



Annual Report

2019/2020



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Chairman's Report

Welcome to the Annual Report and Annual Accounts for 2019/2020 for East Midlands Ambulance Service NHS Trust (EMAS).

Despite the devastating challenge of the COVID-19 pandemic at the very end, this year has seen many exciting changes and improvements at EMAS. I am pleased to update you on all that we have been doing within our organisation, and in collaboration with others, to use our resources to achieve the best quality care for our patients.

In July 2019, we were delighted to announce that the Care Quality Commission (CQC) rated as 'Good' overall and 'Outstanding' for caring. The change is great progress on our previous rating of 'requires improvement' in 2017, and is due to a huge amount of focussed work by colleagues across EMAS.

As part of their inspection, the CQC looked at our vision 'The Big 3: Respond | Develop | Collaborate' and said that we had workable plans in place to achieve it. They also said that our staff morale had improved, staff felt supported by management and that we had a strong person-centred culture.

On the subject of staff support, we have been working on plans, following feedback from colleagues, to continue to develop our leaders, to further improve staff support, and to create further clinical career opportunities.

We have also been expanding our work with the Northern Ambulance Alliance, which we became a full member of in July 2019, and are contributing to the second Women in Leadership Conference.

More positive news followed in July, with the appointment of Nichola Bramhall as our new Director of Quality Improvement and Patient Safety. Nichola started her career in the NHS in 1988 when she trained as a nurse in London and has since worked in a variety of roles; including previously working for EMAS as our Deputy Director of Nursing and Quality between 2012 and 2014. Bringing with her a wealth of experience, Nichola has worked in many different clinical and managerial positions in NHS settings, including at Chesterfield Royal Hospital and the clinical commissioning groups in the Nottinghamshire area. Nichola is a great asset to EMAS and is already playing a key role in our plans to enhance our continuous quality improvement strategy.

Later in the year, we were also happy to announce the reappointment of Non-executive Directors Vijay Sharma and Stuart Dawkins, and myself to our Board. Vijay and Stuart have been reappointed for a further two years until September 2021, and I've accepted a new term of office until 31 July 2022.

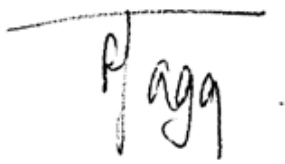
Although we have made many improvements this year, we are still facing challenges, with the winter period being particularly busy and COVID-19 from February onwards, and I would like to take this opportunity to thank the whole EMAS team, including our volunteers, for their commitment to providing the best care possible to our patients.

Two of the projects to improve patient care, which excelled this year, despite demand on our service, were our Dementia Friendly Ambulance and Restart a Heart Day.

The Dementia Friendly ambulances first launched in September 2019 in Leicestershire and Northamptonshire. Since then, they have significantly improved journeys for patients with dementia; making their journeys as stress free as possible. The project has also been nominated for a British Medical Journal award in their 'Innovation in Quality Improvement' category.

In October 2019, EMAS colleagues and volunteers across the region helped to teach over 20,000 young people how to save a life and we worked with several large sporting venues to spread the CPR saves lives message. You can find out further details later in this report.

This report is complemented by our Quality Account* which gives a review of how we did against our quality and safety targets and includes updates on innovation, research and development work at EMAS.

A handwritten signature in black ink, appearing to read 'P Tagg', with a horizontal line above it.

Pauline Tagg MBE
Chairman

* Publication is due in June 2020 but national guidance issued by NHS England/Improvement on 23 March 2020 as a result of the COVID-19 response stated that “In light of COVID-19 pressures these arrangements are being reviewed. The deadline of 30 June is specified in Regulations. The Department of Health and Social Care is now seeking approval from Ministers to amend the Regulations and we do not expect that preparers will be subject to the 30 June deadline. We will update as soon as more information is available. NHS providers are no longer expected to obtain assurance on their Quality Account for 2019/20.”

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

Whilst the year hasn't been without challenges, the fantastic efforts and dedication of all our colleagues and volunteers have helped us to achieve a rating of 'Good' from the Care Quality Commission (as detailed in the Chairman's report), provide our patients with excellent care, and be there for the people of the East Midlands in their hour of need.

I'm delighted to share with you some of our successes and the work we continue to do to further improve as an organisation.

Following the money invested by our commissioners, we have welcomed more than 400 extra clinical staff, as well as new and additional ambulances and other resources to help us respond more quickly and more consistently to 999 calls and urgent GP requests. The most recent new starters were 37 technicians who joined our frontline colleagues in March 2020.

Hospital handover delays have continued to be a challenge for us and have meant that the additional resource we have created as an ambulance service to help reach our patients more quickly, is not having the desired effect. I continue to work with the chief executives of the hospitals, our lead commissioners and regulators find ways to reduce the waits colleagues are facing to handover patients and to free them up to respond to the patients waiting in our communities.

As mentioned above, our 2019/2020 performance hasn't seen the improvement that we hoped for, with the introduction of more frontline colleagues, but there has been progress as you will see from this report. This has been due to the hard work of our staff and also some of the improvement projects we launched during the year; such as our Make Ready teams at our Kingmill and Gorse Hill ambulance stations which are helping to improve efficiency and free up more time for our clinicians to provide patient care.

Another project that has been helping us to be more efficient is the national Blue Light Collaboration Project. In June 2019 colleagues started to move in to our first tri-service site at South Park in Lincolnshire. The new facilities are the base for around 72 colleagues, ranging from ambulance crews to those in one of our new Make Ready teams. The building is shared with colleagues from the police and fire services, who had joined us by September. The joint project also won a Government Property Award in March - the 'One Team Award' was one of the categories in the awards hosted by the Cabinet Office, recognising excellence in public sector property.

Also, in September 2019, ambulance crews in Market Harborough moved into their new premises at Harborough Police station, in a partnership which will boost collaborative working in the area.

As well as new A&E colleagues, non-emergency patient transport colleagues from Chesterfield and Northamptonshire joined our team. In August 2019, we took over provision of patient transport services (PTS) from Arriva Transport Solutions Ltd for patients of Chesterfield Royal Hospitals NHS Foundation Trust. Then in October 2019, EMAS was confirmed as the preferred provider of patient transport services for Northamptonshire, with the service starting on 1 December 2019. I would like to take this opportunity to thank everyone who has worked hard behind the scenes to ensure the creation and successful implementation to mobilise these services.

I'd also like to thank all colleagues who helped protect our patients from the flu this year by having their flu vaccination. We offered the free flu jab to all our staff between October 2019 and February 2020 as part of our health and wellbeing campaign and I'm delighted to announce that 81.1% of colleagues had the vaccination. Our flu vaccination team approached 100% of colleagues to offer them the jab. Their hard work has helped us to carry out our campaign to protect as many of our workforce and patients from the flu as possible.

As detailed in the Chairman's report, we have been working through our action plans around the themes identified from colleagues' feedback in the 2018 NHS Staff Survey and our Health, Wellbeing, and Culture Audit. One of the important areas we have been focussing on is creating further clinical career opportunities through the development of our Clinical Operating Model. This year we will be launching a recruitment campaign for specialist practitioners, following extensive consultation and planning. This role will provide specialist assessment and decision making to a range of complex patients and is an exciting opportunity for our talented clinicians.

As well as continuing to act on the feedback from last year, we have also recently received the results of the NHS Staff Survey for 2019. We had a good overall response rate this year of 51.7%. The number of colleagues who shared their views was 1,872 in total. Between the months of October and November, when the survey runs, was a busy period for us so it was great that colleagues took the time to help us to gain a better understanding of their experience of working at EMAS. We will build on this latest feedback and compare it with that from the Health, Wellbeing and Cultural Audit and the previous survey. We will then share the results with staff and our plans, both corporately and locally, later in the year.

During the latter part of the year we have supported the regional system response to the Coronavirus (COVID-19) global pandemic in our role as a category one responder. This means we have mobilised our Emergency Planning, Resilience and Response plans and processes to support both our response to the pandemic and to maintaining frontline services for all patients in need. We will continue to respond flexibly and appropriately to changing demand in this situation; working with system partners and ensuring both staff and patient safety as we continue to deliver services.

To the best of my knowledge the information contained in 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).

We provide 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 in Derbyshire and Northamptonshire for patients with routine hospital or clinical appointments (clinical commissioning groups have contracted private organisations to deliver patient transport in the other counties).

More than 4,008 people are employed, at 70 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.

Our frontline accident and emergency ambulance crews represent the largest staff group at EMAS, and we operate a fleet of over 683 vehicles, including emergency ambulances, fast response cars, specialised and driver training vehicles, and urgent care and patient transport vehicles.

Every day EMAS receives around 2,215 calls from members of the public who have rang 999. On average this equates to a new emergency call every 39 seconds and is in addition to the calls received from healthcare professionals booking transport to support patient transfers from one healthcare facility to another.

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 the geographical boundaries and the road networks across the six counties we serve, EMAS must 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 all the areas we serve; circa 1,400 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 50 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 3,020 CPADs available across the East Midlands.

In October 2019, in support of Restart a Heart Day, EMAS colleagues and volunteers across the East Midlands helped teach over 20,000 young people how to save a life using cardio-pulmonary resuscitation (CPR). In addition, EMAS attended several large sporting venues to spread the CPR saves lives message. These included Nottingham Ice Arena, Leicester City Football Club, Northampton Town Football Club and Derby County Football Club. At these events, an additional 5,000 people were shown how to deliver CPR.

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 26 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, we are 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, we 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.

We also have contractual obligations to ensure we meet the specifications set out by NHS England, via the National Ambulance Resilience Unit (NARU), and our commissioners.

We regularly meet 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 NARU'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.

This year EMAS also had to plan for the 'EU Exit' in the event of a 'no deal' scenario. This was a very dynamic situation given the complex political challenges the country faced. We dedicated resource to the preparations from across EMAS and worked closely with our partners locally, regionally and nationally to ensure we had the preparedness and

resilience in place to mitigate envisaged risks; some of which were unique to the potential situation. EMAS is now in the process of learning from this experience internally, and with our partners, to identify the good practice and contingency options developed as some could be utilised in other scenarios not related to EU Exit. EMAS has officially stepped down all EU Exit no deal preparedness as requested of all NHS trusts by the NHS England EPRR team.

During the latter part of the financial year we also supported the regional system response to the COVID-19. We put into practice our Emergency Planning, Resilience and Response plans and processes to support both our response to the pandemic and to maintain frontline services for all patients in need.

We have operated a Hazardous Area Response Team (HART) since 2009, which is made up of paramedics that are specially trained to deliver the highest level of pre-hospital clinical care, in challenging environments including:

- Confined spaces
- Incidents at height
- Unstable terrain
- Incidents in water
- Hazardous Materials or Chemical, Biological, Radiological and Nuclear or Explosive (CBRNE) materials
- Support to other agencies such as Police, Fire and Rescue Services and the Military during protracted or pre-planned events.
- Highly Infectious diseases

HART also play a key part in supporting EMAS during protracted or complex incidents as well as during periods of increased demand.

Patient Transport Service

EMAS has been providing a non-emergency Patient Transport Service (NEPTS) in Derbyshire for patients who are registered with a general practitioner since 1 August 2016; and is contracted to do so until at least July 2020. On 1 December 2019, we also added patient activity for Chesterfield Royal Hospital and the Patient Transport Service for Northamptonshire.

NEPTS 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.

Each month, on average, we provide care and support during 20,000 journeys and receive over 17,500 phone calls from NHS colleagues and patients to make or amend a journey booking. The first day of mobilising our new services saw our team receiving 1,000 telephone calls.

This year we held our first 'Thank you' event for our PTS Volunteer Car Service drivers during Volunteers' Week, ran five new volunteer induction courses and welcomed 25 new volunteers to the service. This saw our volunteer numbers rise to 68.

Call handling and clinical assessment

Our Emergency Operations Centres (EOC) receive 2,915 calls on average each day, receiving 3,844 on our busiest day. As of March 2020, we had around 127 emergency medical dispatchers answering 999 calls from the public and 111 dispatch officers ensuring the most appropriate resource is sent to help patients.

We also have a Clinical Assessment Team (CAT), which consists of paramedics, nurses, midwives, and mental health practitioners. They dealt with 183,170 during the year (compared to 175,449 calls during 2018/2019). 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 EOC colleagues and provides a telephone triage service to various clinical hubs across the East Midlands.

This year our EOCs were one of the four accredited centres of excellence for Medical Priority Dispatch System (MPDS) to take part a global study involving 'Not alert patients'.

The study followed concerns raised by London Ambulance Service (LAS) to the International Academy Emergency Dispatch (IAED) around the issue of the safe and accurate determination for patients coded as 'not alert'. A diagnostic tool was developed for the study and was based on the principals of orientation and specific patient actions which form part of standard clinical practice. All phases of the study were completed, and the data is now with IAED for review and analysis.

The Carter Review also named us as the top performing EOC in the country for call answering time and length of call and were in the top two for the number of calls per call handler per day.

EMAS' values

EMAS has five values, designed by staff and stakeholders, which underpin everything we do, including the way we deliver our services and how we work with others. By living these values and supporting others to do the same, we will help to make sure that EMAS is an organisation we can all be proud of.

- **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 everyone's contribution and encouraging innovation.
- **Teamwork:** Working together, supporting each other, and collaborating with other organisations.
- **Competence:** Continually developing and improving our competence.

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 be '**Responding** to patient needs in the right way, **developing** our organisation to become outstanding for patients and staff, and **collaborating** to improve wider healthcare.'



1) Respond - we will respond to patient needs in the right way.

- We will safely treat patients at home where possible, while helping to improve our patient pathways options with feedback from our clinicians
- We will strive to have an inclusive workforce, representative of the public we serve, with a skill-mix to deliver high quality care to patients, in line with our clinical operating model.
- We will focus on ensuring we get the right response from the outset for the patient, using the combination of clinical oversight and technology.
- We will continually improve our Control room functions, including our approach to critical care.
- We will strive to consistently deliver the Ambulance System Indicators and Ambulance Care Quality Indicators.

2) Develop – we will develop our organisation to become outstanding for patients and staff.

- We will use patient, staff and wider stakeholder feedback to develop our services.
- We will continue to develop an organisation that staff and volunteers are proud to work for.
- We will seek to develop a culture where staff wellbeing is integrated into day-to-day practice; creating a sense of belonging and support.
- We will develop our career opportunities for both clinical and non-clinical staff across the organisation.
- We will continue to develop and improve our estate.
- We will strive to achieve a Care Quality Commission rating of 'outstanding' and will consistently meet our financial targets.
- We will develop our capacity and capability to improve quality within the organisation and will embed quality improvement in our day-to-day practice.

3) Collaborate – we will collaborate with partners and other organisations to reduce healthcare demand and improve wider healthcare.

- We will develop our approach to working with partners in the health and social care system, specifically forging new partnership structures and becoming an active partner and strategic influencer in their developments.
- We will work with partner organisations to develop our approach to supporting mental health.
- We will develop a closer working relationship with our partners in 111 to deliver the most appropriate healthcare to patients.
- We will continue to help reduce demand on services by focusing on public education on urgent and emergency care, including patient transport services (PTS).
- We will explore and exploit opportunities within the Northern Ambulance Alliance, where collaboration will enhance patient care and efficiency.
- We will work in collaboration with others to reduce our carbon footprint and become more sustainable in the running of our organization.

EMAS' strategic objectives and associated strategies

Directed by our Big 3 vision and values, we are working to become leaders in:

- our use of innovative technological solutions
- our proactive work on mental health
- work on patient safety
- ensuring equality and diversity within our workforce
- demonstrating international best practice for our clinical outcomes for patients with cardiac arrest
- developing and embedding the paramedic skillset in multi-disciplinary team approaches across wider healthcare (led by EMAS)
- our proactive work with partners on public education (management and prevention) within our local communities
- developing a positive organisational culture that means staff want to work here and have high levels of satisfaction
- identifying and managing sepsis (across all geographies), building on the success of our pilot within Lincolnshire

The vision and strategic approach has been incorporated into the EMAS Integrated Business Plan (presented to the Trust Board in April 2019) and Annual Plan and continue to inform our service transformation and development programme, with progress and milestones monitored regularly through a variety of delivery groups and committees.

