NHS
East Midlands
Ambulance Service
NHS Trust

Annual Report

2017/2018

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Chairman's report

Welcome to the Annual Report and Accounts for 2017/18 for East Midlands Ambulance Service NHS Trust (EMAS).

Despite the continued challenges faced at EMAS and by the wider NHS, we have made significant improvements, as evidenced in the latest Care Quality Commission inspection report.

In August, NHS Improvement agreed we should recruit substantively to the Chief Executive post, and after a successful selection process Richard Henderson was appointed to the role (Richard became EMAS Acting Chief Executive in March 2016). Richard joined the Ambulance Service in 1996 as a member of the Patient Transport Service before training as an ambulance technician. He is a qualified paramedic and has extensive experience having held clinical and operational senior managerial roles including divisional director of our Lincolnshire division and EMAS Director of Operations.

We've attracted and recruited more people to our frontline and have improved our retention rate. Our financial position has significantly improved and is more stable and we've invested in new ambulances and equipment. These improvements, to name a few, have resulted in our commissioners and regulators having improved confidence in our ability to continue to develop services and create organisational strength.

Richard's substantive appointment has given stability and, having successfully delivered our turnaround plans (improved management of budgets and efficiency), we are now progressing through our transformation programme (improved efficiency, effectiveness, and improvement of our services).

This report evidences where we have made improvements for our patients and staff. When it comes to further challenge and change, we are not out of the woods yet however we are most certainly on the right path and making good progress.

In 2017, initially to support our internal staff engagement and generate conversations and improvement ideas, we created a new series of animations to explain in less corporate, basic terms where we are going as an organisation. The EMAS: The Journey series includes five chapters, each focussing on one of our strategic objectives.

The first chapter titled 'Where are we going', highlights the challenges faced – rising demand for services, different care needs particularly as more people get older, and challenged resources. Importantly it includes why we need to transform the way we do things. Chapter one can be accessed via the November issue of our stakeholder magazine EMAS News at www.emasnews.org.uk/issue-4-november-2017/emas-news/our-performance.

Chapter two, 'How can we make it better for our teams', is focussed on the things we can do to help patients access the right care. The NHS is changing to better meet patient needs. Sustainability and Transformation Partnerships are being designed across England to improve care by making practical changes to how the NHS works, eg making it easier to see a GP, and offering help faster to people with ill mental health. We are playing our part in the development of these plans. Through our People strategic objective we will value and support our workforce to deliver their best for patients. Chapter two can be accessed via http://www.emasnews.org.uk/issue-4-november-2017/emas-news/our-people

'How can we work with other services', is the title for Chapter 3 (accessed via http://www.emasnews.org.uk/issue-4-november-2017/emas-news/our-money). We're making sure the changes we make are for the right reason and will benefit our patients. There is a national approach to have blue light organisations, eg police, fire and NHS

ambulance, working more closely together. In November 2017, our Louth colleagues moved to a joint fire and ambulance station just over a mile away from their previous base. The teams start and end their shift at the shared facility as they did previously, and the change allows both organisations to make better use of publicly funded facilities. In Leicestershire our divisional headquarters is based at the county's fire service headquarters, and in October 2017 plans for a Lincoln 'tri-service' were given the go ahead; the new shared ambulance, fire and police station will be built at South Park in Lincoln to encourage closer collaboration of the city's emergency services with 180 staff based there.

Patient care is the most important thing for all of us and we're keen to improve this where we can. Chapter 4 of our animation features 'How can we make it better for our patients?'. This means being able to treat patient's on-scene, in their home, and ensuring that they receive further treatment and support from the right service(s). We've invested £3million in our new electronic patient report form and this is helping. Patient records contribute to patient care in a variety of ways, as described in our animation – please make sure you take a look via http://www.emasnews.org.uk/issue-4-november-2017/emas-news/our-development.

The final chapter (accessed via http://www.emasnews.org.uk/issue-4-november-2017/emas-news/our-quality) looks at 'what we do best' and links to our quality strategic objective. In June 2017, we asked colleagues for views to feed into a new two year strategy to take us from the current 'requires improvement' Care Quality Commission rating to 'good'. The responses echoed feedback received in the 2016 Staff Opinion Survey results - for example, the need for more ambulance vehicles, more clinicians and better education and career progression. This Annual Report evidences where improvements have been made in direct response to the feedback received.

This year we have adopted the Plan, Do, Study and Act methodology at EMAS. It ensures there is a robust mechanism to drive quality improvement and challenge the process, and to check that systems are working and constantly adapting to change. In addition, a new Bright Sparks scheme allows colleagues to share an idea that they have to positively enhance our services, both operational and non-operational.

Our EMAS: The Journey animations take a quick look at where we have been, where we are going, and what we still need to do. If the whole EMAS team works together and with partner agencies things can improve for everyone – that means everyone that works for EMAS and all the people that we care for.

This report is complemented by our Quality Account (due to be published by 30 June 2018 on our website www.emas.nhs.uk) which gives a review of how we did against our quality and safety targets and includes updates on innovation, and research and development work at EMAS.

Finally, I want to express my grateful thanks to all our colleagues, volunteers and partner agencies for their continued hard work and commitment to provide the best services possible. It hasn't been easy this year, but as evidenced in this report, we are making progress and heading in the right direction on our improvement journey.

Pauline Tagg MBE
Chairman

1. Performance Report

The purpose of this report is to help readers assess how the organisation has performed. It is intended to provide a balanced review of our business and a description of the principal risks and uncertainties EMAS faces.

1.1 Overview

Chief Executive's Statement

Through this Annual Report for 2017/2018 I am proud to share with you the improvements that we have made together with colleagues across the service.

This year, following the largest clinical ambulance trials in the world, NHS England implemented new ambulance standards across the country. The changes update a decades old system and provide a strong foundation for the future development of ambulance services. You can read more about the new standards via the NHS England website at https://www.england.nhs.uk/urgent-emergency-care/arp/, and elsewhere in this report.

The changes focus on making sure the best, high quality, most appropriate response is provided for each patient first time. For example, for stroke patients this means instead of sending any vehicle, eg an ambulance car, to get to them within eight minutes (the old performance standard), we will send an ambulance to take them to hospital for the treatment they need.

In order to deliver our service through the Ambulance Response Programme and for patients to benefit fully from it, we consulted with our staff and trade unions on a proposed new operating model. The consultation was not about reducing the overall number of staff available across the region. It was about increasing the number of ambulances available to take patients to hospital and reducing the number of cars. We also consulted on a wider range of ambulance shift lengths and increasing the number of Ambulance Intervention Teams to grow our capacity and capability to respond to terror attacks in and out of our region. In May 2017, we sent several EMAS ambulances from Derbyshire, our Hazardous Area Response Team, and a doctor from the East Midlands Immediate Care Scheme to support the North West Ambulance Service response to the Manchester terror attack.

On 12 May 2017, many NHS organisations reported to NHS Digital that they had been affected by a ransomware attack. The investment we have made over recent years, and preventative steps taken eg a robust firewall and other security measures in place, avoided us from being directly affected. We did, however, support our partner organisations that were affected or had taken the decision to shut down their IT systems in response to the attack. We are committed to continue to invest in the right security systems to help keep patient information safe and our services running.

A successful pilot programme to support our call handlers to recognise and deal with anxiety, stress and depression (ASD) has been rolled out across our Emergency Operations Centres. It has also been recognised nationally as an area of best practice. The 'My Resilience Matters' sessions were developed in response to the number of emergency medical dispatchers away from work due to ASD. Common cause and key themes for stress were: abuse from some callers, return calls from patients who were

waiting for ambulances, and worry over how to handle certain types of psychiatric calls. We have a responsibility to support our staff and one way is to help them develop their own resilience. The course gives staff the tools and techniques to help them manage heightened levels of stress.

This training is in addition to the variety of staff support networks and services we have in place at EMAS, several of which have also attracted national 'best practice' attention.

In October we launched our Conversation Cafe staff engagement pilot. To make sure the engagement is more than just conversation, our approach has three phases:

- Communicate our story and co-design plans,
- Influence Perceptions and behaviour, and
- Take action and evidence accountability.

During the seven pilot cafe sessions held at hospitals across our region and at our Emergency Operations Centres, our Executive and Senior Leadership teams engaged with 168 colleagues on a range of topics featured on our Café 'hot topic' menu. Evaluation of their feedback forms told us that 93% said they felt listened to at the cafe, and 95% would visit a future session. In response, we have committed to holding the Conversation Cafe sessions across our region, repeating the three-phased approach, holding at least three tours of the region during the year.

The winter months during 2017/2018 were some of the most challenging we've had in EMAS' history. As we moved into winter pressures, additional voluntary and private ambulance crews were commissioned to help us meet the extra demand. When we had significant peaks in the number of calls coming in, we set up a Strategic Command Cell at our Headquarters to operate 24 hours a day, often supported by Tactical Cells set up in each county and staffed by local managers. When large amounts of snow fell we were grateful for the support given to us by various 4 x 4 associations, local farmers (who towed out ambulances stuck in the snow), and members of the public armed with shovels to dig vehicles out of the snow. The weather caused challenging driving conditions, making a speedy response difficult. I heard so many stories of colleagues and volunteers going above and beyond to ensure they were able to help people in our communities, and it was a pleasure to promote these via our social media channels. In response we received hundreds of well wishes and words of thanks from the public.

It's of great credit to our management team that whilst operating through this pressurised time, they continued to develop a new service ready for launch in April 2018. On average we get 130 calls a day from healthcare professionals (HCP) making bookings for the provision of care and transport for people with an urgent healthcare need. The journeys are provided by our ambulance crews when they are not required to respond to higher priority 999 calls.

The majority of HCP bookings are received during the afternoon when we also experience an increase in emergency 999 calls. This means patients can experience delays of several hours, putting additional pressure on the patient, our control centre staff and ambulance crews. To address this and improve services, through our Transformation programme we are increasing our frontline team and launching a dedicated tier of ambulance staff to work in our new Urgent Care Transport Service (UCTS). Phase one means that from April we will provide 20 additional ambulance resources during the day to provide care to patients categorised as urgent. The team manning the UCTS vehicles are not being trained to drive on blue-lights and the vehicles they will use will not allow them to travel with lights and

sirens on; therefore these crews won't be dispatched to 999 emergency calls. Instead they will focus on HCP referrals, allowing other ambulance crews to focus on 999 emergency calls.

Finally I would like to praise all of our staff and volunteers for their continued dedication and professionalism. They have worked tirelessly together with colleagues in other organisations to provide the best possible care and treatment to our patients.

To the best of my knowledge the information contained within this Annual Report is accurate and reflects a balanced view of EMAS' future ambitions.

Richard Henderson
Chief Executive

EMAS' purpose and activities

EMAS is a statutory body which came into existence on 1 July 2006 under the East Midlands Ambulance Service National Health Service Trust (Establishment) Order 2006 No 1620 (the Establishment Order).

The trust provides emergency and urgent services for 4.8 million people, covering approximately 6,452 square miles across six counties of Derbyshire, Leicestershire, Lincolnshire, Northamptonshire, Nottinghamshire and Rutland.

Patient transport is provided for Derbyshire patients with routine hospital or clinical appointments (clinical commissioning groups have contracted private organisations to deliver patient transport in the other counties).

More than 3,340 staff are employed, at over 90 facilities used including ambulance stations, community ambulance stations (smaller facilities, often shared buildings with other organisations allowing our crews to 'stand-by' in strategic locations in-between responses to 999 calls), two Emergency Operations Centres (Nottingham and Lincoln), training and support team offices and fleet workshops.

Accident and emergency ambulance crews are the largest staff group, and the trusts operates a fleet of over 580 vehicles, including emergency ambulances, fast response cars, specialised vehicles and patient transport vehicles.

Every day EMAS receives around 2,710 calls from members of the public who have rang 999. On average this equates to a new emergency call every 32 seconds.

Accident and Emergency Service

With four large cities, major arterial roads, an international airport, a lengthy coastline and several country parks, demand on EMAS' can increase particularly during the summer months when visitor numbers to the region increase.

Aside from the challenges posed by our geographical boundaries and the infrastructure of the region, EMAS has to respond to the rising number of 999 calls made by the public.

We receive valuable assistance from many Community First Responder (CFR) schemes providing emergency cover mainly in the more rural areas we serve; circa 1678 individual community first responders. Our Emergency First Responder schemes are operated with fire services who respond in a life threatening emergency in a similar way to a CFR. Over 100 EMAS colleagues operate as Medical First Responders providing support when they can attend emergency incidents in their local area and in their own time.

Our Community Response Team has worked closely with individuals and groups in our communities to place community public access defibrillators (CPAD) in strategic locations, thereby supporting the chain of survival for patients having a cardiac arrest. There are currently over 4,560 CPADs available across the East Midlands.

We also benefit from the invaluable presence of four separate air ambulances which respond across the region and are operated by registered charities (Derbyshire Leicestershire and Rutland Air Ambulance, Lincs and Notts Air Ambulance; Magpas Air Ambulance and Warwickshire and Northamptonshire Air Ambulance).

In addition, we have a team of over 25 doctors – the East Midlands Immediate Care Scheme - who volunteer their time, working over and above their normal general practice or hospital work, to provide both a primary response role to life-threatening calls and clinical support for crews at serious clinical incidents such as road traffic collisions.

We continually strive to further improve patient care by ensuring that patients consistently receive the right response first time. Our approach also means that more patients will be treated in the community, and fewer people will go to a busy hospital Emergency Department unnecessarily.

Emergency Preparedness, Resilience and Response

Together with other NHS organisations, EMAS is required to have appropriate and effective contingency arrangements in place to ensure the maintenance of core functions even when responding to a range of incidents which impact on patient care or public health.

As a designated Category 1 Responder under the Civil Contingencies Act, EMAS must comply fully with a range of statutory duties. In addition, specific NHS objectives are set by NHS England in the form of the Emergency Preparedness Resilience and Response Framework. This lists a number of highly specific factors that underpin EMAS' Contingency Planning activities, as well as testing business continuity and special operations arrangements.

EMAS regularly meets with county based Local Resilience Forums – a group of multi-agency representatives – to develop and strengthen resilience measures, test plans and develop working relationships through major incident exercises. In addition, we engage and work with Local Health Resilience Partnerships (strategic level health organisations).

In line with the National Ambulance Resilience Unit's Command Service Specification, many EMAS commanders have been renewing their training and certification requirements by attending a variety of operational, tactical and strategic command courses.

The annual Emergency Preparedness, Resilience and Response Assurance Framework is approved by our Trust Board, and we continue to work to our contractual standards in this respect.

We operate a Hazardous Area Response team (HART) which is made up of more than 42 personnel specially trained in dealing with Chemical, Biological, Radioactive and Nuclear incidents, Hazmat incidents, swift water rescue and Urban Search and Rescue techniques. Our HART respond to over 120 calls per month (not including the response they give to normal 999 calls). They also support EMAS operations during protracted incidents or periods of increased call demand.

We comply with our contractual obligations in terms of delivering HART and Special Operations provision, and these are closely monitored to ensure that the services we deliver are of a high standard.

Patient Transport Service

EMAS provides non-emergency Patient Transport Service (PTS) in Derbyshire for patients who are registered with a general practitioner. This service launched on 1 August 2016 with the contract lifetime running to 31 July 2019.

PTS is for patients who need medical or clinical support to get to and from their healthcare appointment. Entitlement to transport depends on whether the patient meets the eligibility criteria set out by the local clinical commissioning group. On an average day the Derbyshire service provides care and support during 800 journeys and receives over 300 phone calls from NHS colleagues making or amending journey bookings for their patients.

Call handling and clinical assessment

Our Clinical Assessment Team (CAT) consists of paramedics, nurses, midwives, and a mental health practitioner. They dealt with 211,343 calls during the year compared to 250,378 in 2016/2017. Team members provide clinical advice to patients and signpost them to services and places where alternative, more appropriate care can be provided. This results in fewer admissions to hospital emergency departments. The team also offers clinical advice to ambulance crews and Emergency Operations Centre colleagues, and provide a telephone triage service to various clinical hubs across the East Midlands.

EMAS' values

EMAS has five values which underpins everything we do; how we deliver our services and how we work with each other.

- **Respect:** Respect for our patients and each other.
- **Integrity:** Acting with integrity by doing the right thing for the right reasons.
- **Contribution:** Respecting and valuing the contribution of every member of staff.
- **Teamwork:** Working together and supporting each other.
- **Competence:** Continually developing and improving our individual competence.

There are many qualities required to make a success of being a member of the EMAS team. Some are learned as careers develop; others are personal skills:

- Good communication skills.
- Good levels of fitness and manual-handling skills (for some roles).
- Excellent driving skills (for some roles).
- Initiative.
- Decision-making skills.
- Willingness to work as a part of a team, and to learn and develop skills.
- A calm manner even in the most challenging situations.

Our values help us provide our patients with access to high quality clinical care and services to ensure the best experience and clinical outcome.

EMAS' vision

Our vision is 'to deliver outstanding sustainable emergency and urgent care services across the communities of the East Midlands.'

EMAS' strategic objectives

Our priorities for 2017/18 and 2018/19 are grouped into five key objectives:

- **Our Performance** – we continually work to deliver the performance our patients expect and deserve.

- **Our People** – we value and support our workforce to deliver their best for patients.
- **Our Development** – we continue to develop our organisation to meet the needs of patients and aspirations of our staff.
- **Our Quality** – we continually seek to improve quality for our patients, delivering high quality care.
- **Our Money** – we ensure we use our funding carefully, delivering value for money for patients and taxpayers alike.

There are more detailed priorities that sit under each of the five headings; a mixture of actions we must do based on national and local NHS strategies and blue-light collaboration, and strategic priorities that we have chosen to allow us to achieve what we need to, to improve services for our patient and staff.

