North East Ambulance Service
NHS Foundation Trust

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Annual Report and Accounts 2019/20

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(for the period 1 April 2019 to 31 March 2020)

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Chief Executive's statement

In the relatively short space of time since I joined the Trust as Chief Executive in September 2019 the world, including the landscape in which we operate, has changed. My first six months in post have certainly been unique, challenging but also rewarding.

COVID-19 has had a significant impact on the way in which we deliver our services and care to patients, as well as the way in which we support and look after our staff.

As I write this reflection, the management of the pandemic continues to test us all and I am sure it will shape our approach and our resilience for many months to come.

I am extremely proud of the way our dedicated staff have quickly adapted to changing conditions and requirements, going the extra mile and beyond, to ensure that we remain as responsive as possible to the needs and requirements of our patients, partners and the wider North East.

I would also like to extend my heartfelt thank you to the thousands of volunteers who have offered their assistance to the Trust and the hundreds of members of the public and companies who have kindly donated gifts and supplies during these testing times. Not only has this helped us to keep our staff safe and well, it has been a huge boost to morale. It has been truly inspiring to see the way in which the COVID-19 pandemic has brought out the very best in people across the North East.

Whilst COVID-19 has been all consuming in Quarter 4 of 2019/20 it is important to reflect on the rest of the year.

Our operating environment

2019/20 reflected our second full year of operating under the ambulance response standards for 999. It also represented the second year of our four year investment plan with commissioners, which aims to support us to achieve all four categories of response by year four.

Consistent with the previous year I am pleased to report that we met the target for the most life threatening emergencies (category 1). Whilst we did not meet our response times

for categories 2 to 4 we did achieve significant improvements in these categories over the period of January and February 2020. This improvement was due to additional winter funding and investment, which enabled us in turn to invest in additional frontline capacity. This made a significant difference to our ability to respond to patients within these call categorisations.

Our performance in March 2020 was inevitably impacted by COVID-19, primarily attributable to reduced capacity due to COVID-related staff absences, which increased our response times.

In respect of our NHS111 and Integrated Urgent Care service we experienced a very significant spike in demand towards the year-end following government advice to contact the service for COVID-19 related symptoms. We received almost 10,000 calls per day towards the end of March 2020, resulting in around 2,000 additional clinical call-backs per week. In context this is more than double the calls we would usually handle. We worked quickly to increase our call answer capacity as much as possible and established additional Clinical Assessment Services supported by additional staff to ensure we were able to offer advice and guidance at an increased level. The integrated nature of our 111 and 999 service was hugely beneficial in providing resilience and helped us to cope with demand levels beyond all expectations.

We are beginning to see demand decline in early 2020/21 but continue to bolster our resources and resilience to cope with any further spikes in demand during the year.

Our Scheduled Care service continued to perform very well in 2019/20 and once again we saw the benefits of the integrated nature of our service, with Scheduled Care colleagues supporting our Unscheduled Care (999) service during times of pressure.

Colleagues in our subsidiary company, North East Ambulance Service Unified Solutions (NEASUS), worked very hard to deliver the right number of vehicles to the Trust each day to support our front-line operations. NEASUS also experienced increased pressure due to COVID-19 and effectively adapted its working operations to deliver the highest number of Unscheduled Care vehicles since the company was launched and also deliver enhanced deep cleaning of vehicles.

Despite the challenges of the year we achieved our agreed financial control total and were therefore able to access additional funding at the year end, which enabled the Trust to achieve a surplus position, although there remains an underlying deficit position.

Quality

Delivering the highest possible quality of care remains of paramount importance to us, particularly when faced with the challenges that COVID-19 has brought to us all.

We experienced an 11% reduction in complaints compared to the previous year and improved our compliance with incident investigation timescales. A number of service improvements were made during the year to improve our responsiveness to patient need,

including the launch of our extremely successful community paramedic schemes in some rural areas. The feedback from patients on these services has been excellent and our community paramedics work closely with local GPs and other services to keep patients at home if that is possible for their needs.