We continue to be involved in county-based Sustainability and Transformation Partnerships and Integrated Care Systems to devise and deliver new models of care that support the needs of patients and wider health and emergency response systems.

Key risks

Our 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

National performance standards

The NHS England's Ambulance Response Programme (ARP) is not about the fastest response, but the most appropriate clinical response.

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.

Nationally, a revised set of Clinical Ambulance Quality Indicators (measures, indicators and standards) have been developed and are widely supported by commissioners, ambulance providers, paramedics, unions and patient and public representatives.

Further information on ARP 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 ARP.

There were changes to the way ambulance services manage calls from GPs and other healthcare professionals (HCPs) requesting an ambulance for patients who need urgent or emergency transportation to hospital or between hospital sites.

The National Framework for Inter-facility Transfers (IFT) and National Framework for Healthcare Professional Ambulance Responses were published in July 2019 and we worked with our colleagues in clinical commissioning to implement the changes in October 2019.

More detail about the new frameworks and processes can be found on the NHS England website (<https://www.england.nhs.uk/urgent-emergency-care/improving-ambulance-services/arp/>) and on our website (<https://www.emas.nhs.uk/your-service/999/healthcare-professional-requesting-an-ambulance-for-a-patient/>).

East Midlands Ambulance Service accident and emergency performance

During 2019/2020, we received 1,067,061 emergency and urgent calls (compared to 1,026,249 in 2018/19). Our accident and emergency crews responded to 712,857 of these calls, which equates to 1,948 face-to-face responses every day.

During the same period, EMAS lost 92,088 hours to pre-hospital handover delays (compared to 64,007 hours lost during 2018/2019), equating to the loss of 7,674 twelve-hour vehicle shifts – an average of 21 shifts a day.

Ambulance Response Programme Standards: 1 April 2019 to 31 March 2020			
Category code	Mean	90th Percentile	95th Percentile
Category 1	00:07:41	00:13:52	00:17:00
Category 1 IFT	00:10:19	00:22:38	00:27:18
Category 1T	00:16:22	00:37:23	00:57:06
Category 2	00:30:31	01:03:47	01:23:25
Category 2 HCP	00:35:42	01:13:01	01:32:18
Category 2 IFT	00:30:06	01:09:08	01:29:36
Category 3	01:24:23	03:34:59	04:43:58
Category 4	01:27:41	03:13:21	04:13:23
Category 5	01:36:30	03:26:04	04:19:23
HCP Admission Protocol 1hr	01:24:07	02:55:12	03:45:22
HCP Admission Protocol 2hr	01:23:06	02:44:58	03:27:58
HCP Admission Protocol 3hr	02:16:52	04:07:45	04:58:53
HCP Admission Protocol 4hr	01:52:23	03:52:19	04:48:17
HCP Level 3	01:17:36	02:49:19	03:26:40
HCP Level 4	01:45:28	03:45:00	04:32:00
IFT Level 3	01:40:10	04:03:35	05:20:36
IFT Level 4	02:12:09	04:52:09	08:20:26

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.

Our Trust Board receives an update on all relevant measures via an Integrated Board Report (published on our public website), including:

- Activity
- Ambulance Clinical Quality Indicators
- Derbyshire Patient Transport Service
- Duty of Candour
- High level financial position
- Hospital handover and turnaround
- Patient Advice Liaison Service (PALS) – eg queries, compliments and complaints
- Quality Everyday
- Resourcing
- Safeguarding
- Serious incidents
- Workforce, eg recruitment and workforce plan, statutory and mandatory education, flu vaccination rates, and sickness absence.

Monitoring our key performance indicators 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 EMAS. 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 2019/2020 the health and social care system continued to face huge pressure and significant 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.

At times, handover delays continued to place EMAS under extreme pressure and remained the focus of much attention.

During 2019/2020, EMAS lost 92,088 hours to pre-hospital handover delays (compared to 64,007 hours lost during 2018/2019), equating to the loss of 7,674 twelve-hour vehicle shifts – an average of 21 shifts a day.

Fundamentally the risk associated with handover delays is to patients waiting in the community, often without a medical professional present, for a 999-ambulance response. During 2019/20 EMAS reported 30 Serious Incidents related to delayed response compared to 11 in 2018/19 (please note that this figure may change as a result of

commissioner review and downgrade of incidents). The situation also has an impact on staff wellbeing, morale and sickness levels.

Our Executive team and local senior management teams continue to act to manage and mitigate the risk that the hospital handover delays create. Reports providing updates and detailing the impact of handover delays and actions taken have been submitted during the year to the Trust Board meetings held in public, and concerns, particularly relating to issues out of our direct control or influence, 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.

Throughout the year we continued to progress against four quality improvement priorities originally set in 2017/2018, against these three domains of quality:

- Clinical effectiveness
- Patient safety
- Patient experience

The quality priorities are:

- **Clinical effectiveness:**

Priority 1: Staff health and wellbeing

EMAS has been recognised nationally as 'leading the way' in supporting staff mental wellbeing. Our support schemes are founded upon the principle that colleagues are best placed to provide support to each other through having a shared experience of the job.

To keep improving health and wellbeing at work we will continue to develop, and review staff support mechanisms.

Lead: Director of Human Resources and Organisational Development

Priority 2: Improving Sepsis care

Sepsis is a rare but serious complication of an infection. Without quick treatment it can lead to multiple organ failure and death. Red Flag Sepsis means a patient is presenting with clinical signs that suggest they are either suffering or approaching septic shock.

We successfully piloted the delivery of antibiotics to Red Flag Sepsis patients. We are committed to keep developing our work and treatment of Sepsis patients.

Lead: Medical Director

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

Following the introduction of our Cardiac Arrest Strategy ROSC rates increased at EMAS by around 4.5%, with a 0.6% increase in survival to discharge from hospital. In terms of performance against other ambulance services we are average.

We are committed to continue to:

- develop and improve our cardiac arrest outcomes.
- increase the presence of frontline clinical supervision to all active resuscitation attempts.
- improve our Ambulance Quality Indicators and outcomes around stroke, chronic obstructive pulmonary disease (COPD) and asthma improve.

Lead: Medical Director

• Patient Safety and Experience:

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

Nationally it is recognised that providing care closer to home and reducing unnecessary hospital attendances and admissions improves patient care and outcomes.

To ensure we play our part, we are committed to:

- Maintain and improve 'hear and treat' (over the phone advice)
- Maintain and improve 'see and treat' (face to face response)
- Reduce conveyance to hospital by accessing alternative pathways that are available
- Have robust patient safety plans in place that support non-conveyance

Lead: Medical Director

Priority 5: To reduce prolonged waits across all call categories by delivering the national Ambulance Response Standards

During 2019/2020 we will:

- Deliver agreed workforce plan.
- Deliver the agreed performance improvement trajectories.
- Improve efficiency and productivity through better utilisation of our resources.
- Improve fleet availability through the delivery of the new vehicles.

Lead: Director of Operations

Commissioning for Quality and Innovation (CQUIN)

As part of the NHS Standard Contract 2019/20, 1.25% of EMAS' income in 2019/2020 was dependent upon the organisation achieving quality improvement goals through innovation.

CQUIN schemes are an opportunity for EMAS to provide a key focus on quality improvement. The outcomes from these schemes can be significant and impact directly on patient care. The CQUINs were agreed between EMAS and the 19 clinical commissioning groups (CCGs) who commission the service.

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

National CQUINs

For the 2019/20 contract NHS England mandated two national CQUIN schemes for ambulance services:

Flu vaccination CQUIN

Frontline healthcare workers are more likely to be exposed to the influenza virus, particularly during winter months when some of their patients will be infected. It has been estimated that up to one in four healthcare workers may become infected with influenza during a mild influenza season - a much higher incidence than expected in the general population.

The 2019/20 national flu vaccination CQUIN was a continuation of the previous year's Health and Wellbeing CQUIN, this was nationally mandated by NHS England and applied to all NHS contracts (where appropriate).

For 2019/20 the expectation was that all NHS trusts would achieve an uptake of the flu vaccination by 80% of all frontline staff (those working directly with patients or in frontline support roles such as those working in the EOC) to reduce the risk of both staff and patients getting infected with influenza.

National access to patient information at scene CQUIN

This national ambulance CQUIN incentivised ambulance trusts to ensure their systems allow their clinical staff at scene to have immediate access to patient information. The aim of the CQUIN is to provide frontline staff with more detailed and accurate data about the patient, such as medical history, medicines and allergies, and any care plans that are available to them. This will, in turn, support decision-making, referral into appropriate pathways of care and safely reducing avoidable conveyance to hospital.

The CQUIN was made up of two parts; the first element was to ensure EMAS has the functionality to access patient information at scene, this was to be achieved by the 1 October 2019; the second element following on from successful implementation (from 1 October onwards) was to achieve a minimum of 5% of all on scene responses having patient information accessed by EMAS clinicians at scene.

Locally agreed CQUINs

In addition to the two nationally mandated CQUINs, there were also local CQUINs that were agreed with the local CCGs to focus on local quality improvements.

Derbyshire - Reduction in care home conveyance

Despite initiatives to reduce unplanned hospital admissions for residents in nursing homes, little is known about the involvement of emergency services in supporting residents in these settings.

A prospective descriptive study that gathered data on consecutive patients who presented to the emergency department (ED) of the Royal Infirmary of Edinburgh from adult care homes showed that between 8% and 40% of patients did not need to be conveyed to ED. Based on this a CQUIN, a project was developed to identify, create and implement plans (based upon PDSA methodology) through case studies to reduce conveyances to ED from nursing homes in Derbyshire.

Leicester, Leicestershire and Rutland (LLR) - Pre-hospital emergency medicine feedback

There are currently limited avenues for routine feedback from hospitals to pre-hospital clinicians and when this does occur it is usually in the guise of a clinical incident. Consequently, once an LLR paramedic or ambulance clinician has handed over the care of the patient to the hospital clinician, they will typically never receive any formal feedback in relation to that episode of care. This denies complete clinical case closure and it is recognised that this in turn directly impedes continued quality improvement in relation to patient care.

The LLR CQUIN for 2019/20 focused on developing a mechanism for pre-hospital emergency medicine feedback, delivery of this mechanism was to support and promote lifelong learning, reflection and clinical development for LLR paramedics and ambulance clinicians. Furthermore, the feedback mechanism was to support the LLR Urgent and Emergency Care Program and the 2019/20 national inflow priorities.

Lincolnshire – Exacerbation of Chronic Obstructive Pulmonary Disorder (COPD) – education, training and pathways

This local CQUIN was aimed at improving the care and pathways utilised for patients presenting to EMAS with exacerbation of COPD, achieved through emphasis on education and identifying gaps in pathway provisions.

Through the Sustainability and Transformation Plan (STP) engagement CQUIN in 2017-19, exacerbation of COPD was identified a key cohort of patients within the Lincolnshire division which would benefit from an improvement in service provision across the system. This CQUIN was aimed at identifying the size of the cohort of patients in question and understanding what pathways are currently available outside of ED and what is truly needed to improve the approach to managing these patients. It also ensured frontline staff have the most up-to-date knowledge of the management of patients with exacerbation of COPD.

Northamptonshire - Domiciliary care, Yellow Bracelet Scheme

The Yellow Bracelet Scheme is a local initiative aimed at ensuring NHS providers are aware of existing care packages in place for people receiving domiciliary care. Data collected in 2016 showed that of more than 4,600 people receiving domiciliary care in the county, around a third had to be taken to hospital by ambulance in the space of just nine months. This CQUIN was designed to support the implementation of the Yellow Bracelet Scheme; with EMAS clinicians making sure those patients that had a bracelet available were wearing it when they were conveyed to hospital.

Ambulance staff review care records held in a person's home to assist them in the decision making around conveying patients. Information about the care package which could support decision making in hospital is often not available once a patient has reached A&E/been admitted to an assessment ward. By having the ambulance staff place a yellow bracelet on to a patient prior to conveying them, the acute hospitals can access details of the patients care package via the bracelet 'Q' code.

Nottinghamshire - Using demand management initiatives to reduce conveyance

The 2019/20 Nottinghamshire CQUIN was developed, to continue to support the Integrated Care System ambition for urgent care, to appropriately manage demand by reducing conveyances to emergency departments. The aim was to increase the number of patients seen in the community to support care closer to the patient's home.

The CQUIN also worked towards 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.

Funding

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

Financial targets

We finished the year with a financial deficit of £11 million (£1.4 million surplus after adjustments for impairments and donated asset donation and depreciation). We did not generate sufficient income to cover our costs. This represented an improvement on the trust control target agreed with NHS Improvement. We have delivered £4.5 million savings, which was slightly above our target.

During the year to March 2020, we achieved the following performance against our financial duties:

Description of Target	Trust Target	Actual Result
Adjusted (Deficit)	£1,300k*	£1,350k*
3.5% return on capital	3.5%	3.5%
Compliance with Capital resource Limit	£8,876k	£8,148k
Compliance with Capital Funding Resource Limit	£8,510k	£8,428k

*excluding the effects of impairments and donated assets

In 2019/2020 the Trust's plan for compliance with the Capital Recourse limit included the use of funds from the disposal of a surplus property.

This disposal did not take place and therefore these funds for further capital investment were not available and reduced the overall level of spend that could be incurred which is the Capital Funding Resource Limit as stated above.

The Trust complied with this lower limit broadly utilising the available funding.

EMAS' deficit for the year includes the following which did not form part of our recurrent revenue for the year:

	£'000
Impairments charged as an expense in the Statement of Comprehensive Income	(13,042)
Provider Sustainability Fund	
2018/2019 Distribution	721
2019/2020 Distribution	1,504
Financial Recovery Fund	4,824
Contribution to Trust Results	(5,993)

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

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 68% of the total expenditure. The Trust Accounts for 2019/2020 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 2019/2020, EMAS spent most of available capital. The majority of this was allocated to transport. This expenditure was funded partly through internally generated capital funds and additional Public Divided Capital allocated to EMAS in the year.

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 (1%) 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 will continue to adopt the 'going concern' basis in preparing the accounts.

Recruitment and education

During 2019-20 we continued to deliver our Workforce Plans, triangulating activity, operational, finance and workforce information to ensure a comprehensive, collaborative and integrated approach to workforce planning. The development of workforce plans was supported by independent demand and capacity modelling that provided clarity on the workforce required to deliver against national performance standards. This planning and modelling formed the basis of the EMAS' two-year (2018 to 2020) Workforce Recruitment and Education Plans. This was supported by additional financial investment to increase the workforce capacity.

2019-20 represented the second year of a challenging workforce plan as part of the two-year investment programme, that has seen our frontline establishment increase by circa 430 whole time equivalents from 1 April 2018 to 31 March 2020.

Ongoing workforce plans for subsequent years will now continue to focus on maintaining funded workforce establishment, delivering the aspirations of the Clinical Operating Model

and increasing the registered skill mix to 55% by 2025. This is against a backdrop of a continued national shortage of qualified paramedics. To address this, the Human Resources, Recruitment, Education and Operational teams have developed recruitment and education programmes supporting the range of frontline roles within EMAS.

The EMAS Education team has been supported to deliver the Workforce Plan through partnerships with Higher Education Institutes (HEIs) in the delivery of paramedic and technician education programmes.

Through 2019-20 EMAS has provided career progression opportunities for existing staff to progress into a variety of roles, including paramedic; technician and leadership roles across the Trust.