Associated strategies

The trust undertook a review of its key priorities for 2017 to 2019, consulting with key stakeholders and incorporating their views when refreshing the vision statement and priorities (see section above for more detail).

Next steps for the priorities include the incorporation into the EMAS Integrated Business Plan and the Annual Plan, and the quarterly trust objectives which are delivered through a divisional planning process.

The key priorities have informed our Transformation Programme.

We recognise that successful delivery of our strategy will be dependent on the achievement of a number of objectives. A key objective is the delivery of a quality service, and need to continue to build and maintain our reputation among stakeholders as an organisation that can deliver a quality service. By quality, we mean delivering consistently within all three domains of quality: patient safety, patient experience and clinical effectiveness.

To continue developing our relationships, we need to develop innovative services that help to address the current and future challenges in the urgent and emergency care system in the East Midlands. We will do this through continued working with the county-based Sustainability and Transformation Partnerships to devise and deliver new models of care that support the needs of patients and wider health systems.

Key risks

The Trust Board ensures sound risk management arrangements and internal control principles are in place. We monitor performance on an ongoing basis through reports submitted to the Trust Board and committees during the year. The key risks identified are included in the Governance Statement section of this document.

1.2 Performance Analysis

Accident and Emergency performance standards:

In collaboration with providers, commissioners and stakeholders, NHS England's Ambulance Response Programme (ARP) has been designed to change the way ambulance services respond to 999 calls. This is in terms of both the time to respond (performance) and the prioritisation (clinical coding) of patient conditions, which determines the associated response standards. The previous Red 1 and Red 2 national standards are being retired by NHS England with a new call prioritisation system introduced, setting standards for all 999 calls to ambulance services.

EMAS became a national pilot site for the NHS England ARP on 19 July 2017. The new categories are as follows:

Category 1 – Life Threatening
This is defined as a time critical life-threatening event requiring immediate intervention or resuscitation. These calls should be responded to in a mean average time of seven minutes and at least 9 out of 10 times before 15 minutes.

Category 2 – Emergency
This is defined as potentially serious conditions that may require rapid assessment and intervention. These calls should be responded to in a mean average time of 18 minutes and at least 9 out of 10 times before 40 minutes.

Category 3 – Urgent
This is defined as urgent problems that needs treatment to relieve suffering but are not immediately life threatening. These calls should be responded to at least 9 out of 10 times before 120 minutes.

Category 4 – Non-Urgent
This is defined as problems that are not urgent but require assessment. These less urgent calls should be responded to at least 9 out of 10 times before 180 minutes.

In line with clinical guidance, each category has set criteria to establish the required resource, transport and response times to ensure that the right response gets to the patient, first time, every time and within time. The previous Ambulance Quality Indicators (AQIs) measuring performance are no longer considered appropriate measures for a modern and responsive ambulance service capable of delivering a variety of clinical interventions. A revised set of measures, indicators and standards has been developed and are widely supported by commissioners, ambulance providers, paramedics, unions and patient and public representatives.

The clinical conditions within the four categories may mean that a different response and prioritisation is applied to 999 calls in comparison to the previous Red 1 and Red 2 standards. Historical information on performance will remain available via the NHS England website at https://www.england.nhs.uk/statistics/statistical-work-areas/ambulance-quality-indicators/, however, will no longer provide a like-for-like comparison to response times performance in previous years.

There are also four categories for calls received from healthcare professionals (HCP) including general practitioners, requesting a response within an agreed time scale (one, two, three to four hours) for a patient to be conveyed to a hospital or other place of care.

This redesigned system for English ambulance services is strongly endorsed by expert organisations such as the Royal College of Emergency Medicine, the Stroke Association, and the College of Paramedics.

More detail can be found on the NHS England website at https://www.england.nhs.uk/urgent-emergency-care/arp/, including short animations and an easy read guide to the change.

East Midlands Ambulance Service accident and emergency performance

During 2017/2018, we received 989,486 emergency and urgent calls. Our accident and emergency crews responded to 651,875 of these calls, which equates to 1785 face to face responses every day.

From 1 April 2017 to 19 July 2017, EMAS was measured against two national performance standards for Red, life threatening calls. The first standard required us to respond to at least 75% of incidents in eight minutes or less, the second required us to provide a support vehicle within 19 minutes or less for 95% of calls.

National performance standards 1 April 2017 to 19 July 2017, pre-Ambulance Response Programme	
Government standard	**EMAS performance**
Red 1 (75%)	71.44%
Red 2 (75%)	56.61%
Red 19 (95%)	85.09%

To meet the new national Ambulance Response Programme standards, and for our patients to benefit from the change, NHS England recognises that we need to remodel our service, eg the type and number of vehicles we use and the skill mix and number of staff we have working on our frontline (out on the road and in our control centres).

This is because the Ambulance Response Programme is not about the fastest response, but the most appropriate clinical response.

Ambulance Response Programme Standards, post Ambulance Response Programme, 20 July 2017 to 31 March 2018					
Category	**Average response time**	**50th percentile**	**75th percentile**	**90th percentile**	**95th percentile**
Category 1	00:09:00	00:07:38	00:11:13	00:16:05	00:19:55
Category 1 T (transport)	00:20:54	00:12:19	00:24:07	00:48:37	01:09:46
Category 2	00:34:12	00:23:25	00:44:10	01:14:55	01:40:59
Category 3	01:24:13	00:51:29	01:51:54	03:23:05	04:34:38
Category 4	01:16:35	00:39:03	01:36:33	03:36:46	04:46:38
HCP admission protocol 1hr	01:50:25	01:26:35	02:16:51	03:35:07	04:49:32
HCP admission protocol 2hr	02:18:26	02:15:29	03:00:48	04:04:04	04:48:21
HCP admission protocol 3hr	02:27:55	02:34:59	03:33:31	04:00:50	05:14:06
HCP admission protocol 4hr	03:56:15	03:57:50	05:15:49	07:09:01	08:50:44

NHS England has given all English services until September 2018 to achieve the new Ambulance Response Programme standards.

We're committed to responding to as many patients as safely and quickly as we can with the resource base (number of staff and vehicles) that we have. However, the EMAS Trust Board has a fundamental belief that there is a resourcing gap despite the efficiencies made at EMAS, and discussions with commissioners on the level of funding and resource required continue.

Additional performance monitoring measures

Key Performance Indicators (KPI)

In addition to the Ambulance Response Programme performance standards referred to above, EMAS also monitors performance on a daily, weekly and monthly basis against a series of measures which have a direct or indirect impact on overall frontline performance.

The Trust Board receives an update on all relevant measures via an Integrated Board Report. The issues reported on are:

- Incidents and response times by category.
- Healthcare Professional incidents and response times by category.
- Lost hours at hospitals and cases over one hour (pre-clinical handover).
- Incident outcomes (national tariff).
- Capacity Management Plan level.
- EMAS stand-downs.
- Meal break compliance.
- Late finish (events over one hour).
- Ambulance Clinical Quality Indicators.
- Quality measures for Accident and Emergency and Patient Transport Services, including incident reports, serious incidents, raising concerns, complaints, compliments, patient advice liaison service reports, deep clean, and locally agreed events.
- Workforce statistics.
- Derbyshire Patient Transport travel and departure times, and renal data.

Monitoring our KPIs and reviewing the detail with identified risks and learning ensures our Trust Board and management teams remain aware of the actual or potential challenges ahead, the likely impact, and actions needed to mitigate any risk or potential disruption to the trust. This approach, which is aligned to the NHS Change Cycle methodology (Plan, Do, Study, Act) also allows the trust to protect and learn from areas of best practice.

Hospital handover times

During 2017/2018 the health and social care system continued to face unprecedented pressure and challenges which impacted on our ability to respond to emergency calls and meet the government standards.

Nationally, emergency department colleagues are required to accept a clinical handover from our ambulance crews when they arrive at hospital with a patient within 15 minutes.

Handover delays continued to place EMAS under extreme pressure and remained the focus of much attention.

During 2017/2018, EMAS lost 72,132 hours to pre-hospital handover delays, equating to the loss of 6011 twelve hour vehicle shifts (an average of 16 shifts a day).

The primary risk associated with handover delays is to patients waiting in the community for a 999 ambulance response. The situation also has an impact on staff wellbeing, morale and sickness levels.

The Executive team and local senior management teams continue to take action both internally and externally to manage and mitigate the risk that the hospital handover delays create. Reports providing updates and detailing action taken have been submitted during the year to the Trust Board meetings held in public, and concerns continue to be escalated to organisations that regulate, commission and monitor EMAS services.

Clinical care

Whilst the speed of response to ambulance calls is important, equally as important is the clinical care provided on scene, and in our emergency vehicles as the patient is assessed and if needed, taken to hospital for further assessment and treatment.

As in the previous year, we identified quality improvement priorities against these three domains of quality:

- Clinical effectiveness
- Patient safety
- Patient experience

Against those we have set four quality improvement priorities for 2017/2018.

- **Clinical effectiveness:**

  Priority 1: Staff health and wellbeing

  The quality priority area for staff health and wellbeing focuses on improving staff's health and wellbeing at work. EMAS will continue to develop staff support mechanisms that ensure the health and wellbeing of our staff.

  Lead: Director of Quality and Nursing

  Priority 2: Improving Sepsis care

  Red Flag Sepsis is the Sepsis Trust's definition of a patient who is presenting with clinical signs that suggest the patient is either suffering or approaching septic shock. EMAS will continue the work from last year that will focus on delivering antibiotics to Red Flag Sepsis patients.

  Lead: Medical Director.

- **Patient Experience:**

  Priority 3: Cardiac arrest – return of spontaneous circulation (ROSC) and survival outcomes.

  During the year we will:
  - Continue to develop and improve our cardiac arrest outcomes.
  - Continue to see our Ambulance Quality Indicators and outcomes around stroke, chronic obstructive pulmonary disease (COPD) and asthma improve.
  - See an increase in the presence of frontline clinical supervision to all active resuscitation attempts.

Lead: Chief Operating Officer

Priority 4: Continue to reduce conveyance by the utilisation of alternative care facilities.

During the year we will:

- Maintain and improve 'hear and treat'
- Maintain and improve 'see and treat'
- Reduce conveyance by accessing alternative pathways that are available
- Have robust patient safety plans in place that support non-conveyance

Lead: Medical Director

Commissioning for Quality and Innovation (CQUIN)

Additional funding for EMAS' income in 2017/2018 was dependent upon the organisation achieving quality improvement and goals through innovation. These were agreed between EMAS and NHS Hardwick Clinical Commissioning Group (our lead commissioners).

CQUIN schemes are an opportunity for EMAS to provide a key focus on quality improvement. The outcomes from these schemes can be so significant and impact directly on patient care.

We focused on delivering schemes that make significant changes to the lives of patients and their outcomes.

National Health and Wellbeing CQUIN

This CQUIN was introduced in 2016 and encourages providers to improve their role as an employer by looking after the health and wellbeing of employees. It covers three areas:

- Staff survey: Achieving a five percentage point improvement in two of the three NHS annual staff survey questions on health and wellbeing, musculoskeletal and stress. The improvement should be achieved over a two year period with the baseline survey being the 2015 survey.
  - Question 9a: Does your organisation take positive action on health and well-being? Providers are expected to achieve an improvement of 5 percentage points in the answer 'yes, definitely', compared to the baseline staff survey results, or achieve 45% of staff surveyed answering 'yes, definitely'.
  - Question 9b: In the last 12 months have you experienced musculoskeletal problems as a result of work activities? Providers are expected to achieve an improvement of 5 percentage points in the answer 'no' compared to the baseline staff survey results, or achieve 85% of staff surveyed answering 'no'.
  - Question 9c: During the last 12 months have you felt unwell as a result of work related stress? Providers are expected to achieve an improvement of 5 percentage points in the answer 'no' compared to baseline staff survey results or achieve 75% of staff surveyed answering 'no'.

- Flu vaccination: Year 1 – achieving an uptake of flu vaccinations by frontline clinical staff of 70%.

- Healthy eating for staff and visitors: Maintaining improvements made under the 2016/17 CQUIN which are:
  - The banning of price promotions on sugary drinks and foods high in fat, sugar or salt.
  - The banning of advertisements on NHS premises of sugary drinks and foods high in fat, sugar or salt.
  - The banning of sugary drinks and foods high in fat, sugar or salt from checkouts.
  - Ensuring that healthy options are available at any point including for those staff working night shifts.

And for 2017/18 to introduce the following:

- 70% of drinks lines stocked must be sugar free.
- 60% of confectionery and sweets do not exceed 250 kcal.
- At least 60% of pre-packed sandwiches and other savoury pre-packed meals (wraps, salads, pasta salads) available contain 400kcal (1680 kJ) or less per serving and do not exceed 5.0g saturated fat per 100g.

Electronic Patient Report Form (ePRF) implementation CQUIN

This CQUIN indicator is designed to provide a technical solution capable of:

- recording ambulance patient records in an electronic format,
- supporting emergency care provision through process and technical enablement,
- integrating the technical solution with existing medical devices as well as achieving greater integration with the wider health care system, and
- enhancing patient care and experience.

Over the two years of this CQUIN it is expected that EMAS will implement the technical solution and ensure 90% compliance for completing ePRF across the region by the end of the second year (2018/19 contract year). By the end of 2017/18 contract year EMAS is required to achieve the following compliance rates:

- Derbyshire - 79%
- Leicester, Leicestershire and Rutland - 69%
- Lincolnshire - 61%
- Northamptonshire - 65%
- Nottinghamshire - 82%

The CQUIN also requires several technical capabilities to be in place to enhance the provision of the ePRF system. This includes emails to general practitioners to let them know when one of their patients have been seen by an EMAS clinician and identify where there is the potential for or actual gaps in provision for use of alternative pathways.

National Conveyance CQUIN

This indicator incentivises managing care closer to home and a reduction in the rate of ambulance 999 calls that result in conveyance to a hospital emergency department. The introduction of enhanced training and protocols for ambulance clinicians, better system-wide data sharing, improved clinical support and advice to the ambulance service from a

range of healthcare professionals in clinical hubs, and/or the provision of alternative care pathways are all be expected to have a positive impact on this indicator.

Sustainability and Transformation Plan (STP) CQUIN

It is anticipated that this CQUIN supports delivery of the STP ambitions in relation to urgent care by reducing inappropriate conveyances, handover delays, utilisation of local community health services and supporting the full integration of services. This includes more ambulance calls being resolved without conveyance to an emergency department, improved access to electronic record systems by urgent and emergency care services to support and enhance patient record keeping, improved partnership working with care homes, homecare, mental health services, social care providers and long term condition experts.

For year one of this two year CQUIN EMAS are required to provide minutes from Public Trust Board meetings which demonstrate discussion and agreement to each of the STPs of which EMAS is within the footprint for. There are seven STP footprints EMAS falls under, these are:

- Derbyshire
- Greater Lincolnshire
- Humber, Coast and Vale
- Leicester, Leicestershire and Rutland
- Northamptonshire
- Nottinghamshire
- South Yorkshire and Bassetlaw

EMAS will also need to supply evidence during 2017/18 and 2018/19 that they have made the required contribution to STP transformation initiatives.

Funding

Along with many other NHS organisations EMAS continued to experience serious financial challenges whilst responding to increases in demand.

The EMAS Our Money strategic objective is supported by four key priorities:

- To return to financial balance and become financially sustainable.
- Reduce our overall non frontline management cost base as a proportion of our staffing, making sure we can afford to right-size our frontline workforce.
- Continue to rationalise and improve our estate, sharing facilities in collaboration with partners such as fire and police where it makes sense.
- To drive greater savings by collaborating with other ambulance services where it is sensible to do so.

Reducing overall non frontline management costs and driving greater savings by collaborating with other ambulance services is in response to the national Carter Review which suggests how large savings can be made by all NHS organisations. We are benchmarking against peer services and engaging with local neighbouring services to explore opportunities for joint-working.

Sharing fire and police service buildings and facilities and working in partnership is not new to UK ambulance services. At EMAS we have several good examples of blue-light services collaboration work that will result in reducing costs, improving patient care and

facilities for our colleagues. We have moved into joint premises in Louth and entered into agreements for Lincoln and Sleaford, with negotiations progressing well elsewhere in the region.

Our Cost Improvement Programme for 2017/18 was achieved and we have identified schemes to help improve services, increase efficiency and reduce spend (approximately £5.3 million) over the next two years. Most of the schemes are being achieved by transforming the way we work and making ourselves more efficient.

To support financial and operational improvement we formed a Turnaround Board with the immediate focus being to improve and protect the services that we provide to our patients; this is both hitting our statutory response times and our financial targets and has been successful with the trust moving into financial balance.

The Turnaround Board makes key decisions and ensures action is taken. Decisions made during the year include the removal of corporate vacancies (eg support enabling services such as human resources, finance, information management and technology, communications and engagement etc) and the resetting of budgets allocated to managers.

The decision to remove corporate vacancies does not affect frontline services; we continue to actively recruit to our Accident and Emergency and Emergency Operations Centre teams to reach our whole time equivalent target.

We entered into a two year contract for the years 2017/18 and 2018/19 which gave EMAS a degree of certainty around Accident and Emergency income. Our Accident and Emergency contract value (funding 999 ambulance services across the six counties we serve) for 2017/18 is £161.0million, however due to increasing demand and increasing prolonged waits the trust has agreed a jointly commissioned capacity and demand review to identify the resources needed to meet the new Ambulance Response Programme standards. It is anticipated the contract for 2018/19 will reflect the outcome of this.

A full set of accounts is provided from page 57 onwards.

We have an annual income of £173 million. Most of our income comes from delivering patient care through per our main contracts with commissioners – EMAS provides services to 22 clinical commissioning groups across the whole of the East Midlands.

Financial targets

We finished the year with a financial surplus of £9.6 million (£8.7 million after adjustments for impairments and donated asset depreciation). We did generate sufficient income to cover our costs. This represented an improvement on the trust control target agreed with NHS Improvement. We have delivered £6.1 million savings, which was slightly above our target.