Like many areas there has been a slowing down of inspection regimes but we have continued to work hard to enhance our compliance with Care Quality Commission standards. Our ambition remains that NEAS moves towards a rating of 'outstanding'.

Our staff

Our staff are our biggest asset – without their hard work and dedication we would not be able to deliver our desired quality and level of service to the people of the North East. Staff welfare has always been very important to us and never more so than right now. Our occupational health and organisational development teams have worked hard to support staff throughout the year and have introduced new initiatives and support tools to help staff cope with the COVID-19 pandemic and the very real impact that this can have on their physical and mental health and wellbeing.

The importance we place on our staff is shown through the creation of a new Board level position, the Director of People and Development. We successfully appointed to the substantive post towards the end of the year and welcomed Karen O'Brien into the Trust in March 2020.

A significant workstream during 2019/20 was the implementation of new rosters for our Unscheduled Care service in order to more effectively match demand with capacity in line with the outcome of our external demand and capacity review. The re-rostering process involved staff themselves in the development of the rotas. A further demand and capacity review commenced towards the end of the year to provide some verification that the rotas matched demand appropriately.

Following my first 100 days in post I was keen to share my emerging thoughts with staff and seek their views on suggested priority areas. This included:

- Ensuring that we have enough capacity in respect of people and resource to achieve against our targets and standards;
- Making sure the Trust is the very best place to work by attracting, retaining and developing the very best staff;
- Setting out a clear learning and improvement 'change for the better' programme using our chosen quality improvement method and creating time for staff to help us to improve;

- Spending our money wisely and in the right places, making our money work hard for patient care;
- Continuing to build a safety culture to ensure learning when things go wrong and supporting our staff through these challenges;
- Making sure we monitor closely our improvement journey and that we adjust as we go to keep us on track – this will include stopping doing things that don't add value to patients or staff; and
- Being the best partner in the wider system.

Most respondents to my survey were either fully or partially supportive of the priority areas and in addition told me that morale, welfare, training and progression were areas that they would like to see us focus on. In 2020/21 we will be refreshing our strategy and this staff feedback and continued involvement will be of paramount importance in helping us to make North East Ambulance Service the best it can be for patients and staff.

Looking ahead

COVID-19 is set to be with us for some time to come, and although we hope that the spread is slowed and contained quickly, realistically the road ahead will still be challenging for us all. We continue to scenario plan and prepare whilst also looking ahead to our 'new normal' and the review and rebuild process for North East Ambulance Service.

Our patients and staff will remain our highest priorities and we stand in partnership with local and national NHS and social care colleagues to work collaboratively to support the North East through these challenging times. We are committed to continuing to play a key role in the Integrated Care System and Integrated Care Partnerships within the region. The importance of partnership working across pathways and the critical role of the ambulance service in this respect has never been clearer.

I would like to express my sincere thanks to our staff, NEASUS colleagues, Governors, volunteers, partners and the public for their support and commitment during 2019/20. We are always very well supported but that has been particularly evident through the COVID-19 pandemic.

I feel very privileged to be the Chief Executive for NEAS and am very much looking forward to the year to come and to the further development of our services.

Helen Ray
Chief Executive
10 June 2020

About us – our history and purpose

The North East Ambulance Service NHS Foundation Trust (the Trust) was authorised as a Foundation Trust in November 2011 and we are one of ten ambulance services in England, covering an area of around 3,230 square miles. We serve a population of more than 2.71 million people and employ more than 2,500 staff including our valued volunteers.

Our mission is to provide safe, effective and responsive care for all, and our vision is to deliver unmatched quality of care every time we touch lives. Even in the most challenging situations we strive to perform to the highest professional standards in a spirit of collaboration and team work. Caring for and treating more patients closer to home is at the heart of our plans, and our committed, compassionate and caring staff are critical to our success.