We established a variety of routes to enable staff to achieve the Ambulance Technician Award. In addition to the routes in partnership with HEIs; and the Associate Ambulance Practitioner programme; and alongside apprenticeship routes to technician level; our Organisational Learning Team worked with external providers and awarding bodies to offer a different educational route that will allow participation from a wider pool of people who may not have the level of academic attainment previously required to enter the technician programmes through traditional routes. This supports EMAS to recruit from a wider demographic, and it is hoped, will allow people to join the ambulance service who may not have previously considered the sector as a career choice.

To further increase the paramedic skill mix we have developed partnerships with several HEIs within our regional footprint supporting direct entry and in-service education through BSc Paramedic Science programmes. Through these university partners studentship research, supported by research bursaries, as well as Continuous Professional Development opportunities in trauma, paramedic prescribing, and urgent care is available.

Through a national procurement exercise, we appointed partner universities to provide an Apprentice Paramedic Degree level education programme that will support technicians within EMAS to progress to paramedic level.

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. The statement was refreshed and approved by the Trust Board in March 2019. Visit <https://www.emas.nhs.uk/join-the-team/working-for-emas/> for details.

Patient experience

Under the 'Develop' heading of our Big 3 vision and strategic priorities, we say we will have achieved our aim when 'our patients report consistently high levels of satisfaction'.

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

We continually seek to improve quality for our patients, delivering sustained improvement in the patient experience and clinical outcomes.

Our EMAS Patient Voice group, made up of public volunteers, is chaired by our Director of Quality Improvement and Patient Safety, and is supported by two sub-groups based in Nottinghamshire and Derbyshire. We remain committed to strengthening the patient voice and are therefore continuing to look at ways of increasing representation from all our geographic areas and from seldom heard groups. This will continue into 2020/21.

The group meets regularly to discuss and add strength to our services. They review our complaints, compliments, Patient Advice and Liaison Service (PALS) procedures, media messages and a selection of responses, to help identify areas for improvement. The group is actively involved in quality visits to a variety of our facilities across the East Midlands.

During the year EMAS Patient Voice visited our Emergency Operations Centre in Nottingham, the Hazardous Area Response team in Mansfield and Bishops Education and Development Centre in Lincolnshire to gain a better understanding of the service provided.

Members of the group took part in cardio-pulmonary resuscitation (CPR) training and supported our Restart a Heart campaign, teaching school pupils and the public how to do hands-only CPR.

The group also attended the EMAS Community First Responder's Conference in October; allowing members to gain knowledge about the work our volunteers do, and benefit from the time networking with them.

EMAS Patient Voice have been active in the community delivering an EMAS Ambassador presentation to various groups to explain EMAS procedures, sign post the public to use other non-emergency healthcare providers when appropriate, and to encourage people to join our volunteer services.

More detailed information on our achievements is provided in our Quality Account 2019/2020, which will be published later in the year on the EMAS and NHS Choices websites. (Please see note in the Chairman's statement section regarding publication deadlines as a result of the COVID-19 response).

Freedom to Speak Up

Listening to and acting on staff feedback helps us improve our services for all patients and the working environment for our workforce. Therefore, we encourage colleagues to report incidents of malpractice which involve a danger to patients, public or colleagues; and/or issues relating to professional misconduct or financial malpractice. We currently have an arrangement with Nottinghamshire Healthcare Foundation Trust where they provide us with independent and confidential Freedom to Speak Up support. Alternatively, colleagues can email our designated Freedom to Speak Up email address or contact our Deputy Director of Clinical Quality, Roger Watson or Non-Executive Director Vijay Sharma.

General Data Protection Regulation

EMAS' compliance with the General Data Protection Regulation (GDPR) 2016 and the UK Data Protection Act 2018 is monitored by both the Information Governance Group and the Finance and Performance Committee.

The EMAS Head of Information Governance also acts as the EMAS Data Protection Officer, managing virtual work-streams including communications, to support the fair processing notices and procurement, to support the contract reviews. Information relating to GDPR is communicated to all EMAS colleagues through the staff digital magazine Enews, and through statutory and mandatory education.

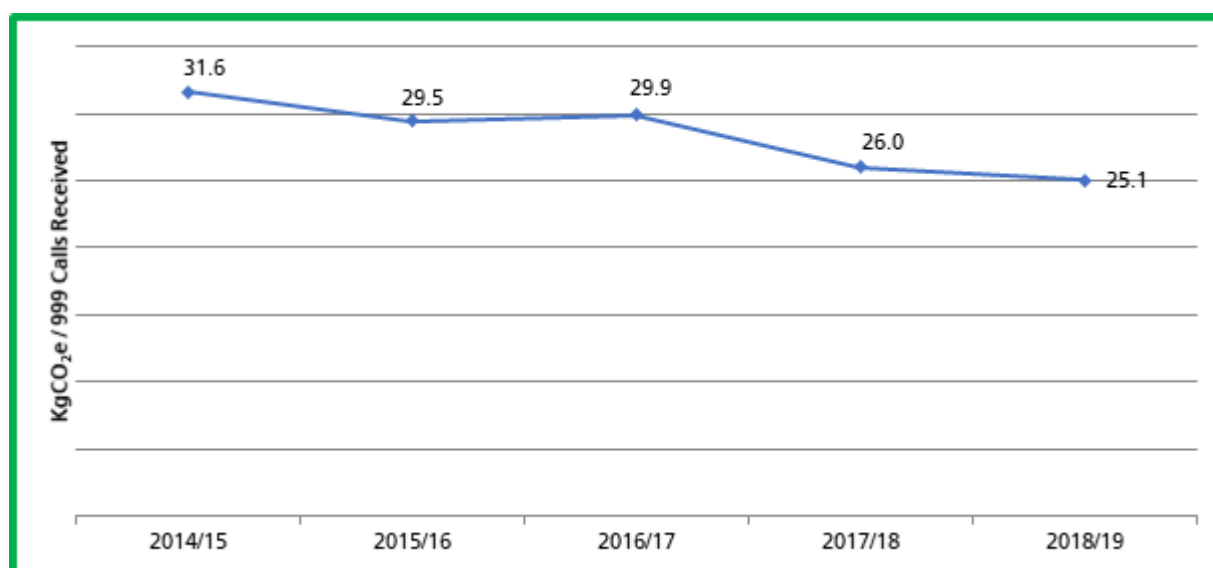
Environmental Sustainability

1. Green House Gas Emissions

Our Sustainable Development Management Plan (SDMP) and Environmental Policy Statement have continued to be the frameworks on which we are currently delivering both our five-year 30% carbon reduction target and our commitment to continue to comply with all relevant environmental regulation.

We have continued to embed the principles of good environmental management practices into all relevant aspects our operation. The carbon associated with the energy we use across our estates, our travel and transportation and our procurement and commissioning, has continued to be monitored, managed and reported against our 2014/15 baseline.

We are proud to report that our carbon footprint reduced by 4% from 26,839 tCO₂e in 2014/15 to 25,861 tCO₂e at the end of the 2018/19 financial year. We achieved this improvement in our performance, even though the number of 999 calls we received increased by 22% over the last four years. The figure below shows that we effectively achieved a 21% reduction in the carbon we emit for every 999 call we received during the 2018/19 financial year compared to our 2014/15 baseline.



We are actively reducing emissions from our fleet as well as reducing the public health impacts of our operation. The newer, more efficient and less polluting healthcare and

support vehicles that we have bought over the last four years have reduced the average carbon our vehicles emit per distance travelled by 11.4% from 200.4 g/km to 177.5 g/km.

In conjunction with the above, the fuel we use per every 999 call we receive reduced by 14% against our 2014/15 baseline. This efficiency is attributed to our newer vehicles, reduction of the number of times our emergency vehicles were left idling and our current operational model. Our current operational model is underpinned by our commitment to optimising every opportunity to deliver sustainable emergency healthcare services within the communities we serve.

We are actively collaborating with other local partners and stakeholders. One of the benefits of this collaboration is that we recently received a sustainable travel grant from the Nottingham City Council (NCC). The grant from NCC has been used to install eight dual 7 kW electric vehicle charging units. These units were commissioned in December 2018 and have collectively contributed to avoiding the emission of 744 kgCO₂ and 93 kgN₂O.

We have continued to monitor our fleet against the current London ultra-low air zone (ULEZ) standard. As at March 2019, 61% of our fleet are compliant with the current ULEZ standard. We will continue to explore opportunities to reduce the public health and environmental impacts of our fleet.

We have continued to promote the benefits of sustainable travel across EMAS. During the 2018/19 financial year, car sharing contributed to avoiding over 40,000 miles, while cycling accounted for 274 miles of our business travel. Additionally, our capacity to support remote working meant that we were able to support significant numbers of staff to remain safely at home in line with government guidelines during the COVID-19 pandemic.

The number of premises from which our staff use electric and hybrid electric vehicles for business travel increased from zero during the 2014/15 financial year to nine during 2017/18 and ten at the end of the year under review. An in-depth analysis of our current business travel shows that pure electric and hybrid electric vehicles were used to travel up to 1.5% of our 2018/19 business miles. These low and ultra-low emission vehicles contributed to reducing the public health and environmental impact of business travel. We are continuing to install charging points across our estate and we have changed our fleet lease car policy to encourage use of hybrid and electric vehicles.

2. Waste Minimisation and Management

Over the last five years we have consistently diverted 98% of all non-healthcare wastes generated from our premises from landfill. The environmental and financial benefits of recycling will continue to be promoted across all areas of our operations.

Over the last five years, the proportion of soft clinical wastes generated from our operations that were disposed via high temperature incineration route reduced from 27% to 0.5%. We will continue to promote the public health and environmental benefits of safe handling, segregation and storage of all healthcare wastes generated from our operation.

We are proud to have signed the NHS Pledge to Reduce plastic waste.

3. Finite Resource Consumption

Over the last five years, we have invested in upgrades to heating systems and lighting stock across our premises. These investments have contributed to reducing the electricity and gas used across our premises by 10% and 23% respectively. These achievements

have enhanced our financial resilience to rising energy prices and reduced this aspect of our carbon footprint. We will consider with our new maintenance provider whether there are any further benefits to be had by the installation of ground or air source heat systems.

The water efficiency measures that we have installed across our premises have contributed to reducing our water use showing a 27% measurement for the ERIC returns for 2019. This is compared to our 2014/15 baseline. We are actively playing our part in reducing the pressure on water resources across our operational area.

4. Biodiversity Action Planning

Applies only to organisations subject to Greening Government Commitments.

5. Sustainable Procurement

The 2% reduction in the procurement and commissioning aspect of our carbon footprint over the last five years is attributed to our cost improvement programme (CIP). We will continue to promote the benefits of embedding good environmental practices and efficiency into all aspects of our operation.

Environmental sustainability requirements continue to be included into relevant aspects of our procurement and commissioning processes. For example, our new FM contract which goes live on 1 April 2020 has an environmental section built into the contract. This ensures contractors are embedding the principles of sustainable development into the way they deliver services on behalf of EMAS.

6. Climate Change Adaptations

We have continued to implement initiatives that support the delivery of our commitment to improve our environmental performance and enhance our resilience to the challenges associated with climate change. We also supported and promoted Clean Air Day across our estate.

7. Sustainable Construction

During the financial year 2019/20 we undertook the upgrade of welfare facilities across 15 sites with a further two sites at Kingsmill and Gorse Hill adapted for our Make Ready project. All of these schemes we procured using the SCAPE delivery model which supports social engagement using local sourced contractors and materials.



Chief Executive

15 June 2020

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 2019/2020 (*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	Director of Finance*	25 April 2016 (substantive post from 25 October 2018)	
B Holdaway	Director of Operations*	10 April 2018	
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	
N Bramhall	Executive Director of Quality Improvement & Patient Safety*	8 July 2019	
P Benton	Acting Director of Quality*	1 October 2018	7 July 2019
Dr L Roberts	Medical Director	1 April 2019	
W Legge	Director of Strategy and Transformation	21 July 2014	

P Tagg	Chairman*	1 October 2014 (appointed as Chairman) Member of the Board from 11 October 2011	
S Dawkins	Non-Executive Director*	11 October 2011 extended until 30 September 2021	
G Brown	Non-Executive Director*	1 August 2018	
W Pope	Non-Executive Director*	25 January 2016	
V Sharma	Non-Executive Director*	11 October 2014 extended until 30 September 2021	
K Tomlinson	Non-Executive Director*	1 August 2014	
J Ide	Associate Non-Executive Director	Member of NeXT Director scheme from 8 January 2018. Appointed by Trust 1 January 2019	

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

Members of the Audit Committee

Member	From	To
K Tomlinson	24 July 2019	
W Pope (Chair)	25 January 2016	
G Brown	1 August 2018	

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 the chief executive's responsibilities as the accountable officer of the trust

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, other items of comprehensive income and cash flows for the year.

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

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.



Signed.....Chief Executive

Date.....15 June 2020.....

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 2020 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 also 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.

A Logistics and Estates Committee was established during the year to oversee the redesign of the Logistics function and to monitor a significant programme of Estates improvement work. As that work has now reduced the committee is no longer required and will not continue into 2020/21.

There are also a number of sub groups reporting to the committees which undertake specific roles and support the committees in their assurance role.

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
- a programme for ensuring quality improvement which ensures that the standard and quality of care is maintained and the Care Quality Commission's requirements for ambulance trusts followed and which is currently being revised and enhanced for implementation during 2020/21.

Ensuring corporate governance

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 and Schedule of Matters Reserved to the Board. There have been changes to the Board membership during 2019/20. A new Medical Director took up post on 1 April 2019 and the new Director of Quality Improvement and Patient Safety joined the Trust on 8 July 2019.

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 also 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 October 2019. Areas of improvement were identified as part of the self-assessment and have informed the Board Development work 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 and Schedule of Matters Reserved to the Board identifies responsibility for specific statutory roles and details delegated authority to undertake the functions.

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 2019/20.

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. The Trust Board agreed a risk appetite statement in August 2019. This is included in all reports to the Trust Board and committee

so that the risk appetite can be considered when making decisions. 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 2019/20. Responsibility for the detailed examination of specific risks on a regular basis is delegated to the respective committees.

The main risks identified during 2019/20 were:

- demand levels could be at a greater level than planned
- absence of or restricted access to care pathways impacting on conveyance levels and patient experience
- lost resources, an inability to respond and potential patient harm due to delays at hospitals
- inability to deliver financial targets
- changes in policies, procedures and terms and conditions resulting in industrial action
- infrastructure failure
- potential data loss
- winter pressures affecting response to patients
- recruitment and retention of skilled staff
- impact on morale and recruitment and retention if the workforce is not able to develop
- inability to modernise the estate
- frontline leadership capacity
- the cost of widespread changes to terms and conditions
- the impact on the Trust of the emerging new healthcare system.

A number of these challenges are likely to continue into 2020/21.

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.

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 and Schedule of Matters Reserved to the Board 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 self-assessments 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.

Workforce Strategies and Staffing Systems

The Trust takes an evidence-based approach, utilising independent external reviews and historic activity trends, to determine the required number of suitably qualified, competent and skilled staff to deliver services in each locality. Delivery of the workforce plan is supported by a recruitment and education plan taking account of factors such as the required increased capacity; turnover information; abstraction data; length of education programmes; and available workforce supply to deliver the required funded workforce. The plan includes utilisation of third party resources to maintain the required staffing levels whilst new employees are recruited and undertake training. All frontline staff members are qualified in their respective role. To support newly qualified staff and those in training, experienced frontline staff members provide mentorship and guidance in practice. The Trust continues to support development of mentor capacity and capability through its practice education programme.