During the year to March 2018, we achieved the following performance against our financial duties:

Description of Target	Trust Target	Actual Result
Adjusted (Deficit)/Surplus	£(5,396)k*	£8,759k*
3.5% return on capital	3.5%	3.5%
Compliance with Capital resource Limit	£9,996k	£9,934k

*excluding the effects of impairments and donated assets

The Trust's surplus for the year includes the following which did not form part of the Trust's recurrent revenue for the year:

	£'000
Reversal of impairments charged as an expense in the Statement of Comprehensive Income in previous years	875
Release of additional CQUIN funding	773
Sustainability and Transformation Fund	
Incentive - Finance	6,245
Incentive - Bonus	1,190
Incentive - General Distribution	475
Contribution to Trust Surplus	9,558

It is the Trust's responsibility to achieve a cumulative break-even over a three year period position and should it fail to do so, or is forecast to do so, it is the External Auditor's responsibility to formally report this to the Secretary of State.

This situation occurred during the year ended 31 March 2017 and a report was duly issued and whilst the result achieved in 2017/2018 has significantly addressed this position this was largely due to non-recurrent items.

The Trust's longer-term plans thus include the need to receive significant investment from its commissioners to address both the operational and financial concerns.

Expenditure

EMAS incurs costs that are predominantly associated with the provision of clinical activity. The largest expenditure area is pay which accounts for 69.8% of the total expenditure. The Trust Accounts for 2017/2018 are set out in full following the main body of this report. These have been prepared on a 'Going Concern' basis and in accordance with guidance issued by the Department of Health, and in line with International Financial Accounting Standards (IFRS). So far as the directors are aware, there is no relevant information of which the auditors are unaware.

During 2017/2018, EMAS spent the majority of available capital. The majority of this was allocated to the replacement of and the purchase of additional vehicles £6.2 million, and defibrillators £1.4 million. This expenditure was funded partly through internally generated capital funds and partly from a loan from the Department of Health.

EMAS operates income generation activities covering operational cover for public events, such as football matches and race meetings, it also provides training covering vehicle maintenance. These are not significant areas of income (0.4%) and are priced to cover the cost of providing the service plus a contribution to the fixed costs of the organisation.

Going concern

After making enquiries, the directors have a reasonable expectation that the NHS 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.

Recruitment

During the year, we recruited over 190 new frontline staff (qualified paramedics, trainee technicians and trainee emergency care assistants) to respond to 999 calls. We also recruited 53 Emergency Operations Centre colleagues during the same period.

In February we launched our new 'You are EMAZING' recruitment campaign. The new, creative and fresh social media led campaign aims to encourage graduating and existing paramedics to consider a career with EMAS. Campaign materials are designed to be engaging and promote the benefits of working for EMAS under four key headings:

E – Excellent location
M – Making a difference
A – Action packed role
S – Support and belonging

Modern Slavery Statement

In 2017 EMAS published a statement made pursuant to Section 54 of the Modern Slavery Act (2015), setting out the steps that EMAS have taken, and will continue to take, to ensure that modern slavery or human trafficking is not taking place within our organisation and commissioned services. Visit http://www.emas.nhs.uk/search/?q=modern+slavery for details.

Patient experience

We welcome feedback from patients and members of the public, whether it is to say 'thank you' for a positive experience, or if there's something that we need to get better at.

The EMAS 'Our quality' strategic objective allows us to continually seek to improve quality for our patients. This means delivering sustained improvement in patient experience and clinical outcomes. The objective is designed to ensure that we provide the highest clinical standards, the most clinically effective care for patients, and improve their outcomes.

The EMAS Patient Voice Group, made up of public volunteers, is chaired by our Director of Quality and Nursing, and is supported by two sub-groups based in North Nottinghamshire and Derbyshire.

They meet regularly to discuss and add strength to EMAS services; they review our complaints, compliments PALS procedures, media messages and a selection of responses identifying areas for improvement, and are actively involved in quality visits to various establishments within our region.

During the year the groups visited our Patient Transport Service, to gain a better understanding of the Derbyshire service, and our Emergency Operations Centre to shadow our emergency medical dispatchers and Clinician Assessment team. In addition, they visited the Fleet Workshop including seeing how the emergency vehicles are maintained by our in-house mechanics. The first Patient Voice visit for 2018/2019 is planned with our Hazardous Area Response Team.

More detailed information on our achievements is provided in our Quality Account 2017/2018.

Freedom to Speak Up

Listening to and acting on staff feedback helps us improve our services for all patients. Terry Simpson, Head of Mental Health at EMAS, is the Freedom to Speak Up Guardian – a confidential point of contact about incidents of malpractice, professional misconduct or financial malpractice. Terry promotes the importance of speaking up, and listens to colleagues talk about challenges and opportunities around our people (patients and staff), our culture and our partnerships (how we work with other services).

General Data Protection Regulation

The forthcoming changes to data protection legislation, in the form of the General Data Protection Regulation (GDPR), supported in the UK by the Data Protection Act 2018, has meant that considerable work has been undertaken to ensure EMAS meets its requirements under the new law. In June 2017, 360 Assurance were commissioned to conduct an audit on EMAS readiness for GDPR. We were able to provide significant assurance, at that early stage, as we had developed an action plan based upon the Information Commissioners '12 steps'. The plan has since formed the basis for the work programme and has been updated as and when new guidance has been produced. It is monitored by both the Information Governance Group and the Finance and Performance Committee.

A mandatory requirement under new legislation is to identify a Data Protection Officer. At EMAS this action is complete with the role being fulfilled by our Head of Information Governance, who is managing virtual work-streams including communications, to support the fair processing notices and procurement, to support the contract reviews. The Board attended an awareness session on GDPR which detailed the impact the new legislation will have on EMAS and the penalties that may be imposed for any breaches that may occur. Information relating to GDPR is being communicated with all EMAS staff.

Sustainability

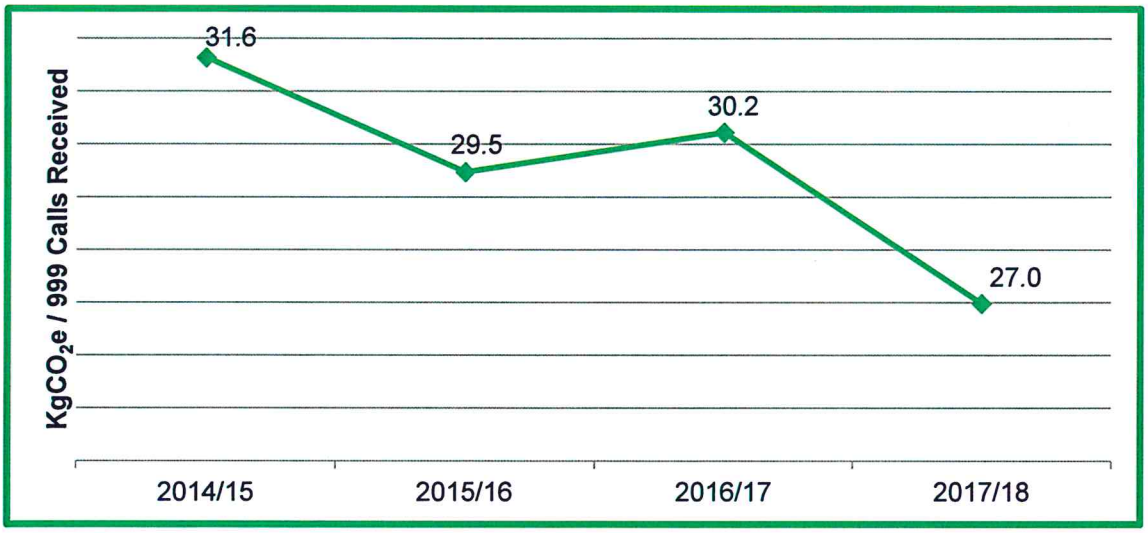
We have continued to develop and implement initiatives to improve our environmental performance, enhance our resilience to the challenges associated with climate change and reduce our environmental footprint.

We are actively engaging with all relevant internal and external stakeholders on the benefits of embedding good environmental practices into the way we delivery sustainable emergency and urgent care services across the East Midlands.

In 2015, we adopted a five-year 30% carbon reduction target against our 2014/15 carbon footprint. Our carbon footprint is represented by: the energy used across our estate; our business miles; fuel used by our healthcare vehicles; and the goods and services we procure.

To put our environmental performance into context, we report our carbon reduction performance as a factor of the number of 999 calls we receive.

Our 2017/18 carbon footprint was 26,200 tCO_2e, which implies that we achieved a 2.5% reduction compared to our 2014/15 baseline. A further analysis of our performance shows that the carbon we emit per 999 call received reduced by 15% over the last four years.



Below are the main factors that have contributed to the improvement of our environmental performance:

- Over the last three years, we procured over 300 new vehicles. These newer low emission vehicles reduced the average carbon emitted per km travelled by our fleet from 200 g/km to 184 g/km.
- The new vehicles, our clinical models, and actively promoting good environmental practices contributed to 8.4% reduction in the fuel used by our operational vehicles in 2017/18 compared to 2014/15. In addition, the fuel we used per 999 calls received reduced by approximately 20% from 4.8 Litres to 3.8 Litres.
- We have continued to record a reduction in the number of times our emergency vehicles were left on run-lock or idling to reduce the public health and environmental impacts of our operations.
- We are currently engaging with stakeholders to as much as possible deliver zero emission capable ambulances and reduce emissions from our grey fleet.

- We are aware of the challenges and opportunities associated with Derby and Nottingham cities becoming mandated Clean Air zones from 2020.
- During the financial year under review, 3.2% of our business miles were avoided by car sharing and 4% of these business miles were travelled by low emission hybrid electric vehicles. Car sharing and electric hybrid vehicles contributed to a 15% reduction in our carbon footprint compared to our 2014/15 baseline.
- As part of our commitment to comply with the Carter Review recommendations and in line with our environmental policy commitments, we are investing in energy efficiency initiatives across our estate. These have contributed to the reduction in electricity (4%) and gas (19%) used over the last four years.
- The 3% reduction in the procurement and commissioning aspect of our carbon footprint over the last four years is attributed to our Cost Improvement Programme.
- Over the last two years we have consistently achieved diversion of 98% of the general wastes generated from our premises from landfill.
- The proportion of soft clinical wastes generated from our operations that were disposed via high temperature incineration route has reduced over the last four years from 27% to 2%. We have also continued to record improvement in the safe handling, segregation and management of clinical wastes generated from our operations.

Deputy Chief Executive acting on behalf of the Chief Executive

23 May 2018

2. Accountability Report

2.1 Corporate Governance Report

This section of our Annual Report provides information on the composition and organisation of EMAS' governance structures and how they support the achievement of our objectives.

2.2 Directors Report

Membership of the Trust Board during 2017/2018 (* voting members)

Name	Role	Date appointed	Date left
R Henderson	Chief Executive*	9 October 2017 (Note: Acting Chief Executive from 29 March 2016)	
M Naylor	Interim Director of Finance*	25 April 2016	
D Whiting	Interim Chief Operating Officer*	1 October 2017 (Note: D Whiting worked for EMAS as a contractor prior to this interim appointment)	
K Gulliver	Director of Human Resources and Organisational Development	1 October 2014	
J Douglas	Director of Quality and Nursing*	30 June 2014	
Dr R Winter	Medical Director*	9 February 2015	
W Legge	Director of Strategy and Transformation	21 July 2014	
P Tagg	Chairman*	11 October 2011	
S Dawkins	Non-Executive Director*	11 October 2011	

R Morrison	Non-Executive Director*	1 July 2014	
W Pope	Non-Executive Director*	25 January 2016	
V Sharma	Non-Executive Director*	1 October 2014	
K Tomlinson	Non-Executive Director*	1 August 2014	
J Ide	Associate Non-Executive Director	8 January 2018	

Note: Ben Holdaway became Director of Operations on 5 February 2018, but will not become a member of the Trust Board from 10 April 2018.

Board meetings were also attended by Karen Sullivan, Associate Director of Corporate Services in an advisory capacity.

Members of the Audit Committee

Member	From	To
R Morrison – Chair	1 April 2016	
S Dawkins	15 December 2016	
W Pope	25 January 2016	

Register of Interests

Details of company directorships and other significant interests held by members of the Trust Board are included in the register of interests which is available on the EMAS website: http://www.emas.nhs.uk/about-us/trust-board/

Each Director knows of no information which would be relevant to the auditors for their audit report and which the auditors are not aware of and has taken all the steps that he or she ought to have taken to make himself/herself aware of any such information and to establish that the auditors are aware of it.

2.3 Statement of Accountable Officer's responsibilities

Statement of Accountable Officer's responsibilities

The Chief Executive of NHS Improvement, in exercise of powers conferred on the NHS Trust Development Authority, has designated that the Chief Executive should be the Accountable Officer of the trust. The relevant responsibilities of Accountable Officers are set out in the NHS Trust Accountable Officer Memorandum. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

- value for money is achieved from the resources available to the trust;
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;
- effective and sound financial management systems are in place; and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

The Accounting Officer confirms that to the best of his knowledge and belief, he has properly discharged the responsibilities set out in his letter of appointment as an Accountable Officer.

2.4 Governance statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of the East Midlands Ambulance Service NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the East Midlands Ambulance Service NHS Trust for the year ended 31 March 2018 and up to the date of approval of the annual report and accounts.

The governance framework of the organisation

Description of the governance framework

The Board has established the following committees to support it in its role:

- an Audit Committee which is responsible for reviewing the Trust's governance, risk management and internal control systems and monitors the integrity of the Trust's financial statements and financial reporting mechanisms;
- a Quality and Governance Committee which monitors the effectiveness of the Trust's assurance framework, oversees compliance with legislative requirements, best

practice in governance and regulatory standards and ensures that a greater awareness of clinical quality is fostered throughout the Trust;
- a Workforce Committee which agrees and monitors the implementation of strategies relating to workforce issues and monitors performance against key workforce metrics;
- a Finance and Performance Committee which considers performance against the Trust's objectives as set out in the Integrated Business Plan and the Annual Plan, monitors operational and financial performance, oversees the capital programme and monitors arrangements for cash forecasting, investing and banking;
- a Remuneration and Nominations Committee which has responsibility for setting the remuneration of the Chief Executive and Executive Directors and any groups not included within the Agenda for Change Pay Framework; and
- an Improvement Board which oversees the implementation of the Quality Improvement Plan.

Minimum requirements are set for attendance at meetings against which performance is monitored.

Ensuring quality governance

The Trust has arrangements in place for ensuring quality governance which include:

- the Quality and Governance Committee;
- an annual Quality Account;
- an annual Clinical Audit programme which is overseen by the Clinical Governance Group;
- identification, investigation and learning from Never Events and Serious Incidents
- the Quality Everyday programme which ensures that the standard and quality of care is maintained and the Care Quality Commission's standards for ambulance trusts followed.

Ensuring corporate governance

The Trust Board has confirmed compliance with the NHS provider licence condition 4 and has not identified any significant risks to non-compliance. Details to support this are set out below.

Leadership – The Trust is headed by a Board with collective responsibility for the long-term success of the organisation. The division of responsibilities between executive functions and the running of the Board are set out in the Trust's Standing Orders and Scheme of Delegation. The Trust appointed a new Director of Operations with effect from 5 February 2018. An Associate Non-Executive Director also joined the Board on 8 January 2018.

Effectiveness – Directors received an induction on joining the Board. This is supplemented with Board Development sessions to enable Board members to work effectively together and to set aside time to discuss and agree the Trust's vision, provide input to the development of key strategies and to receive information about the Trust's functions. Individual directors, the Chief Executive and the Chairman undertake annual performance appraisals. The Board undertook an assessment of its role and performance in May 2017. Areas of improvement were identified as part of the self-assessment and have informed the Board Development Programme.

Accountability – The Board recognises its responsibility for determining the nature and extent of the significant risks involved in achieving the Trust's strategic objectives. The Board ensures the Trust has sound risk management arrangements and internal control principles and has sought assurance that these arrangements were operating effectively through its committees and the reports it receives during the year.

Sustainability – The Trust has a five year Integrated Business Plan which takes a long-term view of the vision of the Trust. Board members were involved in the development of the plan and the document was approved by the Trust Board. The Board receives regular reports from the Chief Executive which include information on national initiatives and general horizon scanning. These reports inform the work of the Board in developing its long-term plans.

The Trust has arrangements in place to ensure the discharge of statutory functions. Responsibility for functions is clearly allocated to individual Executive Directors. Regular reports are presented to the Board and appropriate committees to provide assurance that statutory requirements are met and compliance ensured for individual functions. The Scheme of Delegation identifies responsibility for specific statutory roles and details delegated authority to undertake the functions.

Achievement of national standards

The Trust implemented the Ambulance Response Programme in July 2017. This resulted in a different categorisation of calls and new national standards. Achievement of the national standards has continued to be challenging under the Ambulance Response Programme due to changes in the nature of calls during the year, funded resourcing levels and delays in the clinical handover of patients at some acute trusts in the region. EMAS is continuing to work with partners to address these issues.

Capacity to handle risk

As Accountable Officer I have responsibility for the overall direction of the risk management systems and processes within the Trust.

The Associate Director of Corporate Services was the identified lead for risk during 2017/18.

The Trust provides training and guidance to ensure that risk management is integrated into all policies and procedures which:

- raises awareness of incident reporting and near misses;
- ensures compliance with professional registration requirements;
- provides a consistent approach to the management of risk; and
- ensures systems and processes which have the capacity to manage and mitigate risk are developed and maintained.

Good practice and lessons learnt were widely shared during the year through mechanisms such as the Lessons Learnt Group, the Risk, Safety and Governance Group and the Clinical Governance Group.