About us – our activities

The North East Ambulance Service NHS Foundation Trust operates across Northumberland, Tyne and Wear, County Durham, Darlington and Teesside. We provide an Unscheduled Care service to respond to 999 calls (the emergency element of our services), and a Scheduled Care service which provides pre-planned non-emergency transport for patients in the region (our patient transport service).

Under our innovative Clinical Care and Transport business model our Unscheduled and Scheduled Care services work in partnership, enabling us to more effectively match patient acuity to the skills of our staff with the aim of enhancing clinical outcomes and improving patient experience.

We also deliver specialist response services through our Hazardous Area Response Team (HART). HART units are made up of specially trained paramedics who deal with major incidents. Our front line services are delivered from 55 stations across the North East region.

We have delivered the NHS111 service across the region since 2013. The service operates 24 hours a day, seven days a week, helping patients who need medical help fast but do not need to call 999. The service has developed over the years to provide patients with greater access to a range of clinicians for advice and support. We have been able to demonstrate how this service can run alongside the 999 service to provide a seamless access point for patients. The NHS111 service also incorporates our Clinical Assessment Service (CAS), bringing together a range of clinicians with differing specialities such as advanced practitioners, GPs and pharmacists to help patients receive the most appropriate care for their needs.

We also provide out-of-hours services in North Tees and South Tyneside areas in conjunction with local partners. During 2019/20 we also launched a number of new services including a GP home visiting pilot in North Tyneside, a community paramedic project in Berwick-upon-Tweed and a new complex lifting service to support our bariatric patients.

In addition to our front line services, the Trust wholly owns its subsidiary North East Ambulance Service Unified Solutions (NEASUS). 2019/20 represents the second full year of operation for NEASUS which is a fleet services and fleet management company. NEASUS is contracted by the Trust to maintain, fit, service, clean and repair Trust vehicles.

About us – our strategy and key strategic priorities

We have continued to focus on our three strategic aims as set out in our five year strategy for 2015 to 2020:

- **Do what we do well** – achieve sustainable service delivery and ongoing improvements, whilst protecting best practice and quality standards through optimum use of all available resources.
- **Look after our employees** – nurture a consistent culture of compassion that values and supports employees to deliver exceptional care to patients.
- **Develop new ways of working** – drive and shape the future of urgent and emergency care services through effective integration and collaboration.

During 2019/20 we commenced initial discussions on our strategic refresh, given the five year strategy will come to end during 2020. This work will continue into 2020/21 and inevitably be shaped by the changing landscape brought about by the coronavirus COVID-19 pandemic.

The delivery of the strategic aims is supported by the Trust's corporate priorities and underpinning sub-objectives. The following priorities were in place during 2019/20:

- **Improving Quality and Safety** – delivering the key milestones in the Quality Strategy; improving our clinical outcomes; improving our safety culture; and driving forward improvements against the Care Quality Commission's Fundamental Standards on the route from 'good' to 'outstanding'.
- **Workforce and Investors in People** – developing and delivering the workforce strategy; strengthening organisational health and wellbeing; and developing and delivering leadership and progression opportunities.
- **Clinical Care and Transport** – delivering transformation in the Unscheduled Care service; and undertaking a full review of the Scheduled Care service.
- **NHS111 and Clinical Assessment Service** – developing and delivering the Integrated Urgent Care (IUC) operational model; development of the North East Provider Alliance; and development of clinical modelling.
- **Communications and Engagement** – driving forwards improvements in internal communications; launching the Trust's new intranet; and enhancing equality and diversity.
- **Organisational sustainability** – including achieving the financial plan; supporting the development of the Integrated Care System in the region; and delivering digital

enablers to support many of the Trust's other corporate priorities and sub-objectives.

About us – key issues and risks

The 2019/20 financial year has seen a continued focus on implementing our demand and capacity review for Unscheduled Care aimed at delivering the national ambulance performance standards within a four-year timeframe of which we are now at the end of year two.