Development of the five-year Workforce Plan is overseen by the Workforce Planning Group, a subgroup of the Workforce Committee of the Trust Board. The Workforce Plan is updated on an annual basis using future workforce modelling determined by strategic priorities, workforce supply, education availability and financial considerations. The plan is presented to the Trust Board for approval. The plan is monitored on a monthly basis in relation to staffing numbers, cost and delivery of nationally set performance standards. The Trust reports and monitors quality metrics monthly through the Quality and Governance Committee, which includes patient experience and patient safety and would identify workforce issues impacting on patients. In addition, the Integrated Board Report incorporates performance, workforce, finance, clinical and quality metrics and is reviewed and discussed by the Trust Board at each meeting.

Data security risks

The Trust Board approved the Digital Strategic Framework 2020/23 in December 2019, which includes steps to ensure the appropriate identification and mitigation of risks related to data security. This, combined with the 2017/21 Information Security Strategy provides a mechanism to provide assurance to the Trust Board.

Data security risks are managed by the information assurance function within the Information Management and Technology team and are reported to the Information Security Group and the Information Assurance Group. The latter escalates risks to the Finance and Performance Committee as appropriate. Additionally, the Trust is engaged with a number of information assurance programmes led by NHS Digital which include overarching risk reviews and delivery of targeted training in data security risks for the Trust Board.

Significant additional investment was made in 2019/20 to secure the Trust's long-term information assurance capabilities.

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.

The Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the Trust with reference to the guidance) within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance.

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

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. A representative of the Patient Voice Forum is a member of the Quality and Governance Committee.

Regulation and inspection

The Care Quality Commission carried out a planned inspection of the Trust in April and May 2019. The overall rating for the Trust following that inspection was Good.

The Trust is fully compliant with the registration requirements of the Care Quality Commission. The Trust ensures ongoing compliance with the Care Quality Commission's requirements through the quality improvement processes. This work is overseen by the Quality and Governance Committee.

Internal audit programme and assurance

The Trust's internal auditors have provided a significant assurance opinion for 2019/20. 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. The auditors noted however that although there was a significant assurance in relation to the Board Assurance Framework and strategic risk management and the outturn from the Internal Audit Plan work they provided moderate assurance in relation to the Trust's implementation of audit recommendations as not all recommendations are implemented promptly.

Two high risk issues were identified by the internal auditors in undertaking 2019/20 programme of work. These relate to a review of Estates Minor Works and involved non-compliance with Standing Financial Instructions and the Scheme of Delegation and the retention of evidence to demonstrate formal quotations had been obtained and tender procedures followed. In addition, the auditors carried out some additional work for the Trust on the tender exercise for hard facilities management. This work was in addition to the audit plan and was advisory in nature. The review identified four high risk issues which related to the lack of policy and procedures in key areas of the bidding process.

The internal auditors provided one weak assurance opinion in 2019/20. This related to the Estates Minor Works function. A limited opinion was provided on the Cyber Security Governance audit and the Management of Projects and Business Cases audit. Seven significant assurance opinions were provided on other audits.

Prevention of Future Deaths Reports

The Trust received four Prevention of Future Deaths reports from the Coroner in 2019/20.

The issues highlighted were:

- ambulance dispatched to the caller's address in addition to the patient's address;
- the ability to link repeat calls from the same address in order to provide appropriate support to patients;
- escalation of certain calls from the NHS 111 service; and
- a delayed response when transferring between hospitals.

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 committees. The Audit Committee in particular advises the Trust Board on performance against its value for money objectives.

The Finance and Performance Committee has used the recent Carter Report on ambulance efficiency to assist in the process of establishing economy, efficiency and effectiveness in the use of resources. The committee receives monthly updates on performance against standards identified in the report. The Trust has identified areas of variance and has commissioned Deloitte to work with the Trust to create systems and processes to improve efficiency.

To ensure economy, efficiency and effectiveness of the use of resources was achieved during 2019/20 the Trust has:

- jointly with its commissioners implemented the review undertaken in 2017/18 of pricing and costs needed to implement the Ambulance Review Programme standards
- participated in and led elements of the Carter review into Ambulance Service use of resources and the EMAS Ambulance vehicle specification was determined as the benchmark;
- participated in a jointly commissioned review with commissioners to establish the cost of a safe and effective ambulance service for the East Midlands; and implemented the outcome in 2019/20.
- participated in further benchmarking of back office functions with NHS Improvement.

Information governance

During 2019/20 there was one reportable incident relating to information governance which related to inappropriate access to information.

The Trust has 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.

The Trust has a non-executive director lead for the requirements arising from the General Data Protection Regulation.

Quality Issues

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 quality performance indicators.

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 2019/20 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.

At the end of 2019/20 EMAS was involved in responding to the impact of COVID-19. Although the situation is very challenging the implications of COVID-19 have not led to a significant change in how the Trust's control environment is applied. The existing arrangements allow for urgent decision-making where appropriate and for formal meetings to be held using electronic means which ensured the continuation of robust governance. The impact of COVID-19 will continue into 2020/21.

Conclusion

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

Signed 

Richard Henderson
Chief Executive
East Midlands Ambulance Service NHS Trust

Date: ...15 June 2020.....

2.5 Remuneration Report

2.6 Remuneration Policy

Senior managers' remuneration

This remuneration report is for the year ending 31 March 2020. 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 2019/2020.

The following remuneration report for the year ended 31 March 2020 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 2020

Salaries and Allowances (Part 1 - 31 March 2020)			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		Chief Executive Director	150 - 155	0	0	0	50.0 - 52.5	200 - 205
Kerry Gulliver		Director of Human Resources and Organisational Development	105 - 110	4,900	0	0	40.0 - 42.5	155 - 160
Mike Naylor		Director of Finance	130 - 135	0	0	0	0	130 - 135
Nichola Bramhall	Commenced 8 July 2019	Director of Quality Improvement and Patient Safety	80 - 85	0	0	0	75.0 - 77.5	155 - 160
Judith Douglas	Ceased Trust Board Membership 31 March 2019	Director of Quality and Nursing	N/A	0	N/A	N/A	N/A	N/A
Paul Benton	Ceased 7 July 2019	Acting Director of Quality and Nursing	25 - 30	0	0	0	35.0 - 37.5	60 - 65
David Whiting		Interim Chief Operating Officer	110 - 115	0	0	0	N/A	110 - 115
Ben Holdaway		Director of Operations	105 - 110	4,900	0	0	70.0 - 72.5	180 - 185
Leon Roberts	Commenced 1 April 2019	Medical Director	80 - 85	0	0	0	45.0 - 47.5	125 - 130
Robert Winter	Ceased 30 September 2018	Medical Director	N/A	0	N/A	N/A	N/A	N/A
John Stephenson	Ceased 31 March 2019	Interim Medical Director	N/A	0	N/A	N/A	N/A	N/A
Will Legge		Director of Strategy and Transformation	110 - 115	2,800	0	0	42.5 - 45.0	155 - 160
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	Ceased 30 June 2018	Non-Executive Director	N/A	0	N/A	N/A	N/A	N/A
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		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Gary Brown	Commenced 1 August 2018	Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Jane Ide	Commenced 8 January 2019	Associate Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Maggie Boyd	Ceased 30 November 2019	Quality Advisor to the Board	30 - 35	0	0	0	N/A	30 - 35
Mojan Sani	Ceased 3 October 2018	Associate Non-Executive Director	N/A	0	N/A	N/A	N/A	N/A

Salaries and Allowances (Part 2 - 31 March 2019)			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		Chief Executive Director	140 - 145	3,000	0	0	112.5 - 115.0	255 - 260
Kerry Gulliver		Director of Human Resources and Organisational Development	105 - 110	4,900	0	0	57.5 - 60.0	165 - 170
Mike Naylor		Director of Finance	130 - 135	0	0	0	0.0 - 2.5	130 - 135
Nichola Bramhall	Commenced 8 July 2019	Director of Quality Improvement and Patient Safety	N/A	N/A	N/A	N/A	N/A	N/A
Judith Douglas	Ceased Trust Board Membership 31 March 2019	Director of Quality and Nursing	105 - 110	0	0	0	107.5 - 110.0	215 - 220
Paul Benton	Ceased 7 July 2019	Acting Director of Quality and Nursing	50 - 55	1,900	0	0	32.5 - 35.0	85 - 90
David Whiting		Interim Chief Operating Officer	110 - 115	0	0	0	N/A	110 - 115
Ben Holdaway		Director of Operations	100 - 105	2,500	0	0	50.0 - 52.5	155 - 160
Leon Roberts	Commenced 1 April 2019	Medical Director	N/A	N/A	N/A	N/A	N/A	N/A
Robert Winter	Ceased 30 September 2018	Medical Director	35 - 40	0	0	0	0.0 - 2.5	35 - 40
John Stephenson	Ceased 31 March 2019	Interim Medical Director	50 - 55	2,400	0	0	0.0 - 2.5	50 - 55
Will Legge		Director of Strategy and Transformation	105 - 110	3,900	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	Ceased 30 June 2018	Non-Executive Director	0 - 5	0	0	0	N/A	0 - 5
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		Non-Executive Director	5 - 10	0	0	0	N/A	5 - 10
Gary Brown	Commenced 1 August 2018	Non-Executive Director	0 - 5	0	0	0	N/A	0 - 5
Jane Ide	Commenced 8 January 2019	Associate Non-Executive Director	0 - 5	0	0	0	N/A	0 - 5
Maggie Boyd	Ceased 30 November 2019	Quality Advisor to the Board	5 - 10	0	0	0	N/A	5 - 10
Mojan Sani	Ceased 3 October 2018	Associate Non-Executive Director	0 - 5	0	0	0	N/A	0 - 5

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 2019/2020 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 2019/2020 was £152,500 (2018/2019 £142,500) This was 5.10 times (2018/2019 4.83 times) the median remuneration of the workforce, which was £29,929 (2018/2019 £29,533).

In 2019/2020 and 2018/2019 no employees received remuneration in excess of the highest paid director. Remuneration ranged from £17,652 to £150,655 (2018/2019 £15,404 to £143,500).

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 in Pension at Pension Age	Real Increase in Pension Lump Sum at Pension Age	Total Accrued Pension at Pension Age at 31 March 2020	Lump Sum at Pension Age Related to Accrued Pension at 31 March 2020	Cash Equivalent Transfer Value at 1 April 2019	Real Increase in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2020	Employers Contribution to Stakeholder Pension
			Bands of £2,500	Bands of £2,500	Bands of £5,000	Bands of £5,000				
			£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Richard Henderson		Chief Executive Director	2.5 - 5.0	0.0 - 2.5	45 - 50	100 - 105	627	33	696	0
Kerry Gulliver		Director of Human Resources and Organisational Development	2.5 - 5.0	0.0 - 2.5	30 - 35	60 - 65	537	40	604	0
Mike Naylor		Director of Finance	0	0.0 - 2.5	0	0	0	0	0	0
Nichola Bramhall	Commenced 8 July 2019	Director of Quality Improvement and Patient Safety	2.5 - 5.0	2.5 - 5.0	40 - 45	120 - 125	772	54	876	0
Paul Benton	Ceased 7 July 2019	Acting Director of Quality and Nursing	0.0 - 2.5	0.0 - 2.5	25 - 30	65 - 70	450	9	497	0
David Whiting		Interim Chief Operating Officer	0	0.0 - 2.5	0	0	0	0	0	0
Ben Holdaway		Director of Operations	2.5 - 5.0	0.0 - 2.5	35 - 40	0	344	40	408	0
Will Legge		Director of Strategy and Transformation	2.5 - 5.0	0.0 - 2.5	25 - 30	50 - 55	333	23	379	0
Leon Roberts	Commenced 1 April 2019	Medical Director	2.5 - 5.0	0.0 - 2.5	0 - 5	0	0	19	28	0

As non-executive members do not receive pensionable remuneration, there will be no entries in respect of pensions for non-executive members.



Chief Executive

15 June 2020

Exit packages agreed in 2019-2020

2019/2020 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	6	31,118	6	31,118	0	0
£10,000 - £25,000	0	0	1	18,149	1	18,149	0	0
£25,001 - £50,000	2	66,675	0	0	2	66,675	0	0
£50,001 - £100,000	0	0	0	0	0	0	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	2	66,675	7	49,267	9	115,942	0	0

2018/2019 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	11	23,777	11	23,777	0	0
£10,000 - £25,000	0	0	0	0	0	0	0	0
£25,001 - £50,000	0	0	0	0	0	0	0	0
£50,001 - £100,000	0	0	0	0	0	0	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	11	23,777	11	23,777	0	0

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 hasn't utilised a Mutually Agreed Resignation Scheme in 2019/2020.

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

	2019-2020		2018-2019	
	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	27	0	0
Early retirements in the efficiency of the service contractual costs	0	0	0	0
Contractual payments in lieu of notice*	5	22	11	24
Exit payments following Employment Tribunals or court orders	0	0	0	0
Non contractual payments requiring HMT approval **	0	0	0	0
Total	7	49	11	24

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 be the number of individuals above will not necessarily match the total numbers in the exit packages agreed in 2019-2020 which will be the number of individuals.

Off-payroll engagements longer than 6 months

For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months:

	Number
No. of existing engagements as of 31 March 2020	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 2019 and 31 March 2020, 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 2019 and 31 March 2020	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 2019 and 31 March 2020:

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.	17

2.7 Staff Report

Staff absences

Due to Coronavirus affecting staff sickness absence figures, the figures will be available on the [NHS Digital website](#) later in the year.

An Improving Wellbeing and Reducing Sickness Absence Plan is in place and monitored through internal governance structures with performance managed through Divisional Performance Review meetings.

Policies and procedures are in place to support the management of staff absence, complemented by partnership working with Trade Union colleagues. However, there are many factors that contribute to improving health and wellbeing and attendance at work and these are documented in the action plans supporting delivery of the Trust's People and Organisational Development Strategy.

During the year HR colleagues also worked with NHS Improvement to review sickness absence management procedures and practices. This work provided assurance on absence management processes, along with recommendations that support continuous improvement in health and wellbeing.

Staffing Policies

EMAS has a structured process in place supporting the development of new Human Resources policies and procedures, and for the regular review and updating of existing Human Resources policies and procedures. This allows EMAS to learn from previous experiences, ensure that fair and equitable processes are in place for all staff, and ensure that any changes in employment law are appropriately reflected in policies and procedures. The consistent approach taken in developing policies and procedures includes working in partnership with our trade union colleagues, enabling appropriate engagement and consultation.

In line with equality legislation and best practice, our policies and procedures aim to ensure fair and equitable practices are maintained in relation to workforce disability standards, including:

0. in applications for employment made by applicants with a disability, ensuring regard to aptitudes and abilities;
1. in access to education, training and career progression for staff with a disability;
2. in arranging appropriate education, training, support and reasonable adjustments for staff who identify with a disability whilst employed by EMAS.

Senior manager pay banding

The number of senior managers in each banding of salary (as at year ended 31 March 2020) are:

Salary Bands of £5,000	Number	Salary Bands of £5,000	Number
5 - 10	6	105 - 110	2
25 - 30	2	110 - 115	2
30 - 35	1	130 - 135	1
80 - 85	2	150 - 155	1

Trade Union facility times

Table 1

Relevant union officials

What was the total number of your employees who were relevant union officials during the relevant period?

Number of employees who were relevant union officials during the relevant period	Full-time equivalent employee number
64	4

Table 2

Percentage of time spent on facility time

How many of your employees who were relevant union officials employed during the relevant period spent a) 0%, b) 1%-50%, c) 51%-99% or d) 100% of their working hours on facility time?

Percentage of time	Number of employees
0%	0
1-50%	64
51%-99%	0
100%	4

Table 3

Percentage of pay bill spent on facility time

Provide the figures requested in the first column of the table below to determine the percentage of your total pay bill spent on paying employees who were relevant union officials for facility time during the relevant period.

First Column	Figures
Provide the total cost of facility time	£301,904
Provide the total pay bill	£156,211,000
Provide the percentage of the total pay bill spent on facility time, calculated as: (total cost of facility time ÷ total pay bill) x 100	0.19%

Table 4

Paid trade union activities

As a percentage of total paid facility time hours, how many hours were spent by employees who were relevant union officials during the relevant period on paid trade union activities?

Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period ÷ total paid facility time hours) x 100	23.2%
--	--------------

Employee benefits

	Permanent	Other	2019/20 Total	2018/19 Total
	£000	£000	£000	£000
Salaries and wages	120,722	1,486	122,208	108,530
Social security costs	11,490	-	11,490	10,364
Apprenticeship levy	587	-	587	523
Employer's contributions to NHS pension scheme	20,958	152	21,110	13,134
Pension cost - other	85	4	89	104
Other post employment benefits	-	-	-	-
Other employment benefits	-	-	-	-
Termination benefits	94	-	94	-
Temporary staff	-	633	633	697
Total gross staff costs	153,936	2,275	156,211	133,352
Recoveries in respect of seconded staff	-	-	-	-
Total staff costs	153,936	2,275	156,211	133,352
Of which				
Costs capitalised as part of assets	-	-	-	-

Staff numbers

Analysis of average staff numbers is as follows:

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	1	-	1	1
Ambulance staff	2,721	33	2,754	2,457
Administration and estates	840	7	847	780
Healthcare assistants and other support staff	-	-	-	-
Nursing, midwifery and health visiting staff	73	3	76	64
Nursing, midwifery and health visiting learners	-	-	-	-
Scientific, therapeutic and technical staff	-	-	-	-
Healthcare science staff	-	-	-	-
Social care staff	-	-	-	-
Other	-	-	-	-
Total average numbers	3,635	43	3,678	3,302

Of which:

Number of employees (WTE) engaged on capital projects

- - - -

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/>

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 ensuring that our services are not discriminatory, enabling equality of access and provision, and meeting 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.

Priority actions arising from our equality event held in May 2019 have seen us:

- Move from 'Developing' to 'Achieving' in our EDS grading, measured through engagement with stakeholders through our Equality Events.

- Deliver further Board Development workshops on the Workforce Race Equality Standard (WRES), Workforce Disability Equality Standard (WDES), Staff Networks, and Due Regard.
- Establish our Black Asian Minority Ethnic (BAME) staff network.
- Continue to roll out the Professional Behaviours in the Workplace education programme for managers and leaders.
- Engage with national and regional groups to develop the Workforce Disability Equality Standard (WDES).
- Continue to support our staff in attending ambulance sector national conferences including BAME; lesbian, gay, bisexual and transgender (LGBT); and Women in Leadership events.
- Develop a partnership with Disability Business Forum leading to more critical review of our processes and approaches to supporting those with disability in the workplace, including a review of how we apply the Accessible Information Standard.

Our Annual Equality, Diversity and Inclusion reports, published on our website provide further detail.

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

Age Group	Percentage of Overall Staff 2018/2019	Percentage of Overall Staff 2019/2020
15-19	0.10%	0.17%
20-24	4.70%	7.41%
25-29	11.79%	13.45%
30-34	11.84%	12.16%
35-39	10.16%	9.62%
40-44	12.64%	11.83%
45-49	14.36%	13.14%
50-54	14.21%	13.57%
55-59	10.84%	9.93%
60-64	6.51%	6.30%
65+	2.85%	2.42%

Ethnicity	2018/2019	2019/2020
% White*	95.3	95.4

% Ethnic Group**	2.9	3.0
Not declared	1.8	1.6
Gender %	2018/2019	2019/2020
Male	52	51
Female	48	49

* Includes White British, White Irish, White any other white background, White unspecified, White English, White Welsh, White Italian, White Polish, White other European

** Includes White and Black Caribbean, White and Black African, White and Asian, other mixed background, other unspecified, Asian or Asian British – Indian, Asian or Asian British – Pakistani, Asian or Asian British – other Asian background, Asian British, Asian unspecified, Black or Black British – Caribbean, Black or Black British - African, Black or Black British – other Black background, Black Nigerian, Chinese, Any Other Ethnic group.

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 2019/2020, EMAS' expenditure on consultancy fees was £33k (2018/2019 £195k)

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

EMAS 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.



Chief Executive

15 June 2020

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 EMAS' appointed external auditor and were paid £40k (exc. VAT) in respect of statutory audit fees for the 2019/2020 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 2019/2020 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 2019/2020 are set out in full as an appendix within this Annual Report.



Chief Executive

15 June 2020

3. Financial Statements and notes

East Midlands Ambulance Service NHS Trust

Annual Accounts for the year ended 31 March 2020

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, other items of comprehensive income 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 and
- prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern.

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.

The directors confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS trust's performance, business model and strategy

By order of the Board

...15 June 2020..... Date..........Chief Executive

...15 June 2020..... Date..........Director of Finance



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 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers 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 2020 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 and Social Care Group Accounting Manual 2019/20.

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

The Directors have prepared the financial statements on the going concern basis as they have not been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

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 a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the Trust will continue in operation.

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 and Social Care Group Accounting Manual 2019/20. 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 and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in the statement set out on page 58, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the 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 page 31 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 31, 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 December 2019 and updated in April 2020 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 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.

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.

On 29 May 2020 we issued a referral to the Secretary of State under Section 30(1)(a) of the Local Audit and Accountability Act 2014, as the Trust was in breach of its cumulative break-even duty.

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 for the year ended 31 March 2020 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
Chartered Accountants

One Snowhill
Snowhill Queensway
Birmingham
B4 6GH

17 June 2020

Statement of Comprehensive Income

		2019/20	2018/19
	Note	£000	£000
Operating income from patient care activities	3	206,945	178,057
Other operating income	4	11,707	9,087
Operating expenses	7, 9	(229,004)	(189,066)
Operating (deficit) from continuing operations		(10,352)	(1,922)
Finance income	12	96	91
Finance expenses	13	(219)	(237)
PDC dividends payable		(1,338)	(1,343)
Net finance costs		(1,461)	(1,489)
Other gains	14	801	631
Share of profit / (losses) of associates / joint arrangements	21	-	-
Gains / (losses) arising from transfers by absorption	45	-	-
Corporation tax expense		-	-
(Deficit) for the year from continuing operations		(11,012)	(2,780)
Surplus / (deficit) on discontinued operations and the gain / (loss) on disposal of discontinued operations	15	-	-
(Deficit) for the year		(11,012)	(2,780)
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	8	(9,120)	613
Revaluations	19	3,494	575
Share of comprehensive income from associates and joint ventures	21	-	-
Fair value gains / (losses) on equity instruments designated at fair value through OCI	22	-	-
Other recognised gains and losses		-	-
Remeasurements of the net defined benefit pension scheme liability / asset	38	-	-
Gain / (loss) arising from on transfers by modified absorption	45	-	-
Other reserve movements		-	-
May be reclassified to income and expenditure when certain conditions are met:			
Fair value gains/(losses) on financial assets mandated at fair value through OCI	22	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	14	-	-
Foreign exchange gains / (losses) recognised directly in OCI		-	-
Total comprehensive (expense) for the period		(16,638)	(1,592)
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		(11,012)	(2,780)
Remove net impairments not scoring to the Departmental expenditure limit		13,042	(225)
Remove (gains) / losses on transfers by absorption		-	-
Remove I&E impact of capital grants and donations		41	(106)
Prior period adjustments		-	-
Remove non-cash element of on-SoFP pension costs		-	-
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(721)	-
Adjusted financial performance surplus / (deficit)		1,350	(3,111)

Statement of Financial Position

		31 March 2020 £000	31 March 2019 £000
Note			
Non-current assets			
	Intangible assets	16	182
	Property, plant and equipment	17	57,561
	Investment property	20	-
	Investments in associates and joint ventures	21	-
	Other investments / financial assets	22	-
	Receivables	25	-
	Other assets	26	-
	Total non-current assets	57,743	78,219
Current assets			
	Inventories	24	2,478
	Receivables	25	11,025
	Other investments / financial assets	22	-
	Other assets	26	-
	Non-current assets for sale and assets in disposal groups	27	1,100
	Cash and cash equivalents	28	11,151
	Total current assets	25,754	24,077
Current liabilities			
	Trade and other payables	29	(20,210)
	Borrowings	31	(14,046)
	Other financial liabilities	32	-
	Provisions	34	(4,168)
	Other liabilities	30	(349)
	Liabilities in disposal groups	27	-
	Total current liabilities	(38,773)	(36,048)
	Total assets less current liabilities	44,724	66,248
Non-current liabilities			
	Trade and other payables	29	-
	Borrowings	31	-
	Other financial liabilities	32	-
	Provisions	34	(58)
	Other liabilities	30	-
	Total non-current liabilities	(58)	(5,489)
	Total assets employed	44,666	60,759
Financed by			
	Public dividend capital	68,062	67,517
	Revaluation reserve	7,638	13,264
	Financial assets reserve	-	-
	Other reserves	-	-
	Merger reserve	-	-
	Income and expenditure reserve	(31,034)	(20,022)
	Total taxpayers' equity	44,666	60,759

The notes on pages 68 to 122 form part of these accounts.



Name Richard Henderson
Position Chief Executive
Date 26 May 2020

Statement of Changes in Equity for the year ended 31 March 2020

	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2019 - brought forward	67,517	13,264	-	-	-	(20,022)	60,759
(Deficit) for the year	-	-	-	-	-	(11,012)	(11,012)
Gain/(loss) arising from transfers by modified absorption	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
Impairments	-	(9,120)	-	-	-	-	(9,120)
Revaluations	-	3,494	-	-	-	-	3,494
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly through OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	545	-	-	-	-	-	545
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	-
Taxpayers' and others' equity at 31 March 2020	68,062	7,638	-	-	-	(31,034)	44,666

Statement of Changes in Equity for the year ended 31 March 2019

	Public dividend capital £000	Revaluation reserve £000	Financial assets reserve £000	Other reserves £000	Merger reserve £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2018 - brought forward	62,485	12,079	-	-	-	(17,245)	57,319
Prior period adjustment	-	-	-	-	-	-	-
Taxpayers' and others' equity at 1 April 2018 - restated	62,485	12,079	-	-	-	(17,245)	57,319
Impact of implementing IFRS 15 on 1 April 2018	-	-	-	-	-	-	-
Impact of implementing IFRS 9 on 1 April 2018	-	-	-	-	-	-	-
(Deficit) for the year	-	-	-	-	-	(2,780)	(2,780)
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	-	(3)	-	-	-	3	-
Impairments	-	613	-	-	-	-	613
Revaluations	-	575	-	-	-	-	575
Transfer to retained earnings on disposal of assets	-	-	-	-	-	-	-
Share of comprehensive income from associates and joint ventures	-	-	-	-	-	-	-
Fair value gains/(losses) on financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Fair value gains/(losses) on equity instruments designated at fair value through OCI	-	-	-	-	-	-	-
Recycling gains/(losses) on disposal of financial assets mandated at fair value through OCI	-	-	-	-	-	-	-
Foreign exchange gains/(losses) recognised directly through OCI	-	-	-	-	-	-	-
Other recognised gains and losses	-	-	-	-	-	-	-
Remeasurements of the defined net benefit pension scheme liability/asset	-	-	-	-	-	-	-
Public dividend capital received	5,032	-	-	-	-	-	5,032
Public dividend capital repaid	-	-	-	-	-	-	-
Public dividend capital written off	-	-	-	-	-	-	-
Other movements in public dividend capital in year	-	-	-	-	-	-	-
Other reserve movements	-	-	-	-	-	-	-
Taxpayers' and others' equity at 31 March 2019	67,517	13,264	-	-	-	(20,022)	60,759

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.

Financial assets reserve

This reserve comprises changes in the fair value of financial assets measured at fair value through other comprehensive income. When these instruments are derecognised, cumulative gains or losses previously recognised as other comprehensive income or expenditure are recycled to income or expenditure, unless the assets are equity instruments measured at fair value through other comprehensive income as a result of irrevocable election at recognition.

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

		2019/20	2018/19
	Note	£000	£000
Cash flows from operating activities			
Operating (deficit)		(10,352)	(1,922)
Non-cash income and expense:			
Depreciation and amortisation	7.1	9,056	9,220
Net impairments	8	13,042	(225)
Income recognised in respect of capital donations	4	-	(141)
Amortisation of PFI deferred credit		-	-
Non-cash movements in on-SoFP pension liability		-	-
Decrease in receivables and other assets		450	1,023
Decrease / (increase) in inventories		342	(481)
Increase in payables and other liabilities		2,514	986
Increase in provisions		1,457	2,051
Tax (paid) / received		-	-
Operating cash flows from discontinued operations		-	-
Other movements in operating cash flows		-	-
Net cash flows from operating activities		16,509	10,511
Cash flows from investing activities			
Interest received		96	91
Purchase and sale of financial assets / investments		-	-
Purchase of intangible assets		(170)	-
Sales of intangible assets		-	-
Purchase of PPE and investment property		(10,563)	(9,405)
Sales of PPE and investment property		1,081	723
Receipt of cash donations to purchase assets		-	-
Prepayment of PFI capital contributions		-	-
Investing cash flows from discontinued operations		-	-
Cash from acquisitions / disposals of subsidiaries		-	-
Net cash flows (used in) investing activities		(9,556)	(8,591)
Cash flows from financing activities			
Public dividend capital received		545	5,032
Public dividend capital repaid		-	-
Movement on loans from DHSC		(4,371)	(1,800)
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 on loans		(218)	(234)
Other interest		-	-
Interest paid on finance lease liabilities		-	-
Interest paid on PFI, LIFT and other service concession obligations		-	-
PDC dividend (paid)		(1,298)	(1,332)
Financing cash flows of discontinued operations		-	-
Cash flows (used in) other financing activities		(2)	(3)
Net cash flows (used in) / from financing activities		(5,344)	1,663
Increase in cash and cash equivalents		1,609	3,583
Cash and cash equivalents at 1 April - brought forward		9,542	5,959
Prior period adjustments		-	-
Cash and cash equivalents at 1 April - restated		9,542	5,959
Cash and cash equivalents transferred under absorption accounting	45	-	-
Unrealised gains / (losses) on foreign exchange		-	-
Cash and cash equivalents at 31 March	28.1	11,151	9,542

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 2019/20 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis as Department of Health and Social Care group bodies should prepare their accounts on a going concern basis unless informed by the relevant national body or DHSC sponsor of the intention for dissolution without transfer of services or function to another entity. The Trust has not received any such notification.

Note 1.3 Interests in other entities

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

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. A performance obligation relating to delivery of a spell of health care is generally satisfied over time as healthcare is received and consumed simultaneously by the customer as the Trust performs it. The customer in such a contract is the commissioner, but the customer benefits as services are provided to their patient. Even where a contract could be broken down into separate performance obligations, healthcare generally aligns with paragraph 22(b) of the Standard entailing a delivery of a series of goods or services that are substantially the same and have a similar pattern of transfer. At the year end, the Trust accrues income relating to activity delivered in that year, where a patient care spell is incomplete. This accrual is disclosed as a contract receivable as entitlement to payment for work completed is usually only dependent on the passage of time.

Revenue is recognised to the extent that collection of consideration is probable. Where contract challenges from commissioners are expected to be upheld, the Trust reflects this in the transaction price and derecognises the relevant portion of income.

Where the Trust is aware of a penalty based on contractual performance, the Trust reflects this in the transaction price for its recognition of revenue. Revenue is reduced by the value of the penalty.

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

Revenue from research contracts

Where research contracts fall under IFRS 15, revenue is recognised as and when performance obligations are satisfied. For some contracts, it is assessed that the revenue project constitutes one performance obligation over the course of the multi-year contract. In these cases it is assessed that the Trust's interim performance does not create an asset with alternative use for the Trust, and the Trust has an enforceable right to payment for the performance completed to date. It is therefore considered that the performance obligation is satisfied over time, and the Trust recognises revenue each year over the course of the contract. Some research income alternatively falls within the provisions of IAS 20 for government grants.

NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Provider sustainability fund (PSF) and Financial recovery fund (FRF)

The PSF and FRF enable providers to earn income linked to the achievement of financial controls and performance targets. Income earned from the funds is accounted for as variable consideration.

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Other Income

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

Note 1.6 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employers, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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

Note 1.7 Expenditure on other goods and services

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.8 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations. No such events occurred in 2019/20.

Note 1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised where:

- it is held for use in delivering services or for administrative purposes
- it is probable that future economic benefits will flow to, or service potential be provided to, the Trust
- it is expected to be used for more than one financial year
- the cost of the item can be measured reliably
- the item has 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, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Measurement

Valuation

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

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Valuation guidance issued by the Royal Institute of Chartered Surveyors states that valuations are performed net of VAT where the VAT is recoverable by the entity. This basis has been applied to the trust's Private Finance Initiative (PFI) scheme where the construction is completed by a special purpose vehicle and the costs have recoverable VAT for the trust.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees and, where capitalised in accordance with IAS 23, borrowings costs. Assets are revalued and depreciation commences when the assets are brought into use.

IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Depreciation

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

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction 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 expenditure.

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

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

Impairments

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

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

De-recognition

Assets intended for disposal are reclassified as 'held for sale' once all of the following criteria are met. The sale must be highly probable and the asset available for immediate sale in its present condition. Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged. Assets are de-recognised when all material sale contract conditions have been met.

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

Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

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 HM Treasury's *FReM*, the underlying assets are recognised as property, plant and equipment, together with an equivalent 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, the charges for services and lifecycle replacement of components of the asset. The element of the annual unitary payment increase due to cumulative indexation is treated as contingent rent and is expensed as incurred.

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.

Useful lives of property, plant and equipment

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

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

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Note 1.10 Intangible assets

Recognition

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

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised. Expenditure on development is capitalised where it meets the requirements set out in IAS 38.

Software

Software which is integral to the operation of hardware, eg 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, eg application software, is capitalised as an intangible asset.

Measurement

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus with no plan to bring it back into use is valued at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

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 lives in a manner consistent with the consumption of economic or service delivery benefits.

Useful lives of intangible assets

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

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

Note 1.11 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Note 1.12 Investment properties

The Trust has no investment properties

Note 1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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 1.14 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.

Note 1.15 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure or fair value through other comprehensive income.

Financial liabilities are classified as subsequently measured at amortised cost or fair value through income and expenditure.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income and a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Financial assets measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income where business model objectives are met by both collecting contractual cash flows and selling financial assets and where the cash flows are solely payments of principal and interest. Movements in the fair value of financial assets in this category are recognised as gains or losses in other comprehensive income except for impairment losses. On derecognition, cumulative gains and losses previously recognised in other comprehensive income are reclassified from equity to income and expenditure, except where the Trust elected to measure an equity instrument in this category on initial recognition.

The Trust has irrevocably elected to measure the following equity instruments at fair value through other comprehensive income.

Financial assets and financial liabilities at fair value through income and expenditure

Financial assets measured at fair value through profit or loss are those that are not otherwise measured at amortised cost or at fair value through other comprehensive income. This category also includes financial assets and liabilities acquired principally for the purpose of selling in the short term (held for trading) and derivatives. Derivatives which are embedded in other contracts, but which are separable from the host contract are measured within this category. Movements in the fair value of financial assets and liabilities in this category are recognised as gains or losses in the Statement of Comprehensive income.

The Trust has irrevocably elected to measure the following financial assets / financial liabilities at fair value through income and expenditure.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets or assets measured at fair value through other comprehensive income, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

Derecognition

Financial assets are de-recognised when the contractual rights to receive cash flows from the assets have expired or the Trust has transferred substantially all the risks and rewards of ownership.

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

Note 1.16 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.

The Trust as a lessee

Finance leases

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 implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability.

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

The annual rental charge 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.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially in other liabilities on the statement of financial position 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.

The trust as a lessor

Finance leases

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

Operating leases

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 1.17 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective for 31 March 2020:

		Nominal rate
Short-term	Up to 5 years	0.51%
Medium-term	After 5 years up to 10 years	0.55%
Long-term	Exceeding 10 years	1.99%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective 31 March 2020:

	Inflation rate
Year 1	1.90%
Year 2	2.00%
Into perpetuity	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of minus 0.5% in real terms.

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 34.2 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 1.18 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 35 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 35, 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 1.19 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for

- (i) donated and grant 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 calculated is not revised should any adjustment to net assets occur as a result of the audit of the annual accounts.

Note 1.20 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 1.21 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 and Social Care or have specific exemption provided by sections 985 and 986 of the Corporation Tax Act 2010 (CTA 2010).

Note 1.22 Foreign exchange

The functional and presentational currency of the trust is sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

Where the trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items are translated at the spot exchange rate on 31 March
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

Note 1.23 Third party assets

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

Note 1.24 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

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

Note 1.25 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 1.26 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 2019/2020

Note 1.27 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been early adopted in 2019/20.

Note 1.28 Standards, amendments and interpretations in issue but not yet effective or adopted**IFRS 16 Leases**

IFRS 16 Leases will replace *IAS 17 Leases*, *IFRIC 4 Determining whether an arrangement contains a lease* and other interpretations and is applicable in the public sector for periods beginning 1 April 2021. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The Trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2021, the Trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the Trust's incremental borrowing rate. The Trust's incremental borrowing rate will be a rate defined by HM Treasury. Currently this rate is 1.27% but this may change between now and adoption of the standard. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

For leases commencing in 2021/22, the Trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

HM Treasury revised the implementation date for IFRS 16 in the UK public sector to 1 April 2021 on 19 March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasing activity from April 2021 and beyond, a quantification of the expected impact of applying the standard in 2021/22 is currently impracticable. However, the Trust does expect this standard to have a material impact on non-current assets, liabilities and depreciation.

Note 1.29 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 1.30 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 17, tangible assets, and 16, intangible assets. The valuation exercise was carried out in November 2019. Ordinarily the valuer would, using their professional judgement, report on the change in valuations up to 31 March. As a consequence of COVID-19, the valuer has declared uncertainty in the valuation report that is difficult to predict and quantify.

The values in the report have been used to inform the measurement of property assets at valuation in these financial statements. With the valuer having declared this valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

Asset lives are set out in notes 1.9 and 1.10 with maximum lives being set by reference to the type of asset and its expected useful life in normal use. Building lives are based on the recommendations received from the Trust's Valuer. Land and buildings have been re-valued as at 31 March 2020 and have not been subject to indexation in the year. The results of this are disclosed in note 19.

Provisions. Values as disclosed in note 34.

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 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

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	2019/20 £000	2018/19 £000
Ambulance services		
A & E income	188,342	166,434
Patient transport services income	10,998	9,072
Other income	407	452
All services		
Private patient income	-	-
Agenda for Change pay award central funding*		2,099
Additional pension contribution central funding**	6,397	
Other clinical income***	801	-
Total income from activities	206,945	178,057

*Additional costs of the Agenda for Change pay reform in 2018/19 received central funding. From 2019/20 this funding is incorporated into tariff for individual services.

**The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2019/20, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

***The Trust has recognised the funding from NHS England that covers the costs of COVID-19 related work carried out to 31 March 2020 in the 2019/20 accounts.

Note 3.2 Income from patient care activities (by source)

	2019/20 £000	2018/19 £000
Income from patient care activities received from:		
NHS England	7,198	-
Clinical commissioning groups	198,629	175,506
Department of Health and Social Care	-	2,099
Other NHS providers	-	-
NHS other	-	-
Local authorities	622	-
Non-NHS: private patients	-	-
Non-NHS: overseas patients (chargeable to patient)	-	-
Injury cost recovery scheme	496	452
Non NHS: other	-	-
Total income from activities	206,945	178,057
Of which:		
Related to continuing operations	206,945	178,057
Related to discontinued operations	-	-

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

	2019/20	2018/19
	£000	£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

	2019/20			2018/19		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	85	-	85	200	-	200
Education and training	1,901	58	1,959	3,431	22	3,453
Non-patient care services to other bodies	-	-	-	-	-	-
Provider sustainability fund (PSF)	2,225	-	2,225	2,822	-	2,822
Financial recovery fund (FRF)	4,824	-	4,824	-	-	-
Marginal rate emergency tariff funding (MRET)	-	-	-	-	-	-
Income in respect of employee benefits accounted on a gross basis	319	-	319	249	-	249
Receipt of capital grants and donations	-	-	-	-	141	141
Charitable and other contributions to expenditure	-	-	-	-	-	-
Support from the Department of Health and Social Care for mergers	-	-	-	-	-	-
Rental revenue from finance leases	-	-	-	-	-	-
Rental revenue from operating leases	-	-	-	-	-	-
Amortisation of PFI deferred income / credits	-	-	-	-	-	-
Other income	2,295	-	2,295	2,222	-	2,222
Total other operating income	11,649	58	11,707	8,924	163	9,087
Of which:						
Related to continuing operations			11,707			9,087
Related to discontinued operations			-			-

Note 5.1 Additional information on contract revenue (IFRS 15) recognised in the period

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	378	77
Revenue recognised from performance obligations satisfied (or partially satisfied) in previous periods	-	-

Note 5.2 Transaction price allocated to remaining performance obligations

	31 March	31 March
	2020	2019
	£000	£000
Revenue from existing contracts allocated to remaining performance obligations is expected to be recognised:		
within one year	-	-
after one year, not later than five years	-	-
after five years	-	-
Total revenue allocated to remaining performance obligations	-	-

The Trust has exercised the practical expedients permitted by IFRS 15 paragraph 121 in preparing this disclosure. Revenue from (i) contracts with an expected duration of one year or less and (ii) contracts where the Trust recognises revenue directly corresponding to work done to date is not disclosed.

Note 6.1 Fees and charges

HM Treasury requires disclosure of fees and charges income. The following disclosure is of income from charges to service users where income from that service exceeds £1 million and is presented as the aggregate of such income. The cost associated with the service that generated the income is also disclosed.

	2019/20	2018/19
	£000	£000
Income	-	-
Full cost	-	-
Surplus / (deficit)	-	-

Note 7.1 Operating expenses

	2019/20 £000	2018/19 £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	152,934	130,626
Remuneration of non-executive directors	84	65
Supplies and services - clinical (excluding drugs costs)	4,336	4,081
Supplies and services - general	1,663	1,587
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	557	459
Inventories written down	-	-
Consultancy costs	33	195
Establishment	5,146	4,120
Premises	6,856	6,287
Transport (including patient travel)	21,107	19,971
Depreciation on property, plant and equipment	9,047	9,203
Amortisation on intangible assets	9	17
Net impairments	13,042	(225)
Movement in credit loss allowance: contract receivables / contract assets	22	14
Movement in credit loss allowance: all other receivables and investments	-	-
Increase/(decrease) in other provisions	-	-
Change in provisions discount rate(s)	1	(11)
Audit fees payable to the external auditor		
audit services- statutory audit	40	40
other auditor remuneration (external auditor only)	7	-
Internal audit costs	87	85
Clinical negligence	707	544
Legal fees	259	247
Insurance	1,451	1,669
Research and development	382	256
Education and training	6,293	5,068
Rentals under operating leases	3,976	3,090
Early retirements	-	-
Redundancy	-	-
Charges to operating expenditure for on-SoFP IFRIC 12 schemes (e.g. PFI / LIFT)	-	-
Charges to operating expenditure for off-SoFP PFI / LIFT schemes	-	-
Car parking & security	-	-
Hospitality	6	15
Losses, ex gratia & special payments	3	2
Grossing up consortium arrangements	-	-
Other services, eg external payroll	956	1,379
Other	-	282
Total	229,004	189,066
Of which:		
Related to continuing operations	229,004	189,066
Related to discontinued operations	-	-

Note 7.2 Other auditor remuneration

	2019/20 £000	2018/19 £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	-
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	4	-
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	7	-

Note 7.3 Limitation on auditor's liability

The limitation on auditor's liability for external audit work is £2m (2018/19: £0m).

Note 8 Impairment of assets

	2019/20 £000	2018/19 £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	-	(225)
Other	13,042	-
Total net impairments charged to operating surplus / deficit	13,042	(225)
Impairments charged to the revaluation reserve	9,120	(613)
Total net impairments	22,162	(838)

Summary of Property Impairments in excess of £1 Million 2019/20

The Trust commissioned a five-year full valuation as per the review timetable in line with the Trust's Accounting Policies

Site	Total Impairment £000
Narborough (Ambulance Station and Education Centre)	2,999
Gorse Hill (Ambulance Station)	1,976
Kings Mill (Ambulance Station)	1,072
Horizon Place (Emergency Operations Centre)	3,817
Horizon Place (Trust Headquarters)	2,904
Mansfield (Hazardous Area Response Team Building)	4,390

No compensation from third parties has been recognised in the SOCI.

Note 9 Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	122,208	108,530
Social security costs	11,490	10,364
Apprenticeship levy	587	523
Employer's contributions to NHS pensions	21,110	13,134
Pension cost - other	89	104
Other post employment benefits	-	-
Other employment benefits	-	-
Termination benefits	94	-
Temporary staff (including agency)	633	697
Total gross staff costs	156,211	133,352
Recoveries in respect of seconded staff	-	-
Total staff costs	156,211	133,352
Of which		
Costs capitalised as part of assets	-	-

Note 9.1 Retirements due to ill-health

During 2019/20 there were 4 early retirements from the Trust agreed on the grounds of ill-health (4 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £144k (£247k in 2018/19).

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Note 10 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 2020, is based on valuation data as at 31 March 2019, updated to 31 March 2020 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 at 20.6%, and the Scheme Regulations were amended accordingly.

The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap set following the 2012 valuation. Following a judgment from the Court of Appeal in December 2018 Government announced a pause to that part of the valuation process pending conclusion of the continuing legal process.

The trust offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST).

Note 11 Operating leases

Note 11.1 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.

	2019/20 £000	2018/19 £000
Operating lease revenue		
Minimum lease receipts	-	-
Contingent rent	-	-
Other	-	-
Total	-	-
	31 March 2020 £000	31 March 2019 £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 11.2 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.