The risk and control framework

Risk management arrangements

The Trust has a Risk Management Policy which was revised and approved by the Board in November 2017. There is a systematic process for the identification of risk throughout the organisation through local or divisional risk registers and a Board Assurance Framework. The risk registers and Board Assurance Framework are reviewed regularly to ensure risks are managed effectively in accordance with the Risk Management Policy.

Risks are scored for impact and likelihood using a risk evaluation model. The significance of a risk to the achievement of the Trust's strategic objectives determines whether a risk is managed locally or escalated for inclusion in the Board Assurance Framework. The Trust's strategic-level risks are contained in the Board Assurance Framework which details the risk and any mitigation through the application of controls, together with evidence that demonstrates the application of those controls. In identifying current and expected risk scores the Trust Board considers its risk appetite, determining the level of risk it is willing to accept and the mitigating actions required to achieve that.

The Board Assurance Framework is the key tool used by the Trust to provide assurance that risk and control mechanisms are in place and operating effectively. Through regular monitoring of the Board Assurance Framework and the operational risk registers, which underpin the risk management process, the Executive Team and the Trust Board ensure that current risks are managed appropriately and there are suitable arrangements for preventing and deterring risk. The Board Assurance Framework was subject to a thorough review during 2017/18. Responsibility for the detailed examination of specific risks on a regular basis is delegated to the respective committees.

The Trust's Internal Auditors undertook a survey of Board members views of the Board Assurance Framework during 2017/18. This demonstrated a good level of understanding of risk management at Board level. Some areas for improvement were highlighted which in the main related to the assurance Board members had about the management of risk at an operational level and use of the concept of risk appetite within the Trust. Work is currently underway to further embed risk management across the Trust and to address these issues.

The main risks identified during 2017/18 were:

- resourcing levels required to meet demand and provide a quality service;
- the impact of calls from 111 services on resourcing levels;
- compliance with statutory duties and contractual targets including response times and financial and efficiency targets;
- achievement of Care Quality Commission standards;
- ability to demonstrate compliance with equalities requirements;
- effective recruitment, induction and retention of sufficient qualified staff to meet the demand for services;
- failure to retain contracts;
- failure of the information and communications technology infrastructure;
- the impact of more complex contracting arrangements arising from the Sustainability and Transformation Partnerships;
- the impact of changes in policy and working arrangements on staff morale and employment relations;

- rising costs from the United Kingdom's decision to leave the European Union;
- the risk of rising staff costs from national re-banding; and
- the impact of pressures in the health economy including hospital handover times, non-EMAS Patient Transport Services and the impact of the Sustainability and Transformation Partnerships.

A number of these challenges are likely to continue into 2018/19.

Risk management is further embedded within the Trust through the system of service management responsibilities. Equality impact assessments are carried out against core business policies, and risk assessments and quality impact assessments are completed on proposed business activities and changes.

Internal Audit carried out an audit of the Trust's arrangements for risk management during 2017/18. The aim of the review was to provide assurance that the Trust's risk management arrangements were operating effectively at an operational level. The review concentrated on two divisions within the Operations Directorate. A significant assurance opinion was provided for this review. The auditors recognised that significant improvements had been made in the risk management process in the 18 months prior to the review. In the divisions reviewed, a strong and positive risk management culture was identified with managers understanding their roles and responsibilities. The auditors also noted that the Trust had a structured approach to reviewing and quality assuring the content of risk registers.

The risk management arrangements are supported by a system of management control throughout the organisation which governs how the organisation operates. This includes the existence of clear policies and procedures to guide staff in their everyday work, a scheme of delegation which explains which groups and individuals have specific decision-making and financial authority, arrangements for the supervision and appraisal of staff and a system of audits and reviews of the Trust's processes to ensure compliance with legislation and internal requirements, particularly in relation to patient safety and effectiveness. These measures ensure that the organisation's statutory obligations and requirements from external regulators including the Care Quality Commission are complied with and risks are effectively managed including the prevention and deterrence of those risks.

The Trust's quality impact assessment and equality impact assessment processes ensure that risks which could arise from changes to services, new initiatives or proposals for efficiency savings are identified early, prevented and deterred as appropriate and managed effectively.

The Trust has an annual Counter Fraud work programme in place and the result of the reviews undertaken are monitored by the Trust's Audit Committee.

The Trust has completed an assessment against NHS Improvement's Well Led Framework and has identified actions where improvement can be made. This is overseen by the Trust Board.

The Board receives the Board Assurance Framework regularly and discusses the principle risks and the controls in place. The Board also receives integrated performance reports which provide data in respect of financial, clinical and national targets and objectives. Any areas of risk are highlighted. Information included in the integrated performance reports is

overseen by the Performance Management and Information Team to ensure the quality of the data. The Trust also has a Data Quality and Compliance Group responsible for providing assurance that the data used by the Trust is fit for purpose.

Data security risks

The Trust Board approved the Information Security Strategy in November 2017. The Trust has an Information Security Management System including appropriate governance arrangements, providing assurance to the Trust Board through the Information Governance Group and the Finance and Performance Committee. This allows for the identification and management of data security risks. The Information Security Manager has day to day responsibility for managing these risks. Arrangements to identify and manage the risks include regular testing of all systems, firewalls, antivirus updates and arrangements for backup and restore testing.

Employer obligations

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.

Statutory requirements

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

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

Public and patient involvement in the work of the Trust

The public and patients are involved in identifying risk and for bringing this to the attention of the Trust in a variety of ways including patient satisfaction surveys, complaints, litigation claims, Patient Advice and Liaison concerns and the Patient Voice Forum.

Regulation and inspection

The Care Quality Commission carried out a planned inspection of the Trust in February 2017. The Care Quality Commission acknowledged that the Trust had made significant improvements since the last inspection in November 2015. The overall rating for the Trust was Requires Improvement. During 2017/18 the Trust responded to the inspection report and implemented an action plan to address the key issues identified.
The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust has arrangements in place for ongoing monitoring of its compliance with these requirements and ensuring that actions required by the Care

Quality Commission are implemented. This was overseen by the Improvement Board and the Quality and Governance Committee during 2017/18.

Internal audit programme and assurance

The Trust's internal auditors have provided a significant assurance opinion for 2017/18. The significant assurance opinion means that there is a generally sound framework of governance, risk management and control designed to meet the organisation's objectives, and that controls are generally being applied consistently.

One high risk issue was identified by the internal auditors during 2017/18. This relates to weaknesses in the Trust's procurement processes including non-compliance with Standing Financial Instructions and a failure to appropriately report cases where a waiver of Standing Financial Instructions in relation to the procurement process had been approved. There were two limited assurance opinions provided on reviews in 2017/18. These were:

- Procurement Review: Focus on Contract Management, Tenders, Quotes and Waivers
- Business Continuity Management Review: Focus on Emergency Operations Centre and Information Management and Technology.

In addition there was one significant/limited assurance opinion:

- Care Quality Commission Compliance Monitoring and Action Planning.

The internal auditors provided significant assurance opinions on nine audits in 2017/18.

Prevention of Future Deaths Reports

The Trust received three Prevention of Future Deaths reports from the Coroner in 2017/18.

The issues highlighted were:
- the booking of ambulances by the police for the execution of section 135 of the Mental Health Act;
- support for frontline staff and call takers in relation to maternity cases;
- communication with acute hospitals; and
- delayed responses.

The Trust has arrangements in place to ensure a response is sent to the Coroner within the required deadline and to ensure that appropriate action is taken to address the concerns.

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

The Trust Board has a strong commitment to ensuring value for money is achieved, this is reflected in the business and service delivery plans, with monitoring predominantly carried out through the Board sub committees. The Audit Committee in particular advisers the Trust Board on performance against its value for money objectives. It has used the recent National Audit Office report on ambulance efficiency to assist in this process. The Trust benchmarked well on all aspects of economy and efficiency however elements of effectiveness were affected by funding limitations.

To ensure economy, efficiency and effectiveness of the use of resources was achieved during 2017/18 the Trust has:

- undertaken a review to establish the requirements needed to implement the new Ambulance Review Programme standards jointly with commissioners. This identified revised operational practices utilising the best industry standards;
- implemented an external review of pricing and costs which examined EMAS efficiency against industry standards;
- participated in and led elements of the Carter review into Ambulance Service use of resources;
- participated in benchmarking of back office functions with NHS Improvement; and
- partnered with East of England Ambulance Service NHS Trust to examine effective support service delivery.

Information governance

During 2017/18 there were two reportable incidents relating to information governance. In both cases information was emailed to an external party in error. These were isolated incidents and the external recipients both confirmed that the information had been deleted. The Information Commissioner's Office reviewed the incidents and confirmed in both cases that the Trust had taken appropriate action and it was not necessary to investigate the matters.

The Trust has sound information governance policies and procedures in place to prevent security and information breaches and to address any issues that may arise or any areas of concern. These are reviewed annually in line with the Information Governance Toolkit. The toolkit score for 2017/18 was 90% satisfactory (93% in 2016/17). Internal Audit conducted their audit of the toolkit and found the Trust to have significant assurance in this area.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year. The priorities identified for 2018/19 were consulted on with stakeholders to ensure that the Trust prioritised those areas of interest to the public. The Trust Board reviews and approves the Quality Account prior to publication and seeks assurance from the Executive Directors regarding the accuracy of the document.

The Clinical and Quality Strategy sets out how the Trust will improve the quality of its services for patients and monitor compliance with quality standards. An update on the Quality Account Priorities is presented at regular intervals to the Quality and Governance Committee. The Trust Board receives an Integrated Board Report at each meeting which includes the key performance indicators identified in the Clinical and Quality Strategy.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within East Midlands Ambulance Service NHS Trust who have responsibility for the development and maintenance of the internal control framework. I

have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Processes have been in place throughout 2017/18 to maintain and review the effectiveness of the system of internal control. This includes oversight of the Trust's corporate risks by the Trust Board in regularly reviewing the Board Assurance Framework; consideration by the Audit Committee of assurance reports from Internal Audit, External Audit, the Local Counter Fraud Service and EMAS managers; the Trust's risk management arrangements; and arrangements for clinical audit and clinical governance as overseen by the Quality and Governance Committee.

Conclusion

No significant internal control issues have been identified during the year.

Deputy Chief Executive acting on behalf of the Accountable Officer: Mike Naylor
Organisation: East Midlands Ambulance Service NHS Trust

23 May 2018

2.5 Remuneration Report

2.6 Remuneration Policy

Senior managers' remuneration

This remuneration report is for the year ending 31 March 2018. Executive Directors remuneration is paid in accordance with the Department of Health Pay Framework for Very Senior Managers (VSM) in strategic and Special Health Authorities, primary care and ambulance trusts. Our Remuneration and Nominations Committee has delegated responsibility for setting remuneration for the Chief Executive and all Executive Directors in accordance with the VSM Framework.

EMAS operates in accordance with the VSM Pay Framework Performance-Related Pay Awards Scheme and Department of Health annual updates concerning its application. In addition, we apply our policy of annual performance development reviews in order to assess individual performance. The Remuneration Committee is authorised to monitor and evaluate individual performance in accordance with the provisions of the VSM Pay Framework and the requirements of the Department of Health.

EMAS operates in accordance with the VSM Pay Framework Performance-Related Pay Awards Scheme and Department of Health updates concerning its application. We do not anticipate any change in our approach in future years.

EMAS did not award any performance bonus payments to senior managers during 2017/2018.

The following remuneration report for the year ended 31 March 2018 has been audited. This consists of the tables of senior managers' salaries, allowances and pension benefits, and the accompanying narrative.

Remuneration Report For The Year Ended 31 March 2018

Salaries and Allowances (Part 1 - 31 March 2018)			Salary	Expense payments (taxable) total	Performance pay and bonuses	Long Term performance pay and bonuses	All pension related benefits	Total
			Bands of £5,000	nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
			£'000	£	£'000	£'000	£'000	£'000
Richard Henderson	Commenced 29 March 2016	Chief Executive Director	125 - 130	2,100	0	0	20.0 - 22.5	150 - 155
Kerry Gulliver		Director of Human Resources and Organisational Development	95 - 100	4,900	0	0	17.5 - 20.0	115 - 120
Mike Naylor	Commenced 25 April 2016	Interim Director of Finance	130 - 135	0	0	0	0.0 - 2.5	130 - 135
Judith Douglas		Director of Quality and Nursing	95 - 100	0	0	0	15.0 - 17.5	115 - 120
David Whiting	Commenced 24 April 2016	Interim Chief Operating Officer	110 -115	0	0	0	N/A	110 -115
Ben Holdaway	Commenced 5 February 2018	Director of Operations	15 - 20	400	0	0	N/A	15 - 20
Robert Winter		Medical Director	75 - 80	0	0	0	5.0 - 7.5	80 - 85
Will Legge		Director of Strategy and Transformation	100 - 105	2,300	0	0	20.0 - 22.5	125 - 130
Pauline Tagg		Chairman	25 - 30	0	0	0	N/A	25 - 30
Stuart Dawkins		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Rachel Morrison		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Karen Tomlinson		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Vijay Sharma		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Will Pope	Commenced 25 January 2016	Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Jane Ide	Commenced 8 January 2018	Associate Non-Executive Director	0 - 5	0	0	0	N/A	0 - 5

Salaries and Allowances (Part 2 - 31 March 2017)			Salary	Expense payments (taxable) total	Performance pay and bonuses	Long Term performance pay and bonuses	All pension related benefits	Total
			Bands of £5,000	nearest £100	Bands of £5,000	Bands of £5,000	Bands of £2,500	Bands of £5,000
			£'000	£	£'000	£'000	£'000	£'000
Richard Henderson	Commenced 29 March 2016	Acting Chief Executive Director	125 - 130	0	0	0	147.5 - 150.0	270 - 275
Kerry Gulliver		Director of Human Resources and Organisational Development	95 - 100	4,900	0	0	22.5 - 25.0	120 - 125
Richard Wheeler	Ceased 24 April 2016	Director of Finance	5 - 10	0	0	0	5.0 - 7.5	10 - 15
Mike Naylor	Commenced 25 April 2016	Interim Director of Finance	125 - 130	0	0	0	0.0 - 2.5	125 - 130
Judith Douglas		Director of Quality and Nursing	95 - 100	0	0	0	22.5 - 25.0	120 - 125
David Whiting	Commenced 24 April 2016	Interim Chief Operating Officer	130 - 135	0	0	0	N/A	130 - 135
Robert Winter		Medical Director	75 - 80	0	0	0	110.0 - 112.5	185 - 190
Will Legge		Director of Strategy and Transformation	100 - 105	0	0	0	27.5 - 30.0	130 - 135
Pauline Tagg		Chairman	25 - 30	0	0	0	N/A	25 - 30
Stuart Dawkins		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Rachel Morrison		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Karen Tomlinson		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Vijay Sharma		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Will Pope	Commenced 25 January 2016	Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10

The table above shows the salary and pension entitlements of senior managers. It should be noted that the total for the year includes Salary, Expense payments, Performance related pay and derived increase in capital value of pension benefits at pension age, calculated using legislated relevant factor of 20 on annual pension at pension age, plus lump sum at pension age. This does not reflect an increase in remuneration during 2017/2018 but an annual pension value multiplied by a notional value of 20 which may be realised following retirement. The pension benefit table below sets out cash equivalent transfer values.

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest paid director in the financial year 2017/2018 was £132,500 (2016/2017 £132,500) This was 4.56 times (2016/2017 4.59 times) the median remuneration of the workforce, which was £29,027 (2016/2017 £28,843).

In 2017/2018 and 2016/2017 no employees received remuneration in excess of the highest paid director. Remuneration ranged from £15,404 to £132,414 (2016/2017 £15,100 to £125,261).

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

Pension Benefits			Real Increase at Pension Age	Real Increase in Pension Lump Sum at Pension Age	Total Accrued **Pension at Pension** Age at 31 March 2018	Lump Sum at Pension **Age Related to Accrued** Pension at 31 March 2018	Cash Equivalent Transfer Value at 1 April 2017	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2018
			Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000			
			£'000	£'000	£'000	£'000	£'000	£'000	£'000
Richard Henderson	Commenced 29 March 2016	Acting Chief Executive Director	0.0 - 2.5	N/A	30 - 35	80 - 85	399	30	451
Kerry Gulliver		Director of Human Resources and Organisational Development	0.0 - 2.5	N/A	20 - 25	55 - 60	374	25	416
Mike Naylor	Commenced 25 April 2016	Interim Director of Finance	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Judith Douglas		Director of Quality and Nursing	0.0 - 2.5	N/A	30 - 35	80 - 85	511	32	561
David Whiting	Commenced 24 April 2016	Interim Chief Operating Officer	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ben Holdaway	Commenced 5 February 2018	Director of Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Robert Winter		Medical Director	0.0 - 2.5	2.5 - 5.0	55 - 60	170 - 175	1,245	65	1,341
Will Legge		Director of Strategy and Transformation	0.0 - 2.5	N/A	20 - 25	45 - 50	226	17	258

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

Deputy Chief Executive acting on behalf of the Chief Executive

23 May 2018

Exit Packages Agreed in 2017-2018

2017/2018 Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£s
Less than £10,000	7	28,653	36	129,785	43	158,438	0	0
£10,000 - £25,000	4	58,483	5	78,933	9	137,416	0	0
£25,001 - £50,000	6	229,682	2	59,186	8	288,868	0	0
£50,001 - £100,000	0	0	0	0	0	0	0	0
£100,001 - £150,000	2	260,995	0	0	2	260,995	0	0
£150,001 - £200,000	2	318,395	0	0	2	318,395	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**21**	**896,208**	**43**	**267,904**	**64**	**1,164,112**	**0**	**0**

2016/2017 Exit package cost band (including any special payment element)	Number of compulsory redundancies	Cost of compulsory redundancies	Number of other departures agreed	Cost of other departures agreed	Total number of exit packages	Total cost of exit packages	Number of departures where special payments have been made	Cost of special payment element included in exit packages
	Number	£s	Number	£s	Number	£s	Number	£s
Less than £10,000	0	0	24	79,119	24	79,119	0	0
£10,000 - £25,000	0	0	24	372,329	24	372,329	0	0
£25,001 - £50,000	0	0	7	282,727	7	282,727	0	0
£50,001 - £100,000	0	0	2	136,729	2	136,729	0	0
£100,001 - £150,000	0	0	0	0	0	0	0	0
£150,001 - £200,000	0	0	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0	0	0
Totals	**0**	**0**	**57**	**870,904**	**57**	**870,904**	**0**	**0**

Three of the above departures were still on-going as at 23 May 2018.

