and Hartlepool NHS Charitable Funds financial position for the year is included in the Group surplus/deficit but charitable funds performance does not impact on control total and is therefore removed.
c) Impairments of non-current assets are non cash items and do not impact on control total and are therefore removed. The significant impairment in both 2023-24 and 2022-23 financial years is in relation to the annual valuation of the Trust's land and buildings by a qualified surveyor. In the 2023-24 financial year, the main reason for the material impairment is a result of a reduction in the remaining life applied to the building at the North Tees site due to a detailed structural survey report produced by Faithful and Gould Limited at the start of 2021- 22 financial year, indicating that the majority of the buildings on the North Tees site have a maximum remaining life of 10 years. This detailed report has been reviewed by the District Valuer and the MEA report has been amended accordingly. At 31 March 2024, the remaining life on the majority of the buildings on the North Tees site is now 7 years.
d) Capital grants and donations received by the Trust for the specific purpose of purchasing capital equipment does not impact on control total and is therefore removed. Donated asset income is material for the Trust in 2023-24 due to a grant from Salix for Hartlepool decarbonisation over financial year 2023-24 and 2024-25, totalling £13.4m.
e) During the pandemic, the Department of Health and Social Care provided NHS organisations with personal protective equipment for staff, visitors and patients due to issues with the supply chain. This has continued from financial year 2020-21 to 2023-24 and was given to the Trust free of charge. For this reason, any closing stock cost or benefit to the Trust does not impact on control total and is therefore removed.

7. Contact Information

Group Chief Executive

Stacey Hunter, Chief Executive
Tel: 01642 617617
Email: nth-tr.communications@nhs.net

Patient Experience Team

If you would like information, support or advice about the Trust's services, contact:

Tel: 01642 624719 or freephone 0800 0920084
Email: nth-tr.PatientExperience@nhs.net

Membership

If you would like to become a member of our NHS Foundation Trust, contact:

Tel: 01642 383765
Email: nth-tr.membership@nhs.net

Recruitment

If you are interested in becoming a member of staff at North Tees and Hartlepool NHS Foundation Trust, contact:

Tel 01642 624023 or 01642 624020
Email: nth-tr.peopleservices@nhs.net
www.nhs.jobs.uk

Further information

If you have a media enquiry or require further information, contact:

Tel: 01642 624339
Email: nth-tr.communications@nhs.net
www.nth.nhs.uk

Trust address

If you wish to write to the Trust, the postal address is:

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Hardwick
Stockton-on-Tees
TS19 8PE

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