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	3,976	3,090
Contingent rents	-	-
Less sublease payments received	-	-
Total	3,976	3,090
	31 March 2020 £000	31 March 2019 £000
Future minimum lease payments due:		
- not later than one year;	2,776	2,926
- later than one year and not later than five years;	5,475	8,457
- later than five years.	757	702
Total	9,008	12,085
Future minimum sublease payments to be received	-	-

Note 12 Finance income

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

	2019/20 £000	2018/19 £000
Interest on bank accounts	96	91
Interest income on finance leases	-	-
Interest on other investments / financial assets	-	-
Other finance income	-	-
Total finance income	96	91

Note 13.1 Finance expenditure

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

	2019/20 £000	2018/19 £000
Interest expense:		
Loans from the Department of Health and Social Care	216	234
Other loans	-	-
Overdrafts	-	-
Finance leases	-	-
Interest on late payment of commercial debt	-	-
Main finance costs on PFI and LIFT schemes obligations	-	-
Contingent finance costs on PFI and LIFT scheme obligations	-	-
Total interest expense	216	234
Unwinding of discount on provisions	1	-
Other finance costs	2	3
Total finance costs	219	237

Note 13.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015

	2019/20 £000	2018/19 £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	-	-
Compensation paid to cover debt recovery costs under this legislation	-	-

Note 14 Other gains / (losses)

	2019/20 £000	2018/19 £000
Gains on disposal of assets	807	642
Losses on disposal of assets	(6)	(11)
Total gains on disposal of assets	801	631
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 financial assets mandated as fair value through OCI	-	-
Other gains / (losses)	-	-
Total other gains	801	631

Note 15 Discontinued operations

	2019/20 £000	2018/19 £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 16.1 Intangible assets - 2019/20

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2019 - brought forward	89	-	-	-	-	-	-	-	-	89
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Additions	170	-	-	-	-	-	-	-	-	170
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 31 March 2020	259	-	-	-	-	-	-	-	-	259
Amortisation at 1 April 2019 - brought forward	68	-	-	-	-	-	-	-	-	68
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Provided during the year	9	-	-	-	-	-	-	-	-	9
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Amortisation at 31 March 2020	77	-	-	-	-	-	-	-	-	77
Net book value at 31 March 2020	182	-	-	-	-	-	-	-	-	182
Net book value at 1 April 2019	21	-	-	-	-	-	-	-	-	21

Note 16.2 Intangible assets - 2018/19

	Software licences £000	Licences & trademarks £000	Patents £000	Internally generated information technology £000	Development expenditure £000	Goodwill £000	Websites £000	Intangible assets under construction £000	Other (purchased) £000	Total £000
Valuation / gross cost at 1 April 2018 - as previously stated	89	-	-	-	-	-	-	-	-	89
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2018 - restated	89	-	-	-	-	-	-	-	-	89
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 2019	89	-	-	-	-	-	-	-	-	89
Amortisation at 1 April 2018 - as previously stated	51	-	-	-	-	-	-	-	-	51
Prior period adjustments	-	-	-	-	-	-	-	-	-	-
Amortisation at 1 April 2018 - restated	51	-	-	-	-	-	-	-	-	51
Transfers by absorption	-	-	-	-	-	-	-	-	-	-
Provided during the year	17	-	-	-	-	-	-	-	-	17
Impairments	-	-	-	-	-	-	-	-	-	-
Reversals of impairments	-	-	-	-	-	-	-	-	-	-
Revaluations	-	-	-	-	-	-	-	-	-	-
Reclassifications	-	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	-	-	-	-	-	-	-
Amortisation at 31 March 2019	68	-	-	-	-	-	-	-	-	68
Net book value at 31 March 2019	21	-	-	-	-	-	-	-	-	21
Net book value at 1 April 2018	38	-	-	-	-	-	-	-	-	38

Note 17.1 Property, plant and equipment - 2019/20

	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 2019 - brought forward	16,319	29,528	-	8,027	8,935	33,242	6,006	466	102,523
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	2,858	-	2,899	-	1,277	1,224	-	8,258
Impairments	(3,299)	(5,821)	-	-	-	-	-	-	(9,120)
Reversals of impairments	-	-	-	-	-	-	-	-	-
Revaluations	(1,339)	(9,349)	-	-	-	-	-	-	(10,688)
Reclassifications	-	-	-	(9,904)	2,439	7,022	443	-	-
Transfers to / from assets held for sale	(1,100)	-	-	-	(534)	(3,053)	-	-	(4,687)
Disposals / derecognition	-	-	-	-	(409)	(182)	(722)	-	(1,313)
Valuation/gross cost at 31 March 2020	10,581	17,216	-	1,022	10,431	38,306	6,951	466	84,973
Accumulated depreciation at 1 April 2019 - brought forward	-	-	-	-	4,205	16,698	3,011	411	24,325
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	1,140	-	-	2,001	4,710	1,177	19	9,047
Impairments	3,839	9,535	-	-	-	-	-	-	13,374
Reversals of impairments	-	(332)	-	-	-	-	-	-	(332)
Revaluations	(3,839)	(10,343)	-	-	-	-	-	-	(14,182)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	(534)	(3,046)	-	-	(3,580)
Disposals / derecognition	-	-	-	-	(409)	(109)	(722)	-	(1,240)
Accumulated depreciation at 31 March 2020	-	-	-	-	5,263	18,253	3,466	430	27,412
Net book value at 31 March 2020	10,581	17,216	-	1,022	5,168	20,053	3,485	36	57,561
Net book value at 1 April 2019	16,319	29,528	-	8,027	4,730	16,544	2,995	55	78,198

Note 17.2 Property, plant and equipment - 2018/19

	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 2018 - as previously stated	15,944	29,200	-	1,790	9,790	36,990	6,178	466	100,358
Prior period adjustments	-	-	-	-	-	-	-	-	-
Valuation / gross cost at 1 April 2018 - restated	15,944	29,200	-	1,790	9,790	36,990	6,178	466	100,358
Transfers by absorption	-	-	-	-	-	-	-	-	-
Additions	-	635	-	9,919	360	1,202	565	-	12,681
Impairments	-	(154)	-	-	-	-	-	-	(154)
Reversals of impairments	-	767	-	-	-	-	-	-	767
Revaluations	575	(920)	-	-	-	-	-	-	(345)
Reclassifications	-	-	-	(3,682)	1,259	2,176	247	-	-
Transfers to / from assets held for sale	(200)	-	-	-	(1,043)	(6,935)	-	-	(8,178)
Disposals / derecognition	-	-	-	-	(1,431)	(191)	(984)	-	(2,606)
Valuation/gross cost at 31 March 2019	16,319	29,528	-	8,027	8,935	33,242	6,006	466	102,523
Accumulated depreciation at 1 April 2018 - as previously stated	-	-	-	-	4,860	18,807	2,700	392	26,759
Prior period adjustments	-	-	-	-	-	-	-	-	-
Accumulated depreciation at 1 April 2018 - restated	-	-	-	-	4,860	18,807	2,700	392	26,759
Transfers by absorption	-	-	-	-	-	-	-	-	-
Provided during the year	-	1,145	-	-	1,819	4,925	1,295	19	9,203
Impairments	-	175	-	-	-	-	-	-	175
Reversals of impairments	-	(400)	-	-	-	-	-	-	(400)
Revaluations	-	(920)	-	-	-	-	-	-	(920)
Reclassifications	-	-	-	-	-	-	-	-	-
Transfers to / from assets held for sale	-	-	-	-	(1,043)	(6,920)	-	-	(7,963)
Disposals / derecognition	-	-	-	-	(1,431)	(114)	(984)	-	(2,529)
Accumulated depreciation at 31 March 2019	-	-	-	-	4,205	16,698	3,011	411	24,325
Net book value at 31 March 2019	16,319	29,528	-	8,027	4,730	16,544	2,995	55	78,198
Net book value at 1 April 2018	15,944	29,200	-	1,790	4,930	18,183	3,478	74	73,599

Note 17.3 Property, plant and equipment financing - 2019/20

	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 2020									
Owned - purchased	10,581	17,216	-	1,022	5,168	19,904	3,485	36	57,412
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	-	-	-	-	149	-	-	149
NBV total at 31 March 2020	10,581	17,216	-	1,022	5,168	20,053	3,485	36	57,561

Note 17.4 Property, plant and equipment financing - 2018/19

	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 2019									
Owned - purchased	16,319	29,528	-	8,027	4,730	16,354	2,995	55	78,008
Finance leased	-	-	-	-	-	-	-	-	-
On-SoFP PFI contracts and other service concession arrangements	-	-	-	-	-	-	-	-	-
Off-SoFP PFI residual interests	-	-	-	-	-	-	-	-	-
Owned - government granted	-	-	-	-	-	-	-	-	-
Owned - donated	-	-	-	-	-	190	-	-	190
NBV total at 31 March 2019	16,319	29,528	-	8,027	4,730	16,544	2,995	55	78,198

Note 18 Donations of property, plant and equipment

2019/20 The Trust received no donated assets.

2018/19 The Trust received two donated vehicles at a value of £141,000 to be utilised in Derbyshire..

Note 19 Revaluations of property, plant and equipment

The Trust's land and buildings were re-valued as at 30 November 2019 using the Modern Equivalent Assets methodology.

All valuations were undertaken by the Bruton Knowles LLP Property Consultants with the exception of assets to be disposed of which have been valued at fair value based on unconditional bids received for the properties.

For specialised operational assets we have adopted the Depreciated Replacement Cost method to arrive at the Current Value, whilst non specialist operational assets have been valued using the Comparable Method of valuation to arrive at the Current Value.

The Asset Valuation has been provided in accordance with the RICS Appraisal and Valuation Manual, Valuation Information Paper 10, CIPFA Code of Practice on Local Authority Accounting and the International Financial Reporting Standards.

The outcome of the revaluation was as follows:

	Increase £000	Decrease £000
Land	2,500	(7,138)
Buildings	1,326	(15,356)

Valuation methods for land and buildings

	Land £000	Buildings £000
DRC - Modern equivalent asset basis (no alternative site)	7,561	9,636
DRC - Modern equivalent asset basis (alternative site)	2,940	7,580
Fair value (surplus PPE land and buildings)	80	
Total	<u>10,581</u>	<u>17,216</u>

Note 20.1 Investment Property

	2019/20 £000	2018/19 £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 20.2 Investment property income and expenses

	2019/20 £000	2018/19 £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 21 Investments in associates and joint ventures

	2019/20 £000	2018/19 £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)	-	-
Net impairments	-	-
Transfers to / from assets held for sale	-	-
Disbursements / dividends received	-	-
Disposals	-	-
Share of Other Comprehensive Income	-	-
Other equity movements	-	-
Carrying value at 31 March	-	-

Note 22 Other investments / financial assets (non-current)

	2019/20 £000	2018/19 £000
Carrying value at 1 April - brought forward	-	-
Prior period adjustments	-	-
Carrying value at 1 April - restated	-	-
Impact of implementing IFRS 9 on 1 April 2018	-	-
Transfers by absorption	-	-
Acquisitions in year	-	-
Movement in fair value through income and expenditure	-	-
Movement in fair value through OCI	-	-
Net impairments	-	-
Transfers to / from assets held for sale	-	-
Amortisation at the effective interest rate	-	-
Current portion of loans receivable transferred to current financial assets	-	-
Disposals	-	-
Carrying value at 31 March	-	-

Note 22.1 Other investments / financial assets (current)

	31 March 2020 £000	31 March 2019 £000
Loans receivable within 12 months transferred from non-current financial assets	-	-
Deposits with the National Loans Fund	-	-
Other current financial assets	-	-
Total current investments / financial assets	-	-

Note 23 Disclosure of interests in other entities

The Trust does not have any interests in other entities.

Note 24 Inventories

	31 March 2020 £000	31 March 2019 £000
Drugs	291	329
Work In progress	-	-
Consumables	2,187	2,491
Energy	-	-
Other	-	-
Total inventories	2,478	2,820
of which:		
Held at fair value less costs to sell	-	-

Inventories recognised in expenses for the year were £11,813k (2018/19: £12,424k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 25.1 Receivables

	31 March 2020 £000	31 March 2019 £000
Current		
Contract receivables	5,643	6,386
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	(1,078)	(1,070)
Allowance for other impaired receivables	-	-
Deposits and advances	-	-
Prepayments (non-PFI)	5,980	5,315
PFI prepayments - capital contributions	-	-
PFI lifecycle prepayments	-	-
Interest receivable	-	-
Finance lease receivables	-	-
PDC dividend receivable	208	248
VAT receivable	-	479
Corporation and other taxes receivable	120	-
Other receivables	152	157
Total current receivables	11,025	11,515
Non-current		
Contract receivables	-	-
Contract assets	-	-
Capital receivables	-	-
Allowance for impaired contract receivables / assets	-	-
Allowance for other 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 receivables	-	-
Of which receivable from NHS and DHSC group bodies:		
Current	4,147	4,360
Non-current	-	-

Note 25.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets £000	All other receivables £000	Contract receivables and contract assets £000	All other receivables £000
Allowances as at 1 April - brought forward	1,070	-	-	1,105
Prior period adjustments			-	-
Allowances as at 1 April - restated	1,070	-	-	1,105
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			1,105	(1,105)
Transfers by absorption	-	-	-	-
New allowances arising	415	-	432	-
Changes in existing allowances	-	-	-	-
Reversals of allowances	(393)	-	(418)	-
Utilisation of allowances (write offs)	(14)	-	(49)	-
Changes arising following modification of contractual cash flows	-	-	-	-
Foreign exchange and other changes	-	-	-	-
Allowances as at 31 Mar 2020	1,078	-	1,070	-

Note 25.3 Exposure to credit risk

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 26 Other assets

	31 March 2020 £000	31 March 2019 £000
Current		
EU emissions trading scheme allowance	-	-
Other assets	-	-
Total other current assets	-	-
Non-current		
Net defined benefit pension scheme asset	-	-
Other assets	-	-
Total other non-current assets	-	-

Note 27.1 Non-current assets held for sale and assets in disposal groups

	2019/20 £000	2018/19 £000
NBV of non-current assets for sale and assets in disposal groups at 1 April	200	-
Prior period adjustment	-	-
NBV of non-current assets for sale and assets in disposal groups at 1 April - restated	200	-
Transfers by absorption	-	-
Assets classified as available for sale in the year	1,107	215
Assets sold in year	(207)	(15)
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 sale	-	-
March	1,100	200

Note 27.2 Liabilities in disposal groups

	31 March 2020 £000	31 March 2019 £000
Categorised as:		
Provisions	-	-
Trade and other payables	-	-
Other	-	-
Total	-	-

Note 28.1 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.

	2019/20 £000	2018/19 £000
At 1 April	9,542	5,959
Prior period adjustments	-	-
At 1 April (restated)	9,542	5,959
Transfers by absorption	-	-
Net change in year	1,609	3,583
At 31 March	11,151	9,542
Broken down into:		
Cash at commercial banks and in hand	-	-
Cash with the Government Banking Service	11,151	9,542
Deposits with the National Loan Fund	-	-
Other current investments	-	-
Total cash and cash equivalents as in SoFP	11,151	9,542
Bank overdrafts (GBS and commercial banks)	-	-
Drawdown in committed facility	-	-
Total cash and cash equivalents as in SoCF	11,151	9,542

Note 28.2 Third party assets held by the Trust

East Midlands Ambulance Service NHS Trust held cash and cash equivalents which relate to monies held by the Trust on behalf of patients or other parties and in which the trust has no beneficial interest. This has been excluded from the cash and cash equivalents figure reported in the accounts.

	31 March 2020 £000	31 March 2019 £000
Bank balances	-	-
Monies on deposit	-	-
Total third party assets	-	-

Note 29.1 Trade and other payables

	31 March 2020 £000	31 March 2019 £000
Current		
Trade payables	861	977
Capital payables	1,670	3,975
Accruals	12,436	10,221
account	-	-
PFI lifecycle replacement received in advance	-	-
Social security costs	1,847	1,703
VAT payables	-	-
Other taxes payable	1,237	1,167
PDC dividend payable	-	-
Other payables	2,159	1,929
Total current trade and other payables	20,210	19,972
Non-current		
Trade payables	-	-
Capital payables	-	-
Accruals	-	-
account	-	-
PFI lifecycle replacement received in advance	-	-
VAT payables	-	-
Other taxes payable	-	-
Other payables	-	-
Total non-current trade and other payables	-	-
Of which payables from NHS and DHSC group bodies:		
Current	515	405
Non-current	-	-

Note 29.2 Early retirements in NHS payables above

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

	31 March 2020 £000	31 March 2020 Number	31 March 2019 £000	31 March 2019 Number
- to buy out the liability for early retirements over 5 years	-	-	-	-
- number of cases involved	-	-	-	-

Note 30 Other liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Deferred income: contract liabilities	349	378
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income	-	-
Total other current liabilities	349	378
Non-current		
Deferred income: contract liabilities	-	-
Deferred grants	-	-
Deferred PFI credits / income	-	-
Lease incentives	-	-
Other deferred income	-	-
Net pension scheme liability	-	-
Total other non-current liabilities	-	-

Note 31.1 Borrowings

	31 March 2020 £000	31 March 2019 £000
Current		
Bank overdrafts	-	-
Drawdown in committed facility	-	-
Loans from DHSC	14,046	13,019
Other loans	-	-
Obligations under finance leases	-	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total current borrowings	14,046	13,019
Non-current		
Loans from DHSC	-	5,400
Other loans	-	-
Obligations under finance leases	-	-
Obligations under PFI, LIFT or other service concession contracts	-	-
Total non-current borrowings	-	5,400

Impact of NHS capital regime reform:

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21, existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. The affected loans totalling £14,046k are classified as current liabilities within these financial statements. As the repayment of these loans will be funded through the issue of PDC, this does not present a going concern risk for the Trust.