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Scheme.

Exit costs in this note are accounted for in full in the year of departure.

Where the trust has agreed early retirements, the additional costs are met by the trust and not by the NHS Pensions Scheme.

Ill-health retirement costs are met by the NHS Pensions Scheme and are not included in the table.

The trust has utilised a Mutually Agreed Resignation Scheme in year and this is detailed in the table below.

This disclosure reports the number and value of exit packages agreed in the year.

Note: the expense associated with these departures may have been recognised in part or in full in a previous period.

Exit packages - Other Departures analysis

	2017-2018		2016-2017	
	Number of exit package agreements	Total Value of agreements	Number of exit package agreements	Total Value of agreements
	Number	£000s	Number	£000s
Voluntary redundancies including early retirement contractual costs	0	0	0	0
Mutually agreed resignations (MARS) contractual costs	2	44	35	802
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice*	41	223	20	62
Exit payments following Employment Tribunals or court orders	0	0	2	7
Non contractual payments requiring HMT approval **	0	0	0	0
Total	**43**	**267**	**57**	**871**

Non-contractual payments made to individuals where the payment value was more than 12 months' of their annual salary.	0	0	0	0

As a single exit package can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in the exit packages agreed in 2017-2018 which will be the number of individuals.

* any non-contractual payments in lieu of notice are disclosed under "non-contractual payments requiring HMT approval" below.

**includes any non-contractual severance payment made following judicial mediation, and £0 relating to non-contractual payments in lieu of notice.

Off-payroll engagements longer than 6 months

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

	Number
No. of existing engagements as of 31 March 2018	0
Of which...	
No. that have existed for less than one year at time of reporting.	0
No. that have existed for between one & two years at time of reporting.	0
No. that have existed for between two and three years at time of reporting.	0
No. that have existed for between three and four years at time of reporting.	0
No. that have existed for four or more years at time of reporting.	0

New Off-payroll engagements

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

	Number
No. of new engagements, or those that reached six months in duration, between 1 April 2017 and 31 March 2018	0
Of which...	
No. assessed as caught by IR35	0
No. assessed as not caught by IR35	0
No. engaged directly (via PSC contracted to the entity) and are on the departmental payroll	0
No. of engagements reassessed for consistency / assurance purposes during the year.	0
No. of engagements that saw a change to IR35 status following the consistency review	0

Off-payroll board member/senior official engagements

For any off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, between 1 April 2017 and 31 March 2018:

No. of off-payroll engagements of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
No. of individuals that have been deemed "board members, and/or, senior officials with significant financial responsibility", during the financial year. This figure should include both off-payroll and on-payroll engagements.	15

2.7 Staff Report

Staff absences

Health and wellbeing was a key priority in 2017/2018 when we continued to focus on addressing the two main causes of absence – musculoskeletal injury and ill mental health. Our sickness absence rate during the year was 6.16% (unvalidated) and for 2017/2018 was 5.92%.

We have an Improving Wellbeing and Reducing Sickness Absence plan which is monitored through our internal governance structure and have introduced a new Head of Wellbeing and Culture role within the HR structure. One of their primary responsibilities will be to take a more proactive stance in wellbeing and staff engagement, and working with line managers to ensure a focus on staff wellbeing and experience in practice.

During the year EMAS commissioned an external consultant to review sickness absence management and their work is now complete. This work has provided assurance of HR systems for absence management, along with recommendations that support improving wellbeing and reducing sickness to support us to continue to improve in this area. Detailed information on sickness absence is as follows:

	2017-2018 Number	2016-2017 Number
Total Days Lost	42,994	41,524
Total Staff Years	3,162	3,039
Average working Days Lost	14	14

Staffing Policies

EMAS has a structured system in place for the development of new staffing polices and the review of existing policies. This allows the organisation to learn from previous experiences and ensure that fair and equitable processes are in place for all staff. The consistent approach we take in developing staffing policies includes working in partnership with our trade unions.

We have policies in place to ensure full and fair consideration to applications for employment made by disabled persons, having regard for their particular aptitudes and abilities. Policies include arranging appropriate training for employees who have become disabled persons whilst employed at EMAS, or for training, career development and promotion of disabled persons employed by EMAS.

Senior manager pay banding

The number of senior managers in each banding of salary (as at year ended 31 March 2018) are:

Salary Bands of £5,000	Number	Salary Bands of £5,000	Number
0 - 5	1	95 - 100	2
5 - 10	5	100 - 105	1
15 - 20	1	110 -115	1
25 - 30	1	125 - 130	1
75 - 80	1	130 - 135	1

Employee benefits

2017-2018	Total £000s	Permanently Employed £000s	Other £000s
Employee Benefits - Gross Expenditure			
Salaries and Wages	**102,683**	102,447	236
Social Security Costs	**9,769**	9,769	0
Apprentership Levy	**494**	494	0
Employer Contributions to NHS BSA - Pensions Division	**12,575**	12,575	0
Other Pension Costs	**27**	27	0
Termination Benefits	**1,066**	1,066	0
Temporary Staff	**397**	0	397
Total Employee Benefits	**127,011**	**126,378**	**0**
Employee Costs Capitalised	**0**	0	0
Gross Employee Benefits excluding Capitalised Costs	**127,011**	**126,378**	**0**

2016-2017	Total £000s	Permanently Employed £000s	Other £000s
Employee Benefits - Gross Expenditure			
Salaries and Wages	**99,760**	99,427	333
Social Security Costs	**9,377**	9,377	0
Apprentership Levy	**0**	0	0
Employer Contributions to NHS BSA - Pensions Division	**12,074**	12,074	0
Other Pension Costs	**27**	27	0
Termination Benefits	**518**	518	0
Temporary Staff	**1,055**	0	1,055
Total Employee Benefits	**122,811**	**121,423**	**1,388**
Employee Costs Capitalised	**0**	0	0
Gross Employee Benefits excluding Capitalised Costs	**122,811**	**121,423**	**1,388**

Staff numbers

Analysis of average staff numbers is as follows:

2017-2018

	Total Number	Permanently Employed Number	Other Number
Average Staff Numbers			
Medical and dental	**1**	1	0
Ambulance staff	**2,371**	2,371	0
Administration and estates	**735**	729	6
Nursing, midwifery and health visiting staff	**64**	61	3
TOTAL	**3,171**	**3,162**	**9**
Of the above - staff engaged on capital projects	**0**	0	0

2016-2017

	Total Number	Permanently Employed Number	Other Number
Average Staff Numbers			
Medical and dental	**1**	1	0
Ambulance staff	**2,320**	2,320	0
Administration and estates	**718**	706	12
Nursing, midwifery and health visiting staff	**58**	52	6
TOTAL	**3,097**	**3,079**	**18**
Of the above - staff engaged on capital projects	**0**	0	0

Gender Pay Gap

EMAS has undertaken an analysis of its gender pay gap. In line with legal requirement, the results were published on the Gov.UK website and the EMAS website at https://www.emas.nhs.uk/join-the-team/working-for-emas/ following Workforce Committee in March 2018.

Equality

Equality, Diversity, Inclusion and Human Rights encompass all our aims, objectives and actions addressing inequalities and promoting diversity in healthcare and employment. The key principle of Diversity and Inclusion is that it belongs to everyone and that every individual has the right to be treated with respect and dignity as aligned to our core values.

We are committed to ensure that our services are anti-discriminatory enabling equality of access and provision and that we meet the legal requirements under the Equality Act 2010 and the specific elements of the Public Sector Equality Duty.

The Equality Delivery System 2 (EDS2) is used to ensure that service priorities are influenced and set by the health needs of all our local and regional communities through consultation, equality monitoring and partnership working.

In March 2018, we held our first Equality event to promote our equality progress and achievements and to identify our equality priorities for 2018/2019. The day included

an update from our Equality and Diversity Manager on our journey over the past three years; colleagues from our Lesbian Gay Bisexual and Transgender Network and frontline colleagues sharing their stories and the challenges they have faced in their lives and careers. Workshops focussed on our culture, our Workforce Race Equality Standard and our Equality Delivery System grading. The day was well attended, and the feedback will help us to form our priorities to be agreed by the Board.

We will demonstrate Due Regard in all aspects of our business to ensure we remain focused on equality of outcome and purpose.

The table below identifies the gender, ethnicity and age split across the service:

Age Group	Percentage of Overall Staff 2016/2017	Percentage of Overall Staff 2017/2018
15-19	0.2%	0.4%
20-24	3.5%	5.0%
25-29	9.9%	11.8%
30-34	10.5%	11.1%
35-39	11.2%	10.5%
40-44	14.4%	14.4%
45-49	17.3%	16.5%
50-54	14.3%	13.9%
55-59	10.7%	9.8%
60-64	6.1%	5.4%
65+	2.0%	1.2%

Ethnicity	2016/2017	2017/2018
% White	94.7	93.2
% Ethnic Group	5.3	6.8

Gender %	2016/2017	2017/2018
Male	55%	54
Female	45%	46

Supplementary information

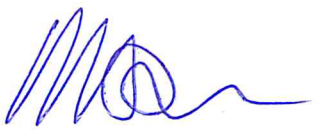
The performance report overview is only part of EMAS' annual report and accounts. EMAS has evaluated its status and has decided it does not meet the definition of a 'commercial organisation'. Therefore, the requirements of the UK Modern Slavery Act do not apply to the organisation.

During 2017/2018, EMAS' expenditure on consultancy fees was £172k (2016/2017: £796k).

Details relating to off payroll arrangements are declared in the Remuneration Report.

The trust recognises the need to ensure the highest standards of probity and actively seeks to reduce the risk of fraud to NHS resources by creating an anti-fraud culture where fraud will not be tolerated. The trust utilises the services of a specialised Local Counter Fraud Service responsible for investigating fraud within EMAS and has specialist legal training and accreditation in countering fraud.

Pension Liabilities and Annual Governance Statement are contained in the full set of audited accounts, available free of charge from the Finance Department at East Midlands Ambulance Service NHS Trust, Trust Headquarters, 1 Horizon Place, Mellors Way, Nottingham Business Park, Nottingham, NG8 6PY (or call 0115 844 5000). Copies of the annual report are available from the same address.



Deputy Chief Executive acting on behalf of the Chief Executive

23 May 2018

2.8 Parliamentary accountability and audit report

EMAS does not report to Parliament and is therefore not required to provide any information in this section of our Annual Report.

2.9 Fees and charges

KPMG LLP are the trust's appointed external auditor and were paid £38k (exc. VAT) in respect of statutory audit fees for the 2017/2018 financial year. The range of statutory audit services provided by KPMG included audit of the annual financial statements, value for money assessment and review of the trust's governance and financial arrangements. KPMG's statutory review of the 2017/2018 financial statements resulted in an unqualified opinion. The Audit Committee receives the annual accounts, the annual audit letter and other reviews and reports completed by the external auditors during the year. The trust accounts for 2017/2018 are set out in full as an appendix within this Annual Report.

3. Financial Statements and notes

East Midlands Ambulance Service NHS Trust

Annual accounts for the year ended 31 March 2018

Statement of Directors' Responsibilities in Respect of the Accounts

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of the Treasury;
- make judgements and estimates which are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

.....Date....23rd May 2018..... Deputy Chief Executive acting on behalf of the Chief Executive

.....Date....23rd May 2018..... Interim Director of Finance

KPMG

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF EAST MIDLANDS AMBULANCE SERVICE NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of East Midlands Ambulance Service NHS Trust ("the Trust") for the year ended 31 March 2018 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2018 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health Group Accounting Manual 2017/18.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the Trust in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

Going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information in the Annual Report

The Accountable Officer is responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information. In our opinion the other information included in the Annual Report for the financial year is consistent with the financial statements

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health Group Accounting Manual 2017/18. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health Group Accounting Manual 2017/18.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 53, the directors are responsible for: the preparation of financial statements that give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, on pages 28 to 29 the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice we are required to report to you if the Trust has not made proper arrangement for securing economy, efficiency and effectiveness in its use of resources.

We have nothing to report in this respect.

Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources

As explained in the statement set out on page 28 to 29, the Chief Executive, as the Accountable Officer, is responsible for ensuring that value for money is achieved from the resources available to the Trust. We are required under section 21(3)(c), as amended by schedule 13 paragraph 10(a), of the Local Audit and Accountability Act 2014 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in November 2017, as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

We are required by Schedule 2 to the Code of Audit Practice issued by the Comptroller and Auditor General ('the Code of Audit Practice') to report to you if:

- we refer a matter to the Secretary of State under section 30 of the Local Audit and Accountability Act 2014 because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the body incurring unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014; or
- we make a written recommendation to the Trust under section 24 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Board of Directors of East Midlands Ambulance Service NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, 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 Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of East Midlands Ambulance Service NHS Trust in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice.

Andrew Cardoza
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
Birmingham

25 May 2018

Statement of Comprehensive Income

	Note	2017/18 £000	2016/17 £000
Operating income from patient care activities	3	171,852	164,757
Other operating income	4	16,001	8,352
Operating expenses	6, 8	(177,079)	(177,580)
Operating surplus / (deficit) from continuing operations		**10,774**	**(4,471)**
Finance income	11	27	15
Finance expenses	12	(240)	(376)
PDC dividends payable		(1,215)	(1,355)
Net finance costs		**(1,428)**	**(1,716)**
Other gains	13	265	479
Share of profit / (losses) of associates / joint arrangements	20	-	-
Gains / (losses) arising from transfers by absorption		-	-
Corporation tax expense		-	-
Surplus / (deficit) for the year from continuing operations		**9,611**	**(5,708)**
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	14	-	-
Surplus / (deficit) for the year		**9,611**	**(5,708)**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(50)	(252)
Revaluations	18	3,157	-
Share of comprehensive income from associates and joint ventures	20	-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	37	-	-
Other reserve movements		-	-
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains / (losses) on available-for-sale financial investments	13	-	-
Recycling gains / (losses) on available-for-sale financial investments	13	-	-
Foreign exchange gains / (losses) recognised directly in OCI	13	-	-
Total comprehensive income / (expense) for the period		**12,718**	**(5,960)**

Statement of Financial Position

	Note	31 March 2018 £000	31 March 2017 £000
Non-current assets			
Intangible assets	15	38	32
Property, plant and equipment	16	73,599	67,606
Investment property	19	-	-
Investments in associates and joint ventures	20	-	-
Other investments / financial assets	21	-	-
Trade and other receivables	24	-	-
Other assets	25	-	-
Total non-current assets		**73,637**	**67,638**
Current assets			
Inventories	23	2,339	2,442
Trade and other receivables	24	12,549	10,067
Other investments / financial assets	21	-	-
Other assets	25	-	-
Non-current assets held for sale / assets in disposal groups	26	-	180
Cash and cash equivalents	27	5,959	3,961
Total current assets		**20,847**	**16,650**
Current liabilities			
Trade and other payables	28	(16,187)	(20,711)
Borrowings	31	(1,800)	-
Other financial liabilities	29	-	-
Provisions	33	(574)	(547)
Other liabilities	30	(77)	(30)
Liabilities in disposal groups	26	-	-
Total current liabilities		**(18,638)**	**(21,288)**
Total assets less current liabilities		**75,846**	**63,000**
Non-current liabilities			
Trade and other payables	28	-	-
Borrowings	31	(18,384)	(18,484)
Other financial liabilities	29	-	-
Provisions	33	(143)	(172)
Other liabilities	30	-	-
Total non-current liabilities		**(18,527)**	**(18,656)**
Total assets employed		**57,319**	**44,344**
Financed by			
Public dividend capital		62,485	62,228
Revaluation reserve		12,079	9,093
Available for sale investments reserve		-	-
Other reserves		-	-
Merger reserve		-	-
Income and expenditure reserve		(17,245)	(26,977)
Total taxpayers' equity		**57,319**	**44,344**

The notes on pages 63 to 113 form part of these accounts.

Deputy Chief Executive acting on behalf of the Chief Executive

Date **23 May 2018**

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2017 - brought forward	**62,228**	**9,093**	**-**	**-**	**-**	**(26,977)**	**44,344**
Surplus for the year	-	-	-	-	-	9,611	**9,611**
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	**-**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	**-**
Other transfers between reserves	-	(121)	-	-	-	121	**-**
Impairments	-	(50)	-	-	-	-	**(50)**
Revaluations	-	3,157	-	-	-	-	**3,157**
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	**-**
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	**-**
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	**-**
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	**-**
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	**-**
Other recognised gains and losses	-	-	-	-	-	-	**-**
Re-measurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	**-**
Public dividend capital received	257	-	-	-	-	-	**257**
Public dividend capital repaid	-	-	-	-	-	-	**-**
Public dividend capital written off	-	-	-	-	-	-	**-**
Other movements in public dividend capital in year	-	-	-	-	-	-	**-**
Other reserve movements	-	-	-	-	-	-	**-**
Taxpayers' equity at 31 March 2018	**62,485**	**12,079**	**-**	**-**	**-**	**(17,245)**	**57,319**

	Public dividend capital £000	Revaluation reserve £000	Available for sale investment reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' equity at 1 April 2016 - brought forward	**62,228**	**9,858**	**-**	**-**	**-**	**(21,782)**	**50,304**
Prior period adjustment	-	-	-	-	-	-	-
Taxpayers' equity at 1 April 2016 - restated	**62,228**	**9,858**	**-**	**-**	**-**	**(21,782)**	**50,304**
(Deficit) for the year	-	-	-	-	-	(5,708)	**(5,708)**
Transfers by absorption: transfers between reserves	-	-	-	-	-	-	-
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	-	-	-	-
Other transfers between reserves	-	(513)	-	-	-	513	-
Impairments	-	(252)	-	-	-	-	**(252)**
Revaluations	-	-	-	-	-	-	-
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Recycling gains/(losses) on available-for-sale financial investments	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly in OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	-	-	-	-	-	-	-
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	-
Taxpayers' equity at 31 March 2017	**62,228**	**9,093**	**-**	**-**	**-**	**(26,977)**	**44,344**

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 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.

Available-for-sale investment reserve
This reserve comprises changes in the fair value of available-for-sale financial instruments. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure.

Merger reserve
This reserve reflects balances formed on merger of NHS bodies.

Income and expenditure reserve
The balance of this reserve is the accumulated surpluses and deficits of the trust.

Statement of Cash Flows

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Operating surplus / (deficit)		10,774	(4,471)
Non-cash income and expense:			
Depreciation and amortisation	6.1	8,097	7,193
Net impairments	7	(875)	1,192
Income recognised in respect of capital donations	4	-	-
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
(Increase) in receivables and other assets		(1,933)	(5,186)
Decrease in inventories		103	30
(Decrease) / Increase in payables and other liabilities		(2,774)	8,385
(Decrease) in provisions		(2)	(735)
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash generated from operating activities		**13,390**	**6,408**
Cash flows from investing activities			
Interest received		27	15
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(22)	-
Sales of intangible assets		-	-
Purchase of property, plant, equipment and investment property		(12,129)	(11,684)
Sales of property, plant, equipment and investment property		473	1,940
Receipt of cash donations to purchase capital assets		-	-
Prepayment of PFI capital contributions		-	-
Investing cash flows of discontinued operations		-	-
Cash movement from acquisitions/disposals of subsidiaries		-	-
Net cash generated (used in) investing activities		**(11,651)**	**(9,729)**
Cash flows from financing activities			
Public dividend capital received		257	-
Public dividend capital repaid		-	-
Movement on loans from the Department of Health and Social Care		1,700	6,950
Movement on other loans		-	-
Other capital receipts		-	-
Capital element of finance lease rental payments		-	-
Capital element of PFI, LIFT and other service concession payments		-	-
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		-	-
Other interest paid		(234)	(347)
PDC dividend paid		(1,464)	(974)
Financing cash flows of discontinued operations		-	-
Cash flows from (used in) other financing activities		-	-
Net cash generated from financing activities		**259**	**5,629**
Increase in cash and cash equivalents		**1,998**	**2,308**
Cash and cash equivalents at 1 April 2017 - brought forward		**3,961**	**1,653**
Prior period adjustments			-
Cash and cash equivalents at 1 April 2017- restated		**3,961**	**1,653**
Cash and cash equivalents transferred under absorption accounting	44	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March 2018	27.1	**5,959**	**3,961**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

The Department of Health and Social Care has directed that the financial statements of the trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2017/18 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 accounts.

Note 1.1.1 Accounting convention
These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets, inventories and certain financial assets and financial liabilities.

Note 1.1.2 Going concern
These accounts have been prepared on a going concern basis as Department of Health group bodies should prepare their accounts on a going concern basis unless informed Department of Health Group Accounting Manual 2017/18 by the relevant national body or DH sponsor of the intention for dissolution without transfer of services or function to another entity. The Trust has not received any such notification.

Note 1.2 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 financial statements. No such judgements have been made.

Note 1.2.1 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:

Non Current Assets. Values as disclosed in notes 16, tangible assets, and 15 intangible assets.

Asset lives are set out in notes 1.7.6 and 1.8.3 with maximum lives being set by reference to the type of asset and it's expected useful life in normal use. Building lives are based on the recommendations received from **the District Valuer. Land and buildings have been re-valued as at 31 March 2018 and have not been subject** to indexation in the year. The results of this are disclosed in note 18.

Provisions. Values as disclosed in note 33.
These have been estimated based on the best information available at the time of the compilation of the accounts.
Estimates of employee's legal claims are made including the advice received from the NHS Resolution to the size and likely outcome of each individual claim. The Trust's maximum liability regarding each claim is limited to £10k.
The employee frozen leave provision is computed with reference to each individual employee entitled to these payments and computed at their latest pay scales. No further employees will become eligible for these payments.

Note 1.3 Interests in other entities

The Trust does not hold any interests in any other entities.

Note 1.4 Income

Income in respect of services provided is recognised when, and to the extent that, performance occurs and is measured at the fair value of the consideration receivable. The main source of income for the trust is contracts with commissioners in respect of health care services. At the year end, the trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete.

Where income is received for a specific activity which is to be delivered in a subsequent financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met, and is measured as the sums due under the sale contract.

The NHS 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 e.g. by an insurer. The NHS trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Revenue grants and other contributions to expenditure
Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure.

The value of the benefit received when accessing funds from the the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.5 Expenditure on employee benefits

Short-term employee benefits
Salaries, wages and employment-related payments such as social security costs and the apprenticeship levy are recognised in the period in which the service is received from employees. The cost of annual leave entitlement earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following period.

Pension costs
NHS Pension Scheme
Past and present employees are covered by the provisions of the NHS Pension Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, general practices and other bodies, allowed under the direction of Secretary of State, 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. There, the schemes are accounted for as though they are defined contribution schemes.

Employer's pension cost contributions are charged to operating expenses as and when they become due.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.6 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 1.7 Property, plant and equipment

Note 1.7.1 Recognition
Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has cost of at least £5,000, or
- collectively, a number of items have a cost of at least £5,000 and individually have cost of more than £250, where the assets are functionally interdependent, had broadly simultaneous purchase dates, are anticipated to have similar 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 economic lives.

Note 1.7.2 Measurement

Valuation
All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

All assets are measured subsequently at valuation. An item of property, plant and equipment which is surplus with no plan to bring it back into use is valued at fair value under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Subsequent expenditure
Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition 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.

Depreciation
Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' ceases to be depreciated upon the reclassification. Assets in the course of construction and residual interests in off-Statement of Financial Position PFI contract assets are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses
Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating income.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments
In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss 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.

Note 1.7.3 Derecognition
Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met:

• the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
• the sale must be highly probable i.e.:

- management are committed to a plan to sell the asset
- an active programme has begun to find a buyer and complete the sale
- the asset is being actively marketed at a reasonable price
- the sale is expected to be completed within 12 months of the date of classification as 'held for sale' and
- the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

Note 1.7.4 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.

Note 1.7.5 Private Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT) transactions
PFI and LIFT transactions which meet the IFRIC 12 definition of a service concession, as interpreted in HM Treasury's FReM, are accounted for as 'on-Statement of Financial Position' by the trust. In accordance with IAS 17, the underlying assets are recognised as property, plant and equipment, together with an equivalent finance lease liability. Subsequently, the assets are accounted for as property, plant and equipment and/or intangible assets as appropriate.

The annual contract payments are apportioned between the repayment of the liability, a finance cost and the charges for services.

The service charge is recognised in operating expenses and the finance cost is charged to finance costs in the Statement of Comprehensive Income.

The Trust has no PFI or LIFT assets.

Note 1.7.6 Useful economic lives of property, plant and equipment
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	-	50
Dwellings	-	-
Plant & machinery	-	15
Transport equipment	-	7
Information technology	-	5
Furniture & fittings	-	7

Finance-leased assets (including land) are depreciated over the shorter of the useful economic 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 1.8 Intangible assets

Note 1.8.1 Recognition
Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets
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.

Note 1.8.2 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 under IFRS 13, if it does not meet the requirements of IAS 40 of IFRS 5.

Intangible assets held for sale are measured at the lower of their carrying amount or "fair value less costs to sell".

Amortisation
Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.8.3 Useful economic lives of intangible assets
Useful economic lives reflect the total life of an asset and not the remaining life of an asset. The range of useful economic lives are shown in the table below:

	Min life Years	Max life Years
Information technology	-	-
Development expenditure	-	-
Websites	-	-
Software licences	2	5
Licences & trademarks	-	-
Patents	-	-
Other (purchased)	-	-
Goodwill	-	-

Note 1.9 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 formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.10 Investment properties
The Trust has no investment properties.

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.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.12 Carbon Reduction Commitment scheme (CRC)
The CRC scheme is a mandatory cap and trade scheme for non-transport CO2 emissions. The trust is registered with the CRC scheme, and is therefore required to surrender to the Government an allowance for every tonne of CO2 it emits during the financial year. A liability and related expense is recognised in respect of this obligation as CO2 emissions are made.

The carrying amount of the liability at the financial year end will therefore reflect the CO2 emissions that have been made during that financial year, less the allowances (if any) surrendered voluntarily during the financial year in respect of that financial year.

The liability will be measured at the amount expected to be incurred in settling the obligation. This will be the cost of the number of allowances required to settle the obligation.

Allowances acquired under the scheme are recognised as intangible assets.

The Trust is not required to participate in the CRC.

Note 1.13 Financial instruments and financial liabilities
Recognition
Financial assets and financial liabilities which arise from contracts for the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the trust's normal purchase, sale or usage requirements, are recognised when, and to the extent which, performance occurs, i.e., when receipt or delivery of the goods or services is made.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised at fair value.

For the Trust's financial instruments fair value equates to cost.

Regular way purchases or sales are recognised and de-recognised, as applicable, using the Trade/Settlement method.

All other financial assets and financial liabilities are recognised when the trust becomes a party to the contractual provisions of the instrument.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement
Financial assets are categorised as fair value through income and expenditure and loans and receivables.

Financial liabilities are classified as fair value through income and expenditure or as other financial liabilities.

Financial assets and financial liabilities at "fair value through income and expenditure"
Financial assets and financial liabilities at "fair value through income and expenditure" are financial assets or financial liabilities held for trading. A financial asset or financial liability is classified in this category if acquired principally for the purpose of selling in the short-term. Derivatives are also categorised as held for trading unless they are designated as hedges. Derivatives which are embedded in other contracts but which are not "closely-related" to those contracts are separated-out from those contracts and measured in this category. Assets and liabilities in this category are classified as current assets and current liabilities.

These financial assets and financial liabilities are recognised initially at fair value, with transaction costs expensed in the income and expenditure account. Subsequent movements in the fair value are recognised as gains or losses in the Statement of Comprehensive Income.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market.

The trust's loans and receivables comprise: current investments, cash and cash equivalents, NHS receivables, accrued income and "other receivables".

Loans and receivables are recognised initially at fair value, net of transactions costs, and are measured subsequently at amortised cost, using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash receipts through the expected life of the financial asset or, when appropriate, a shorter period, to the net carrying amount of the financial asset.

Interest on loans and receivables is calculated using the effective interest method and credited to the Statement of Comprehensive Income.

Other financial liabilities
All other financial liabilities are recognised initially at fair value, net of transaction costs incurred, and measured subsequently at amortised cost using the effective interest method. The effective interest rate is the rate that discounts exactly estimated future cash payments through the expected life of the financial liability or, when appropriate, a shorter period, to the net carrying amount of the financial liability.

They are included in current liabilities except for amounts payable more than 12 months after the Statement of Financial Position date, which are classified as long-term liabilities.

Interest on financial liabilities carried at amortised cost is calculated using the effective interest method and charged to finance costs. Interest on financial liabilities taken out to finance property, plant and equipment or intangible assets is not capitalised as part of the cost of those assets.

Determination of fair value
For financial assets and financial liabilities carried at fair value, this equates to cost

Impairment of financial assets
At the Statement of Financial Position date, the trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced.

Note 1.14 Leases
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.

Note 1.14.1 The trust as lessee

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, the asset is recorded as property, plant and equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease.

The asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

Contingent rentals are recognised as an expense in the period in which they are incurred.

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately.

Note 1.14.2 The trust as lessor

Finance leases

Amounts due from lessees under finance leases are recorded as receivables at the amount of the trust net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the trusts' net investment outstanding in respect of the leases.

Operating leases

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Note 1.15 Provisions

The trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

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 33.2 but is not recognised in the trust's accounts.

Non-clinical risk pooling
The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any "excesses" payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.16 Contingencies
Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets, but are disclosed in note 34 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 34, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

• possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or

• present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

Note 1.17 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.

At any time, 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, except for
(i) donated assets (including lottery funded assets),
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend thus calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.18 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 1.19 Corporation tax
The Trust has no corporation tax liability. Health service bodies are generally exempt from corporation tax, as they are either part of the Department of Health or have specific exemption provided by sections 985 and 986 of the Corporation Tax Act 2010 (CTA 2010).

Note 1.20 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 (other than financial instruments measured at "fair value through income and expenditure") are translated at the spot exchange rate on 31 March
• non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
• non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the Statement of Financial Position date) are recognised in income or expense in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

Note 1.21 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them. However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's FReM.

Note 1.22 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with 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, including losses which would have been made good through insurance cover had the trust not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

However the losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.23 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 1.24 Transfers of functions to / from other NHS bodies / local government bodies
For functions that have been transferred to the trust from another NHS / local government body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition. The net gain / loss corresponding to the net assets/ liabilities transferred is recognised within income / expenses, but not within operating activities.

For property plant and equipment assets and intangible assets, the cost and accumulated depreciation / amortisation balances from the transferring entity's accounts are preserved on recognition in the trust's accounts. Where the transferring body recognised revaluation reserve balances attributable to the assets, the trust makes a transfer from its income and expenditure reserve to its revaluation reserve to maintain transparency within public sector accounts.

For functions that the trust has transferred to another NHS / local government body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net loss / gain corresponding to the net assets/ liabilities transferred is recognised within expenses / income, but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve. Adjustments to align the acquired function to the trust's accounting policies are applied after initial recognition and are adjusted directly in taxpayers' equity.

No such transactions took place during 2017/18.

Note 1.25 Early adoption of standards, amendments and interpretations
No new accounting standards or revisions to existing standards have been early adopted in 2017/18.

Note 1.26 Standards, amendments and interpretations in issue but not yet effective or adopted
As required by IAS 8, trusts should disclose any standards, amendments and interpretations that have been issued but are not yet effective or adopted for the public sector and an assessment subsequent application will have on the financial statements.

Note 2 Operating Segments

The Trust operated as one segment to provide an emergency healthcare service to the East Midlands area.

The Trust considers that disclosure of separate segments should occur where that segment accounts for more than 10% of total operating revenue.

The chief operating decision maker for the Trust is the Trust Board which receives a financial report containing summarised financial results at each Trust Board meeting.

Note 3 Operating income from patient care activities

Note 3.1 Income from patient care activities (by nature)

	2017/18 £000	2016/17 £000
Ambulance services		
A & E income	161,607	155,947
Patient transport services income	9,758	8,186
Other income	487	624
Total income from activities	**171,852**	**164,757**

Note 3.2 Income from patient care activities (by source)

Income from patient care activities received from:	2017/18 £000	2016/17 £000
NHS England	685	263
Clinical commissioning groups	170,376	163,829
Department of Health and Social Care	-	-
Other NHS providers	154	108
NHS other	150	-
Local authorities	-	-
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
NHS injury scheme	487	556
Non NHS: other	-	1
Total income from activities	**171,852**	**164,757**
Of which:		
Related to continuing operations	171,852	164,757
Related to discontinued operations	-	-

Note 3.3 Overseas visitors (relating to patients charged directly by the provider)

	2017/18 £000	2016/17 £000
Income recognised this year	-	-
Cash payments received in-year	-	-
Amounts added to provision for impairment of receivables	-	-
Amounts written off in-year	-	-

Note 4 Other operating income

	2017/18 £000	2016/17 £000
Research and development	328	664
Education and training	4,063	2,203
Receipt of capital grants and donations	-	-
Charitable and other contributions to expenditure	-	-
Non-patient care services to other bodies	-	-
Support from the Department of Health and Social Care for mergers	-	-
Sustainability and transformation fund income	8,844	2,935
Rental revenue from operating leases	-	-
Rental revenue from finance leases	-	-
Income in respect of staff costs where accounted on gross basis	327	329
Other income	2,439	2,221
Total other operating income	**16,001**	**8,352**
Of which:		
Related to continuing operations	16,001	8,352
Related to discontinued operations	-	-

Other income includes income generation, hosted services, emergency preparedness and electronic Patient Report Forms funding.

Note 5 Fees and charges

	2017/18 £000	2016/17 £000
Income	-	-
Full cost	-	-
Surplus / (deficit)	**-**	**-**

Note 6.1 Operating expenses

	2017/18 £000	2016/17 £000
Purchase of healthcare from NHS and DHSC bodies	-	-
Purchase of healthcare from non-NHS and non-DHSC bodies	-	-
Purchase of social care	-	-
Staff and executive directors costs	123,553	119,605
Remuneration of non-executive directors	64	64
Supplies and services - clinical (excluding drugs costs)	3,984	4,780
Supplies and services - general	1,158	1,396
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	493	438
Inventories written down	-	-
Consultancy costs	172	796
Establishment	4,194	4,622
Premises	6,948	7,846
Transport (including patient travel)	16,813	16,339
Depreciation on property, plant and equipment	8,081	7,180
Amortisation on intangible assets	16	13
Net impairments	(875)	1,192
Increase in provision for impairment of receivables	185	73
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	(6)	13
Audit fees payable to the external auditor		
audit services- statutory audit - note 6.1.1	45	64
other auditor remuneration (external auditor only)	-	-
Internal audit costs	92	93
Clinical negligence	437	314
Legal fees	280	276
Insurance	1,587	1,563
Research and development	447	791
Education and training	3,863	4,268
Rentals under operating leases	3,046	4,093
Early retirements	-	-
Redundancy	1,066	518
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT) on IFRS basis	-	-
Charges to operating expenditure for off-SoFP IFRIC 12 schemes	-	-
Car parking & security	-	-
Hospitality	7	7
Losses, ex gratia & special payments	8	21
Grossing up consortium arrangements	-	-
Other services, eg external payroll	1,067	1,024
Other	354	191
Total	**177,079**	**177,580**
Of which:		
Related to continuing operations	177,079	177,580
Related to discontinued operations	-	-

Note 6.1.1 Audit Fees Payable To The External Auditor

	2017/18 £000	2016/17 £000
Statutory External Audit Fee	38	54
Irrecoverable VAT	7	10
Charge Per Operating Expenses (Note 6.1)	45	64

Note 6.2 Other auditor remuneration

	2017/18 £000	2016/17 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	-	-
2. Audit-related assurance services	-	-
3. Taxation compliance services	-	-
4. All taxation advisory services not falling within item 3 above	-	-
5. Internal audit services	-	-
6. All assurance services not falling within items 1 to 5	-	-
7. Corporate finance transaction services not falling within items 1 to 6 above	-	-
8. Other non-audit services not falling within items 2 to 7 above	-	-
Total	-	-

Note 6.3 Limitation on auditor's liability

There is no limitation on auditor's liability for external audit work carried out for the financial years 2017/18 or 2016/17.