Note 31.2 Reconciliation of liabilities arising from financing activities - 2019/20

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2019	18,419	-	-	-	18,419
Cash movements:					
Financing cash flows - payments and receipts of principal	(4,371)	-	-	-	(4,371)
Financing cash flows - payments of interest	(218)	-	-	-	(218)
Non-cash movements:					
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	216	-	-	-	216
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
Carrying value at 31 March 2020	14,046	-	-	-	14,046

Note 31.3 Reconciliation of liabilities arising from financing activities - 2018/19

	Loans from DHSC £000	Other loans £000	Finance leases £000	PFI and LIFT schemes £000	Total £000
Carrying value at 1 April 2018	20,184	-	-	-	20,184
Prior period adjustment	-	-	-	-	-
Carrying value at 1 April 2018 - restated	20,184	-	-	-	20,184
Cash movements:					
Financing cash flows - payments and receipts of principal	(1,800)	-	-	-	(1,800)
Financing cash flows - payments of interest	(234)	-	-	-	(234)
Non-cash movements:					
Impact of implementing IFRS 9 on 1 April 2018	35	-	-	-	35
Transfers by absorption	-	-	-	-	-
Additions	-	-	-	-	-
Application of effective interest rate	234	-	-	-	234
Change in effective interest rate	-	-	-	-	-
Changes in fair value	-	-	-	-	-
Early terminations	-	-	-	-	-
Other changes	-	-	-	-	-
Carrying value at 31 March 2019	18,419	-	-	-	18,419

Note 32 Other financial liabilities

	31 March 2020 £000	31 March 2019 £000
Current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total current other financial liabilities	-	-
Non-current		
Derivatives held at fair value through income and expenditure	-	-
Other financial liabilities	-	-
Total non-current other financial liabilities	-	-

Note 33 Finance leases

Note 33.1 East Midlands Ambulance Service NHS Trust as a lessor

Future lease receipts due under finance lease agreements where the Trust is the lessor:

	31 March 2020 £000	31 March 2019 £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 33.2 East Midlands Ambulance Service NHS Trust as a lessee

Obligations under finance leases where the Trust is the lessee.

	31 March 2020 £000	31 March 2019 £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 expense in the period	-	-

Note 34.1 Provisions for liabilities and charges analysis

	Pensions: early departure costs £000	Pensions: injury benefits £000	Legal claims £000	Re- structuring £000	Equal Pay (including Agenda for Change) £000	Redundancy £000	Other £000	Total £000
At 1 April 2019	-	139	2,557	-	-	-	72	2,768
Transfers by absorption	-	-	-	-	-	-	-	-
Change in the discount rate	-	1	-	-	-	-	-	1
Arising during the year	-	3	1,645	-	-	-	2	1,650
Utilised during the year	-	(52)	(135)	-	-	-	(7)	(194)
Reclassified to liabilities held in disposal groups	-	-	-	-	-	-	-	-
Reversed unused	-	-	-	-	-	-	-	-
Unwinding of discount	-	1	-	-	-	-	-	1
At 31 March 2020	-	92	4,067	-	-	-	67	4,226
Expected timing of cash flows:								
- not later than one year;	-	34	4,067	-	-	-	67	4,168
- later than one year and not later than five years;	-	58	-	-	-	-	-	58
- later than five years.	-	-	-	-	-	-	-	-
Total	-	92	4,067	-	-	-	67	4,226

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

£68,480 of the Other Provisions relates to 1987 frozen staff leave entitlements (31/03/19 £72,310)

£0 of the Other Provisions relates to amounts due relating to Pre 1995 Retirements. (31/03/19 £70)

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

Note 34.2 Clinical negligence liabilities

At 31 March 2020, £30,367k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of East Midlands Ambulance Service NHS Trust (31 March 2019: £28,754k).

Note 35 Contingent assets and liabilities

	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities		
NHS Resolution legal claims	(35)	(29)
Employment tribunal and other employee related litigation	-	-
Redundancy	-	-
Other	-	-
Gross value of contingent liabilities	(35)	(29)
Amounts recoverable against liabilities	-	-
Net value of contingent liabilities	(35)	(29)
Net value of contingent assets	-	-

The contingent liability declared in note 35 relates to employee claims declared within the overall legal claims category.

Note 36 Contractual capital commitments

	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	3,429	2,116
Intangible assets	-	-
Total	3,429	2,116

Note 37 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 2020 £000	31 March 2019 £000
not later than 1 year	11,602	8,528
after 1 year and not later than 5 years	5,126	4,780
paid thereafter	998	1,032
Total	17,726	14,340

Note 38 Defined benefit pension schemes

The Trust does not operate a defined benefit pension scheme.

Note 38.1 Changes in the defined benefit obligation and fair value of plan assets during the year

	2019/20 £000	2018/19 £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	-	-
Remeasurement 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		-
Plan assets at fair value at 1 April -restated	-	-
Transfers by normal absorption	-	-
Interest income	-	-
Remeasurement 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 38.2 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 2020 £000	31 March 2019 £000
Present value of the defined benefit obligation	-	-
Plan assets at fair value	-	-
Net defined benefit (obligation) / asset recognised in the SoFP	-	-
Fair value of any reimbursement right	-	-
Net (liability) / asset after the impact of reimbursement rights	-	-

Note 38.3 Amounts recognised in the SoCI

	2019/20 £000	2018/19 £000
Current service cost	-	-
Interest expense / income	-	-
Past service cost	-	-
Gains/(losses) on curtailment and settlement	-	-
Total net (charge) / gain recognised in SOCI	-	-

Note 39 On-SoFP PFI, LIFT or other service concession arrangements**Note 39.1 On-SoFP PFI, LIFT or other service concession arrangement obligations**

The following obligations in respect of the PFI, LIFT or other service concession arrangements are recognised in the statement of financial position:

	31 March 2020 £000	31 March 2019 £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 39.2 Total on-SoFP PFI, LIFT and other service concession arrangement commitments

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

	31 March 2020 £000	31 March 2019 £000
Total future payments committed in respect of the PFI, LIFT or other service concession arrangements	-	-
Of which payments are due:		
- not later than one year;	-	-
- later than one year and not later than five years;	-	-
- later than five years.	-	-

Note 39.3 Analysis of amounts payable to service concession operator

This note provides an analysis of the unitary payments made to the service concession operator:

	2019/20 £000	2018/19 £000
Unitary payment payable to service concession operator	-	-
Consisting of:		
- Interest charge	-	-
- Repayment of balance sheet obligation	-	-
- 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 40 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 arrangements:

	31 March 2020 £000	31 March 2019 £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 41 Financial instruments

Note 41.1 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 and Social Care (the lender) at the point borrowing is undertaken.

The Trust therefore has low exposure to interest rate fluctuations.

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 41.2 Carrying values of financial assets

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2020				
Trade and other receivables excluding non financial assets	4,685	-	-	4,685
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	11,151	-	-	11,151
Total at 31 March 2020	15,836	-	-	15,836

	Held at amortised cost £000	Held at fair value through I&E £000	Held at fair value through OCI £000	Total book value £000
Carrying values of financial assets as at 31 March 2019				
Trade and other receivables excluding non financial assets	5,315	-	-	5,315
Other investments / financial assets	-	-	-	-
Cash and cash equivalents	9,542	-	-	9,542
Total at 31 March 2019	14,857	-	-	14,857

Note 41.3 Carrying values of financial liabilities

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2020			
Loans from the Department of Health and Social Care	14,046	-	14,046
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	15,067	-	15,067
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2020	29,113	-	29,113

	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial liabilities as at 31 March 2019			
Loans from the Department of Health and Social Care	18,419	-	18,419
Obligations under finance leases	-	-	-
Obligations under PFI, LIFT and other service concession contracts	-	-	-
Other borrowings	-	-	-
Trade and other payables excluding non financial liabilities	15,354	-	15,354
Other financial liabilities	-	-	-
Provisions under contract	-	-	-
Total at 31 March 2019	33,773	-	33,773

Note 41.4 Maturity of financial liabilities

	31 March 2020 £000	31 March 2019 £000
In one year or less	29,113	28,373
In more than one year but not more than two years	-	1,800
In more than two years but not more than five years	-	3,600
In more than five years	-	-
Total	29,113	33,773

Note 41.5 Fair values of financial assets and liabilities

The Trust considers that book value is a reasonable approximation to fair value.

Note 42 Losses and special payments

	2019/20		2018/19	
	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	86	14	-	-
Stores losses and damage to property	12	9	5	1
Total losses	98	23	5	1
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	5	22	12	24
Special severance payments	-	-	-	-
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	5	22	12	24
Total losses and special payments	103	45	17	25
Compensation payments received		-		-

Note 43 Gifts

	2019/20		2018/19	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Gifts made	-	-	-	-

No gifts individually or in total exceeding £300k were received or made in 2019/20 or 2018/19.

Note 44 Related parties

During the year, none of the Department of Health and Social Care 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 and Social Care 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.

Transactions and balances in excess of £250k per related party are as follows:

	Income	Expenditure	Receivables	Payables
	£'000	£'000	£'000	£'000
Nottinghamshire Healthcare NHS Foundation Trust	5	290	5	23
NHS Bassetlaw CCG	4,876	0	18	0
NHS Corby CCG	2,873	0	40	0
NHS Derby and Derbyshire CCG (formed from the merger of 03X, 03Y, 04J and 04R)	46,545	7	53	55
NHS East Leicestershire and Rutland CCG	10,316	0	38	0
NHS Leicester City CCG	14,481	0	54	0
NHS Lincolnshire East CCG	11,101	0	38	0
NHS Lincolnshire West CCG	8,544	0	29	0
NHS Mansfield and Ashfield CCG	8,593	0	32	0
NHS Nene CCG	25,374	0	351	0
NHS Newark and Sherwood CCG	4,327	0	16	0
NHS North East Lincolnshire CCG	6,312	0	21	0
NHS North Lincolnshire CCG	6,295	0	21	0
NHS Nottingham City CCG	14,545	0	54	0
NHS Nottingham North and East CCG	4,963	0	18	0
NHS Nottingham West CCG	3,649	0	10	0
NHS Rushcliffe CCG	3,174	0	12	0
NHS South Lincolnshire CCG	5,048	0	17	0
NHS South West Lincolnshire CCG	4,433	0	15	0
NHS West Leicestershire CCG	13,290	0	49	0
Health Education England	1,327	0	0	49
NHS Resolution (formerly NHS Litigation Authority)	0	971	0	0
NHS England - Core	7,565	0	2,849	0
NHS England - East Midlands Specialised Commissioning Hub	300	0	0	0
HM Revenue & Customs - Other taxes and duties and NI contributions	439	12,077	120	3,084
NHS Pension Scheme	0	21,110	0	1,978

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 £47,278.77 (2018/19 £100,065.61) with no amounts written off.

As at 31 March 2020 there was a balance from the Charitable Fund to the Trust of £36,158.86 (2018/19 £11,119.91 due from the Trust). 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.

One Non-Executive Director is a Stakeholder Governor of an NHS Foundation Trust which provides services to the Trust.

One Non Executive Director provides 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 45 Transfers by absorption

The Trust has no transfers by absorption in the year.

Note 46 Prior period adjustments

The Trust has no prior period adjustments in the year.

Note 47 Events after the reporting date

On 2 April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year. During 2020/21 existing DHSC interim revenue and capital loans as at 31 March 2020 will be extinguished and replaced with the issue of Public Dividend Capital (PDC) to allow the repayment. Given this relates to liabilities that existed at 31 March 2020, DHSC has updated its Group Accounting Manual to advise this is considered an adjusting event after the reporting period for providers. Outstanding interim loans totalling £14,046k as at 31 March 2020 in these financial statements have been classified as current as they will be repayable within 12 months.

Note 48 Better Payment Practice code

	2019/20	2019/20	2018/19	2018/19
	Number	£000	Number	£000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	21,221	99,404	23,550	89,084
Total non-NHS trade invoices paid within target	20,036	94,296	22,696	86,714
Percentage of non-NHS trade invoices paid within target	94.4%	94.9%	96.4%	97.3%
NHS Payables				
Total NHS trade invoices paid in the year	350	1,968	354	1,330
Total NHS trade invoices paid within target	289	1,821	316	1,201
Percentage of NHS trade invoices paid within target	82.6%	92.5%	89.3%	90.3%

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 49 External financing limit

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

	2019/20	2018/19
	£000	£000
Cash flow financing	(5,435)	(351)
Finance leases taken out in year	-	-
Other capital receipts	-	-
External financing requirement	(5,435)	(351)
External financing limit (EFL)	159	2,921
Under spend against EFL	5,594	3,272

Note 50 Capital Resource Limit

	2019/20	2018/19
	£000	£000
Gross capital expenditure	8,428	12,681
Less: Disposals	(280)	(92)
Less: Donated and granted capital additions	-	(141)
Plus: Loss on disposal from capital grants in kind	-	-
Charge against Capital Resource Limit	8,148	12,448
Capital Resource Limit	8,876	12,638
Under spend against CRL	728	190

Note 51 Breakeven duty financial performance

	2019/20
	£000
Adjusted financial performance surplus / (deficit) (control total basis)	1,350
Remove impairments scoring to Departmental Expenditure Limit	-
Add back income for impact of 2018/19 post-accounts PSF reallocation	721
Add back non-cash element of On-SoFP pension scheme charges	-
IFRIC 12 breakeven adjustment	-
Breakeven duty financial performance surplus / (deficit)	2,071

Note 52 Breakeven duty rolling assessment

Note 52.1 Breakeven duty

NHS Improvement has provided guidance that the first year for consideration for the breakeven duty should be 2009/10. East Midlands Ambulance Service NHS Trust is subject to a three year period for recovery of any deficit incurred.

Breakeven duty financial performance 2019/20

Breakeven duty financial performance is determined as guided by NHS Improvement, in a manner to be consistent with previous years in this note.

	2019/20 £000
Adjusted financial performance surplus / (control total basis)	1,350
Less impairments scoring to the Departmental Expenditure Limit (DEL)	0
Add back income for impact of 2018/19 post-accounts Sustainability and Transformation Fund (STF) reallocation	721
IFRIC 12 breakeven adjustment (to maintain effect of PFI schemes on breakeven duty consistent with previous years)	0
IAS 19 impact of defined benefit pension schemes (to maintain effect of local authority pension interests on breakeven duty consistent with previous years)	0
Breakeven duty financial performance surplus	2,071

Breakeven duty assessment

The application of breakeven duty means that if a cumulative surplus or deficit is reported (greater than a materiality threshold of 0.5% of operating income), it should be recovered within the subsequent two financial years.

	1997/98 to 2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000	2012/13 £000	2013/14 £000
Breakeven duty in-year financial performance		2,016	467	1,402	30	61
Breakeven duty cumulative position	2,100	4,116	4,583	5,985	6,015	6,076
Operating income		156,570	161,643	169,533	155,041	150,131
Cumulative breakeven position as a percentage of operating income		2.6%	2.8%	3.5%	3.9%	4.0%

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000
Breakeven duty in-year financial performance	65	(12,245)	(4,493)	8,759	(3,111)	2,071
Breakeven duty cumulative position	6,141	(6,104)	(10,597)	(1,838)	(4,949)	(2,878)
Operating income	155,124	154,089	173,109	187,853	187,144	218,652
Cumulative breakeven position as a percentage of operating income	4.0%	(4.0%)	(6.1%)	(1.0%)	(2.6%)	(1.3%)

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 2019/2020

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