Note 7 Impairment of assets

	2017/18 £000	2016/17 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	-	-
Over specification of assets	-	-
Abandonment of assets in course of construction	-	-
Unforeseen obsolescence	-	-
Loss as a result of catastrophe	-	-
Changes in market price	(875)	368
Other	-	824
Total net impairments charged to operating surplus / deficit	**(875)**	**1,192**
Impairments charged to the revaluation reserve	50	252
Total net impairments	**(825)**	**1,444**

All movements in impairments in 2017/18 relate to changes in market price.

Note 8 Employee benefits

	2017/18 Total £000	2016/17 Total £000
Salaries and wages	102,683	99,760
Social security costs	9,769	9,377
Apprenticeship levy	494	-
Employer's contributions to NHS pensions	12,575	12,074
Pension cost - other	27	27
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	1,066	518
Temporary staff (including agency)	397	1,055
Total gross staff costs	**127,011**	**122,811**
Recoveries in respect of seconded staff	-	-
Total staff costs	**127,011**	**122,811**
Of which		
Costs capitalised as part of assets	-	-

Note 8.1 Retirements due to ill-health

During 2017/18 there were 4 early retirements from the trust agreed on the grounds of ill-health (5 in the year ended 31 March 2017). The estimated additional pension liabilities of these ill-health retirements is £155k (£333k in 2016/17).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State 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 2018, is based on valuation data as at 31 March 2017, updated to 31 March 2018 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate

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 last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016 and is currently being prepared. The direction assumptions are published by HM Treasury which are used to complete the valuation calculations, from which the final valuation report can be signed off by the scheme actuary. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

Note 10 Operating leases

Note 10.1 East Midlands Ambulance Service NHS Trust as a lessor

This note discloses income generated in operating lease agreements where East Midlands Ambulance Service NHS Trust is the lessor.

	2017/18 £000	2016/17 £000
Operating lease revenue		
Minimum lease receipts	-	-
Contingent rent	-	-
Other	-	-
Total	-	-

	31 March 2018 £000	31 March 2017 £000
Future minimum lease receipts due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total	-	-

Note 10.2 East Midlands Ambulance Service NHS Trust as a lessee

This note discloses costs and commitments incurred in operating lease arrangements where East Midlands Ambulance Service NHS Trust is the lessee.

The Trust's significant leases are in respect of vehicles for the provision of Accident and Emergency and Non-Urgent Patient Transport Services.
There are no provisions for the charging of contingency rentals or escalation costs.
The Trust is required at all times to keep the vehicles insured, taxed and with valid MOT certificates where necessary and fully maintained to ensure a fully roadworthy condition.
Should the lease agreements be subject to an early termination by the Trust, penalty clauses in the lease agreements would result in the outstanding balance of the lease payments to become immediately due.
At the natural termination of the lease agreements the Trust is required to return the vehicles in a similar condition to that supplied.
The Trust has no automatic right to purchase the vehicles or renew at the end of the lease period.

	2017/18 £000	2016/17 £000
Operating lease expense		
Minimum lease payments	3,046	4,093
Contingent rents	-	-
Less sublease payments received	-	-
Total	**3,046**	**4,093**

	31 March 2018 £000	31 March 2017 £000
Future minimum lease payments due:		
- not later than one year;	2,449	4,428
- later than one year and not later than five years;	4,782	6,810
- later than five years.	805	782
Total	**8,036**	**12,020**
Future minimum sublease payments to be received	-	-

Note 11 Finance income

Finance income represents interest received on assets and investments in the period.

	2017/18 £000	2016/17 £000
Interest on bank accounts	27	15
Interest on impaired financial assets	-	-
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total	**27**	**15**

Note 12 Finance expenditure

Finance expenditure represents interest and other charges involved in the borrowing of money.

	2017/18 £000	2016/17 £000
Interest expense:		
Loans from the Department of Health and Social Care	236	376
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	1	-
Main finance costs on PFI and LIFT schemes obligations	-	-
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	**237**	**376**
Unwinding of discount on provisions	-	-
Other finance costs	3	-
Total finance costs	**240**	**376**

Note 12.1 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2017/18 £000	2016/17 £000
Total liability accruing in year under this legislation as a result of late payments	-	-
Amounts included within interest payable arising from claims made under this legislation	1	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 13 Other gains / (losses)

	2017/18 £000	2016/17 £000
Gains on disposal of assets	268	542
Losses on disposal of assets	(3)	(63)
Total gains on disposal of assets	265	479
Gains / (losses) on foreign exchange	-	-
Fair value gains / (losses) on investment properties	-	-
Fair value gains / (losses) on financial assets / investments	-	-
Fair value gains / (losses) on financial liabilities	-	-
Recycling gains / (losses) on disposal of available-for-sale financial investments	-	-
Total other gains	**265**	**479**

Note 14 Discontinued operations

	2017/18 £000	2016/17 £000
Operating income of discontinued operations	-	-
Operating expenses of discontinued operations	-	-
Gain on disposal of discontinued operations	-	-
(Loss) on disposal of discontinued operations	-	-
Corporation tax expense attributable to discontinued operations	-	-
Total	**-**	**-**

Note 15.1 Intangible assets - 2017/18

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Total £000
Valuation / gross cost at 1 April 2017 - brought forward	164	-	-	-	-	-	164
Transfers by absorption	-	-	-	-	-	-	-
Additions	22	-	-	-	-	-	22
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	(97)	-	-	-	-	-	(97)
Gross cost at 31 March 2018	89	-	-	-	-	-	89
Amortisation at 1 April 2017 - brought forward	132	-	-	-	-	-	132
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	16	-	-	-	-	-	16
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	(97)	-	-	-	-	-	(97)
Amortisation at 31 March 2018	51	-	-	-	-	-	51
Net book value at 31 March 2018	38	-	-	-	-	-	38
Net book value at 1 April 2017	32	-	-	-	-	-	32

Note 15.2 Intangible assets - 2016/17

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	164	-	-	-	-	-	164
Prior period adjustments	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	164	-	-	-	-	-	164
Transfers by absorption	-	-	-	-	-	-	-
Additions	-	-	-	-	-	-	-
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2017	164	-	-	-	-	-	164
Amortisation at 1 April 2016 - as previously stated	119	-	-	-	-	-	119
Prior period adjustments	-	-	-	-	-	-	-
Amortisation at 1 April 2016 - restated	119	-	-	-	-	-	119
Transfers by absorption	-	-	-	-	-	-	-
Provided during the year	13	-	-	-	-	-	13
Impairments	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-
Amortisation at 31 March 2017	132	-	-	-	-	-	132
Net book value at 31 March 2017	32	-	-	-	-	-	32
Net book value at 1 April 2016	45	-	-	-	-	-	45

Note 16.1 Property, plant and equipment - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2017 - brought forward	**16,294**	**24,767**	**-**	**4,060**	**9,711**	**32,849**	**8,032**	**466**	**96,179**
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	1,375	-	7,295	-	1,750	-	-	**10,420**
Impairments	(50)	-	-	-	-	-	-	-	**(50)**
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	-	3,058	-	-	-	-	-	-	**3,058**
Reclassifications	-	-	-	(9,565)	2,370	4,765	2,430	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	(2,143)	-	-	**(2,143)**
Disposals / derecognition	(300)	-	-	-	(2,291)	(231)	(4,284)	-	**(7,106)**
Valuation/gross cost at 31 March 2018	**15,944**	**29,200**	**-**	**1,790**	**9,790**	**36,990**	**6,178**	**466**	**100,358**
Accumulated depreciation at 1 April 2017 - brought forward	**-**	**-**	**-**	**-**	**5,576**	**16,984**	**5,643**	**370**	**28,573**
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	**974**	-	-	**1,575**	**4,169**	**1,341**	**22**	**8,081**
Impairments	-	23	-	-	-	-	-	-	**23**
Reversals of impairments	-	(898)	-	-	-	-	-	-	**(898)**
Revaluations	-	(99)	-	-	-	-	-	-	**(99)**
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	(2,138)	-	-	**(2,138)**
Disposals / derecognition	-	-	-	-	(2,291)	(208)	(4,284)	-	**(6,783)**
Accumulated depreciation at 31 March 2018	**-**	**-**	**-**	**-**	**4,860**	**18,807**	**2,700**	**392**	**26,759**
Net book value at 31 March 2018	**15,944**	**29,200**	**-**	**1,790**	**4,930**	**18,183**	**3,478**	**74**	**73,599**
Net book value at 1 April 2017	**16,294**	**24,767**	**-**	**4,060**	**4,135**	**15,865**	**2,389**	**96**	**67,606**

Note 16.2 Property, plant and equipment - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2016 - as previously stated	**16,451**	**27,140**	**-**	**1,584**	**6,695**	**27,620**	**9,061**	**466**	**89,017**
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2016 - restated	**16,451**	**27,140**	**-**	**1,584**	**6,695**	**27,620**	**9,061**	**466**	**89,017**
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	167	-	10,694	2,214	-	61	-	**13,136**
Impairments	55	(307)	-	-	-	-	-	-	**(252)**
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	(32)	(2,268)	-	-	-	-	-	-	**(2,300)**
Reclassifications	-	35	-	(8,218)	802	7,381	-	-	-
Transfers to / from assets held for sale	(180)	-	-	-	-	(1,880)	-	-	**(2,060)**
Disposals / derecognition	-	-	-	-	-	(272)	(1,090)	-	**(1,362)**
Valuation/gross cost at 31 March 2017	**16,294**	**24,767**	**-**	**4,060**	**9,711**	**32,849**	**8,032**	**466**	**96,179**
Accumulated depreciation at 1 April 2016 - as previously stated	**25**	**-**	**-**	**-**	**4,726**	**14,988**	**5,589**	**348**	**25,676**
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2016 - restated	**25**	**-**	**-**	**-**	**4,726**	**14,988**	**5,589**	**348**	**25,676**
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	**1,083**	-	-	**850**	**4,081**	**1,144**	**22**	**7,180**
Impairments	7	1,198	-	-	-	-	-	-	**1,205**
Reversals of impairments	-	(13)	-	-	-	-	-	-	**(13)**
Revaluations	(32)	(2,268)	-	-	-	-	-	-	**(2,300)**
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to/ from assets held for sale	-	-	-	-	-	(1,842)	-	-	**(1,842)**
Disposals/ derecognition	-	-	-	-	-	(243)	(1,090)	-	**(1,333)**
Accumulated depreciation at 31 March 2017	**-**	**-**	**-**	**-**	**5,576**	**16,984**	**5,643**	**370**	**28,573**
Net book value at 31 March 2017	**16,294**	**24,767**	**-**	**4,060**	**4,135**	**15,865**	**2,389**	**96**	**67,606**
Net book value at 1 April 2016	**16,426**	**27,140**	**-**	**1,584**	**1,969**	**12,632**	**3,472**	**118**	**63,341**

Note 16.3 Property, plant and equipment financing - 2017/18

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2018									
Owned - purchased	15,944	29,200	-	1,790	4,930	18,099	3,478	74	**73,515**
Finance leased	-	-	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	-	-	-	-	84	-	-	**84**
NBV total at 31 March 2018	**15,944**	**29,200**	**-**	**1,790**	**4,930**	**18,183**	**3,478**	**74**	**73,599**

Note 16.4 Property, plant and equipment financing - 2016/17

	Land £000	Buildings excluding dwellings £000	Dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Net book value at 31 March 2017									
Owned - purchased	16,294	24,767	-	4,060	4,135	15,758	2,389	96	**67,499**
Finance leased	-	-	-	-	-	-	-	-	**-**
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	**-**
PFI residual interests	-	-	-	-	-	-	-	-	**-**
Owned - government granted	-	-	-	-	-	-	-	-	**-**
Owned - donated	-	-	-	-	-	107	-	-	**107**
NBV total at 31 March 2017	**16,294**	**24,767**	**-**	**4,060**	**4,135**	**15,865**	**2,389**	**96**	**67,606**

Note 17 Donations of property, plant and equipment

2017/18 The Trust received no donated assets.

2016/17 The Trust received no donated assets.

Note 18 Revaluations of property, plant and equipment

The Trust's land and buildings were re-valued as at 31 March 2018 using the Modern Equivalent Asset methodology.
All valuations were undertaken by the District Valuer with the exception of assets identified as surplus to requirements which were valued by FHP Property Consultants.

The outcome of the revaluation was as follows:

	Increase	Decrease
	£000	£000
Land	0	0
Buildings	4,055	(23)

The Trust's land and buildings were re-valued as at 31 March 2017 using the Modern Equivalent Asset methodology.

All valuations were undertaken by the District Valuer with the exception of assets identified as surplus to requirements which were valued by FHP Property Consultants.

The outcome of the revaluation was as follows:

	Increase	Decrease
	£000	£000
Land	129	81
Buildings	81	1,573

Note 19.1 Investment Property

	2017/18	2016/17
	£000	£000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments		-
Carrying value at 1 April - restated	-	-
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value	-	-
Reclassifications to/from PPE	-	-
Transfers to/from assets held for sale	-	-
Disposals	-	-
Carrying value at 31 March	-	-

Note 19.2 Investment property income and expenses

	2017/18 £000	2016/17 £000
Direct operating expense arising from investment property which generated rental income in the period	-	-
Direct operating expense arising from investment property which did not generate rental income in the period	-	-
Total investment property expenses	-	-
Investment property income	-	-

Note 20 Investments in associates and joint ventures

	2017/18 £000	2016/17 £000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	-	-
Transfers by absorption	-	-
Acquisitions in year	-	-
Share of profit / (loss)	-	-
Impairments	-	-
Reversal of impairment	-	-
Transfers to / from assets held for sale and assets in disposal groups	-	-
Disbursements / dividends received	-	-
Disposals	-	-
Share of Other Comprehensive Income recognised by joint ventures / associates	-	-
Other equity movements (translation gains / losses)	-	-
Carrying value at 31 March	-	-

Note 21 Other investments / financial assets (non-current)

	2017/18 £000	2016/17 £000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	-	-
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value	-	-
Net impairment	-	-
Transfers to / from assets held for sale and assets in disposal groups	-	-
Amortisation at the effective interest rate (assets held at amortised cost only where applicable)	-	-
Current portion of loans receivable transferred to current financial assets	-	-
Disposals	-	-
Carrying value at 31 March	-	-

Note 21.1 Other investments / financial assets (current)

	31 March 2018 £000	31 March 2017 £000
Loans receivable within 12 months transferred from non-current financial assets	-	-
NLF deposits (where not considered to be cash equivalents)	-	-
Other current financial assets	-	-
Total current investments / financial assets	**-**	**-**

Note 22 Disclosure of interests in other entities

The Trust does not have any interests in other entities.

Note 23 Inventories

	31 March 2018 £000	31 March 2017 £000
Drugs	281	285
Work In progress	-	-
Consumables	2,058	2,157
Energy	-	-
Other	-	-
Total inventories	**2,339**	**2,442**
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £11,164k (2016/17: £11,662k). Write-down of inventories recognised as expenses for the year were £0k (2016/17: £0k).

Note 24.1 Trade receivables and other receivables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade receivables	1,009	2,556
Capital receivables (including accrued capital related income)	-	-
Accrued income	9,566	3,718
Provision for impaired receivables	(1,105)	(929)
Deposits and advances	-	-
Prepayments (non-PFI)	2,440	4,488
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
PDC dividend receivable	259	10
VAT receivable	298	217
Corporation and other taxes receivable	-	-
Other receivables	82	7
Total current trade and other receivables	**12,549**	**10,067**
Non-current		
Trade receivables	-	-
Capital receivables (including accrued capital related income)	-	-
Accrued income	-	-
Provision for impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	-	-
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
VAT receivable	-	-
Corporation and other taxes receivable	-	-
Other receivables	-	-
Total non-current trade and other receivables	**-**	**-**
Of which receivables from NHS and DHSC group bodies:		
Current	9,017	4,395
Non-current	-	-

Note 24.2 Provision for impairment of receivables

	2017/18	2016/17
	£000	£000
At 1 April as previously stated	**929**	**856**
Prior period adjustments	-	-
At 1 April - restated	**929**	**856**
Transfers by absorption	-	-
Increase in provision	452	(306)
Amounts utilised	(9)	-
Unused amounts reversed	(267)	379
At 31 March	**1,105**	**929**

Note 24.3 Credit quality of financial assets

	31 March 2018		31 March 2017	
	Trade and other receivables	Investments & Other financial assets	Trade and other receivables	Investments & Other financial assets
Ageing of impaired financial assets	£000	£000	£000	£000
0 - 30 days	23	-	43	-
30-60 Days	71	-	15	-
60-90 days	33	-	31	-
90- 180 days	53	-	37	-
Over 180 days	925	-	803	-
Total	**1,105**	**-**	**929**	**-**
Ageing of non-impaired financial assets past their due date				
0 - 30 days	637	-	535	-
30-60 Days	3	-	10	-
60-90 days	-	-	30	-
90- 180 days	12	-	21	-
Over 180 days	15	-	113	-
Total	**667**	**-**	**709**	**-**

The great majority of trade is with Clinical Commissioning Groups . As Clinical Commissioning Groups are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

Note 25 Other assets

	31 March 2018	31 March 2017
Current	**£000**	**£000**
EU emissions trading scheme allowance	-	-
Other assets	-	-
Short term PFI finance lease asset	-	-
Total other current assets	-	-
Non-current		
Net defined benefit pension scheme asset	-	-
Other assets	-	-
Total other non-current assets	-	-

Note 26 Non-current assets held for sale and assets in disposal groups

	2017/18	2016/17
	£000	**£000**
NBV of non-current assets for sale and assets in disposal groups at 1 April 2017	**180**	**1,395**
Prior period adjustment	-	-
NBV of non-current assets for sale and assets in disposal groups at 1 April 2017- restated	**180**	**1,395**
Transfers by absorption	-	-
Assets classified as available for sale in the year	5	218
Assets sold in year	(185)	(1,433)
Impairment of assets held for sale	-	-
Reversal of impairment of assets held for sale	-	-
Assets no longer classified as held for sale, for reasons other than disposal by sale	-	-
NBV of non-current assets for sale and assets in disposal groups at 31 March 2018	**-**	**180**

Note 26.1 Liabilities in disposal groups

	31 March 2018 £000	31 March 2017 £000
Categorised as:		
Provisions	-	-
Trade and other payables	-	-
Other	-	-
Total	-	-

Note 27.1 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.

	2017/18 £000	2016/17 £000
At 1 April	3,961	1,653
Prior period adjustments	-	-
At 1 April (restated)	3,961	1,653
Transfers by absorption	-	-
Net change in year	1,998	2,308
At 31 March	5,959	3,961
Broken down into:		
Cash at commercial banks and in hand	1	2
Cash with the Government Banking Service	5,958	3,959
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	5,959	3,961
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	5,959	3,961

Note 27.2 Third party assets held by the trust

The 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.

	31 March 2018 £000	31 March 2017 £000
Bank balances	-	-
Monies on deposit	-	-
Total third party assets	-	-

Note 28.1 Trade and other payables

	31 March 2018 £000	31 March 2017 £000
Current		
Trade payables	1,800	3,737
Capital payables	840	2,549
Accruals	11,592	10,228
Receipts in advance (including payments on account)	-	-
Social security costs	-	1,484
VAT payables	-	-
Other taxes payable	70	996
PDC dividend payable	-	-
Accrued interest on loans	35	29
Other payables	1,850	1,688
Total current trade and other payables	**16,187**	**20,711**
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
Receipts in advance (including payments on account)	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	**-**	**-**
Of which payables from NHS and DHSC group bodies:		
Current	233	452
Non-current	-	-

Note 28.2 Early retirements in NHS payables above

The payables note above includes amounts in relation to early retirements as set out below:

	31 March 2018 £000	31 March 2018 Number	31 March 2017 £000	31 March 2017 Number
- to buy out the liability for early retirements over 5 years	-		-	
- number of cases involved		-		-
- outstanding pension contributions	-		-	

Note 29 Other financial liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	-	-
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total	-	-

Note 30 Other liabilities

	31 March 2018 £000	31 March 2017 £000
Current		
Deferred income	77	30
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Total other current liabilities	77	30
Non-current		
Deferred income	-	-
Deferred grants	-	-
PFI deferred income / credits	-	-
Lease incentives	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	-	-

Note 31 Borrowings

	31 March 2018 £000	31 March 2017 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from the Department of Health and Social Care	1,800	-
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts (excl. lifecycle)	-	-
Total current borrowings	**1,800**	**-**
Non-current		
Loans from the Department of Health and Social Care	18,384	18,484
Other loans	-	-
Obligations under finance leases	-	-
PFI lifecycle replacement received in advance	-	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total non-current borrowings	**18,384**	**18,484**

Note 32 Finance leases

Note 32.1 East Midlands Ambulance Service NHS Trust as a lessor

Future lease receipts due under finance lease agreements where East Midlands Ambulance Service NHS Trust is the lessor:

	31 March 2018 £000	31 March 2017 £000
Gross lease receivables	**-**	**-**
of which those receivable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Unearned interest income	-	-
Allowance for uncollectable lease payments	-	-
Net lease receivables	**-**	**-**
of which those receivable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
The unguaranteed residual value accruing to the lessor	-	-
Contingent rents recognised as income in the period	-	-

Note 32.2 East Midlands Ambulance Service NHS Trust as a lessee

Obligations under finance leases where East Midlands Ambulance Service NHS Trust is the lessee.

	31 March 2018 £000	31 March 2017 £000
Gross lease liabilities	-	-
of which liabilities are due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Finance charges allocated to future periods	-	-
Net lease liabilities	-	-
of which payable:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total of future minimum sublease payments to be received at the reporting date	-	-
Contingent rent recognised as an expense in the period	-	-

Note 33 Provisions for liabilities and charges analysis

	Pensions - early departure costs £000	Legal claims £000	Re-structuring £000	Continuing care £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2017	-	568	-	-	-	-	151	719
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	(5)	-	-	-	-	(1)	(6)
Arising during the year	-	309	-	-	-	-	2	311
Utilised during the year	-	(285)	-	-	-	-	(22)	(307)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	-	-	-	-	-	-
Unwinding of discount	-	-	-	-	-	-	-	-
At 31 March 2018	-	587	-	-	-	-	130	717
Expected timing of cash flows:								
- not later than one year;	-	444	-	-	-	-	130	574
- later than one year and not later than five years;	-	125	-	-	-	-	-	125
- later than five years.	-	18	-	-	-	-	-	18
Total	-	587	-	-	-	-	130	717

There is an uncertainty about the timing of cash flows, but these are the best estimates available.

£123,283 of the Other Provisions relates to 1987 staff frozen leave entitlements. (31/03/2017 £136,230)
£6,466 of the Other Provisions relates to amounts due relating to Pre 1995 Retirements. (31/03/2017 £14,792)

Included in provisions are £0 for which reimbursement is expected.

Note 33.1 Clinical negligence liabilities

At 31 March 2018, £33,455k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of East Midlands Ambulance Service NHS Trust (31 March 2017: £25,578k).

Note 34 Contingent assets and liabilities

	31 March 2018 £000	31 March 2017 £000
Value of contingent liabilities		
NHS Resolution legal claims	(16)	(232)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	**(16)**	**(232)**
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	**(16)**	**(232)**
Net value of contingent assets	-	-

The contingent liability declared in note 34 relates to employee claims declared within the overall legal claims category.

Note 35 Contractual capital commitments

	31 March 2018 £000	31 March 2017 £000
Property, plant and equipment	2,581	423
Intangible assets	-	-
Total	**2,581**	**423**

Note 36 Other financial commitments

The trust is committed to making payments under non-cancellable contracts (which are not leases, PFI contracts or other service concession arrangement), analysed by the period during which the payment is made:

	31 March 2018 £000	31 March 2017 £000
not later than 1 year	5,902	350
after 1 year and not later than 5 years	2,147	578
paid thereafter	1,641	-
Total	**9,690**	**928**

Note 37 Defined benefit pension schemes

The Trust does not operate a defined benefit pension scheme.

Note 37.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2017/18 £000	2016/17 £000
Present value of the defined benefit obligation at 1 April	-	-
Prior period adjustment	-	-
Present value of the defined benefit obligation at 1 April - restated	-	-
Transfers by absorption	-	-
Current service cost	-	-
Interest cost	-	-
Contribution by plan participants	-	-
Re-measurement of the net defined benefit (liability) / asset:		
- Actuarial (gains) / losses	-	-
Benefits paid	-	-
Past service costs	-	-
Business combinations	-	-
Curtailments and settlements	-	-
Present value of the defined benefit obligation at 31 March	-	-
Plan assets at fair value at 1 April	-	-
Prior period adjustment	-	-
Fair value of plan assets at 1 April -restated	-	-
Transfers by normal absorption	-	-
Interest income	-	-
Re-measurement of the net defined benefit (liability) / asset		
- Return on plan assets	-	-
- Actuarial gain / (losses)	-	-
- Changes in the effect of limiting a net defined benefit asset to the asset ceiling	-	-
Contributions by the employer	-	-
Contributions by the plan participants	-	-
Benefits paid	-	-
Business combinations	-	-
Settlements	-	-
Plan assets at fair value at 31 March	-	-
Plan surplus/(deficit) at 31 March	-	-

Note 37.2 Reconciliation of the present value of the defined benefit obligation and the present value of the plan assets to the assets and liabilities recognised in the balance sheet

	31 March 2018 £000	31 March 2017 £000
Present value of the defined benefit obligation	-	-
Plan assets at fair value at	-	-
Fair value of any reimbursement right	-	-
The effect of the asset ceiling	-	-
Net (liability) / asset recognised in the SoFP	-	-

Note 37.3 Amounts recognised in the SoCI

	2017/18 £000	2016/17 £000
Current service cost	-	-
Interest expense / income	-	-
Past service cost	-	-
Losses on curtailment and settlement	-	-
Total net (charge) / gain recognised in SOCI	-	-

Note 38 On-SoFP PFI, LIFT or other service concession arrangements

Note 38.1 Imputed finance lease obligations

East Midlands Ambulance Service NHS Trust has the following obligations in respect of the finance lease element of on-Statement of Financial Position PFI and LIFT schemes:

	31 March 2018 £000	31 March 2017 £000
Gross PFI, LIFT or other service concession liabilities	-	-
Of which liabilities are due		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Finance charges allocated to future periods	-	-
Net PFI, LIFT or other service concession arrangement obligation	-	-
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-

Note 38.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

Total future obligations under these on-SoFP schemes are as follows:

	31 March 2018 £000	31 March 2017 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	-	-
Of which liabilities are due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-

Note 38.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the trust's payments in 2017/18:

	2017/18 £000	2016/17 £000
Unitary payment payable to service concession operator	-	-
Consisting of:		
- Interest charge	-	-
- Repayment of finance lease liability	-	-
- Service element and other charges to operating expenditure	-	-
- Capital lifecycle maintenance	-	-
- Revenue lifecycle maintenance	-	-
- Contingent rent	-	-
- Addition to lifecycle prepayment	-	-
Other amounts paid to operator due to a commitment under the service concession contract but not part of the unitary payment	-	-
Total amount paid to service concession operator	-	-

Note 39 Off-SoFP PFI, LIFT and other service concession arrangements

East Midlands Ambulance Service NHS Trust incurred the following charges in respect of off-Statement of Financial Position PFI and LIFT obligations:

	31 March 2018 £000	31 March 2017 £000
Charge in respect of the off SoFP PFI, LIFT or other service concession arrangement for the period	-	-
Commitments in respect of off-SoFP PFI, LIFT or other service concession arrangements:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-
Total	-	-

Note 40 Financial instruments

Note 40.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the NHS Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groups are financed, the NHS 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 NHS 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 NHS 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.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by NHS Improvement. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

The Trust may also borrow from government for revenue financing subject to approval by NHS Improvement. Interest rates are confirmed by the Department of Health (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2018 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 Clinical Commissioning Groups, 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 40.2 Carrying values of financial assets

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity at £000	Available-for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2018					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	9,026	-	-	-	**9,026**
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	5,959	-	-	-	**5,959**
Total at 31 March 2018	**14,985**	**-**	**-**	**-**	**14,985**

	Loans and receivables £000	Assets at fair value through the I&E £000	Held to maturity £000	Available-for-sale £000	Total book value £000
Assets as per SoFP as at 31 March 2017					
Embedded derivatives	-	-	-	-	-
Trade and other receivables excluding non financial assets	4,855	-	-	-	**4,855**
Other investments / financial assets	-	-	-	-	-
Cash and cash equivalents at bank and in hand	3,961	-	-	-	**3,961**
Total at 31 March 2017	**8,816**	**-**	**-**	**-**	**8,816**

Note 40.3 Carrying value of financial liabilities

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2018			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	20,184	-	**20,184**
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Trade and other payables excluding non financial liabilities	15,031	-	**15,031**
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2018	**35,215**	**-**	**35,215**

	Other financial liabilities	Liabilities at fair value through the I&E	Total book value
	£000	£000	£000
Liabilities as per SoFP as at 31 March 2017			
Embedded derivatives	-	-	-
Borrowings excluding finance lease and PFI liabilities	18,484	-	**18,484**
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Trade and other payables excluding non financial liabilities	16,514	-	**16,514**
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2017	**34,998**	**-**	**34,998**

Note 40.4 Fair values of financial assets and liabilities

The Trust considers that book value (carrying value) is a reasonable approximation of fair value.

Note 40.5 Maturity of financial liabilities

	31 March 2018	31 March 2017
	£000	£000
In one year or less	16,831	16,514
In more than one year but not more than two years	1,800	1,460
In more than two years but not more than five years	16,584	15,564
In more than five years	-	1,460
Total	**35,215**	**34,998**

Note 41 Losses and special payments

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Cash losses	-	-	-	-
Fruitless payments	-	-	-	-
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	26	9	41	44
Total losses	**26**	**9**	**41**	**44**
Special payments				
Compensation under court order or legally binding arbitration award	1	1	1	0
Extra-contractual payments	-	-	-	-
Ex-gratia payments	47	267	22	69
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**48**	**268**	**23**	**69**
Total losses and special payments	**74**	**277**	**64**	**113**
Compensation payments received		-		-

Note 42 Gifts

	2017/18		2016/17	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Total gifts	-	-	-	-

Note 43 Related parties

During the year, none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with East Midlands Ambulance Service NHS Trust.

The Department of Health is regarded as a related party. During the year East Midlands Ambulance Service NHS Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department.

For example :

CCGs
NHS Foundation Trusts
NHS Trusts
NHS Litigation Authority
NHS Business Services Authority

In addition, the Trust has had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with a number of local councils.

Members of the Trust Board are also Trustees of the East Midlands Ambulance Service Charitable Fund. During the year the Trust made payments on behalf of the Charitable Fund of £104,828.42 (2016-2017 £22,640.04) with no amounts written off.

As at 31 March 2018 there was a balance due to the Trust from the Charitable Fund of £8,965.78 (2016-2017 £7,683.52). These transactions are included in the Trustees Annual Report and Accounts of the East Midlands Ambulance Service NHS Trust Charitable Fund.

The Trust engages with the Trustees of the three air ambulance charities that service the East Midlands area. The Trust has a service agreement with the charities and provides clinical staff in support of the service. No fees or charges are levied between the Trust and the charities.

During the year one Executive Member of the Trust Board acted as Trustee of Lincolnshire & Nottinghamshire Air Ambulance. The Trust has invoiced the Lincolnshire & Nottinghamshire Air Ambulance for an RRV shift and a Helicopter shift worked by an Executive Director during 2017/18.

One Executive Director acted as a consultant to organisations providing services to the Trust. The Executive Director was not involved in any of the transactions with these organisations.

One Non-Executive Director is a Stakeholder Governor of an NHS Foundation Trust which provides services to the Trust.
One Executive Director and one Non Executive Director provide specialist advice to the Care Quality Commission.
One Non-Executive Director is a University Member of Court at an organisation which has provided services to the Trust.

Note 44 Transfers by absorption

The Trust has no transfers by absorption in the year.

Note 45 Prior period adjustments

The Trust has no prior period adjustments in the year.

Note 46 Events after the reporting date

There are no events after the reporting period which are required to be reported.

Note 47 Better Payment Practice code

	2017/18 Number	2017/18 £000	2016/17 Number	2016/17 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	22,182	81,677	19,813	69,363
Total non-NHS trade invoices paid within target	21,525	79,463	19,226	68,507
target	97.04%	97.29%	97.04%	98.77%
NHS Payables				
Total NHS trade invoices paid in the year	379	1,956	348	1,832
Total NHS trade invoices paid within target	340	1,871	310	1,748
	89.71%	95.65%	89.08%	95.41%

The Better Payment Practice code requires the NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of valid invoice, whichever is later.

Note 48 External financing

The trust is given an external financing limit against which it is permitted to underspend:

	2017/18 £000	2016/17 £000
Cash flow financing	(41)	4,642
Finance leases taken out in year	0	0
Other capital receipts	0	0
External financing requirement	(41)	4,642
External financing limit (EFL)	180	4,676
Under / (over) spend against EFL	221	34

Note 49 Capital Resource Limit

	2017/18 £000	2016/17 £000
Gross capital expenditure	10,442	13,136
Less: Disposals	(508)	(1,461)
Less: Donated and granted capital additions	-	-
Plus: Loss on disposal of donated/granted assets	-	-
Charge against Capital Resource Limit	9,934	11,675
Capital Resource Limit	9,996	11,712
Under / (over) spend against CRL	62	37

Note 50 Breakeven duty financial performance

	2017/18 £000
Adjusted financial performance surplus (control total basis)	8,759
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2016/17 post-accounts STF reallocation	-
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	8,759

Note 51 Breakeven duty rolling assessment

	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
		£000	£000	£000	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		2,016	467	1,402	30	61	65	(12,245)	(4,493)	8,759
Breakeven duty cumulative position	2,100	4,116	4,583	5,985	6,015	6,076	6,141	(6,104)	(10,597)	(1,838)
Operating income		156,570	161,643	169,533	155,041	150,131	155,124	154,089	173,109	187,853
Cumulative breakeven position as a percentage of operating income		2.63 %	2.84 %	3.53 %	3.88 %	4.05 %	3.96 %	(3.96)%	(6.12)%	(0.98)%

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, NHS Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring Breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability year to year.

Annual Report

2017/2018

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