The following summarises the key issues and challenges we have faced over this period:

- **Ambulance Response Programme (ARP)**. The national ambulance performance standards (known as ARP) were introduced in Autumn 2017. During 2019/20 the re-roster (one of the largest elements of the programme) has been delivered in this year and recruitment has continued into the new posts created as part of this process.
- **Funding** – We have been in dialogue with our commissioners all year with regards to the funding required to deliver the ARP standards. This was paused towards the year-end as the contracting discussions were suspended to enable the NHS to focus on responding to COVID-19.
- We have worked towards a **programme of efficiencies** agreed with our commissioners, including reducing the time crews take between handing over patients at hospital and being ready to accept the next call and implementing auto-dispatch. Delivery of the national standards for Category 2 and Category 3 responses has been challenging up to Christmas but has improved in quarter four of 2019/20.
- **NHS 111/ CAS** – We have continued to experience difficulty recruiting clinicians into this service which has impacted on service standards for clinical ring-backs. We have been engaged throughout the year in the national review of how performance of the service is measured and continue to discuss this nationally and locally.
- **Changes to healthcare provision by Clinical Commissioning Groups (CCGs)** and other providers. We have worked with a number of CCGs and Foundation Trusts (FTs) to support their plans for service reconfiguration. Notably we have worked with Sunderland / South Tyneside on their reconfigurations of stroke, paediatrics and obstetrics / gynaecology (phase one) changes and also on their considerations for phase two.

- **Integrated Care System (ICS).** We have also remained fully engaged in discussions regarding future configuration of the health economy within the North East and Cumbria through workshops on the ICS development and specific Integrated Care Partnership (ICP) footprints.

- **COVID-19**. Responding to COVID-19 had a significant impact on the operation of the Trust as we worked hard to adapt our normal business model and planned work to meet the needs of patients and partners during the pandemic. This was continuing at the point of drafting this annual report.

Going concern disclosure

Our full accounts, presented at the end of the report, have been prepared in accordance with the directions made under paragraph 24 of schedule 7 of the National Health Service Act 2006 and NHS Improvement, the Independent Regulator of NHS Foundation Trusts.

The Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20 and Department of Health Group Accounting Manual 2019/20.

After making enquires, Directors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason the Trust continues to adopt the going concern principle in preparing the annual accounts and annual report.

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

Performance analysis

Our key performance measures and how we monitor them

Unscheduled Care

2019/20 represented the second full year of operation for the revised national response standards. The implementation of the standards was known as the Ambulance Response Programme (ARP).

The principle aims of ARP, as defined by NHS England, were:

- To prioritise the sickest patients, ensuring they receive the fastest response;
- To drive clinically and operationally effective behaviours, so the patient gets the response they need first time and in a clinically appropriate timeframe; and
- To put an end to unacceptably long waits by ensuring that resources are distributed more equitably amongst all patients.

The national standards are defined as:

Category	Headline description	Sub-description	Average response target	90th percentile response target
1	Life threatening	A time critical life threatening event requiring immediate intervention or resuscitation.	7 minutes	15 minutes
2	Emergency	Potentially serious conditions that may require rapid assessment and urgent on-scene intervention and/or urgent transport.	18 minutes	40 minutes
3	Urgent	An urgent problem (not immediately life threatening) that needs treatment to relieve suffering and transport or assessment and management at the scene with referral where needed within a clinically appropriate timeframe.	None	2 hours
4	Less urgent	An urgent problem (not immediately life threatening) that needs treatment to relieve suffering and transport or assessment and management at the scene with referral where needed within a clinically appropriate timeframe.	None	3 hours

(Source: NHS England Ambulance Response Programme Review)

There are a number of Ambulance Quality Indicators (AQIs) which were introduced as part of the ARP. A summary of our performance against the AQIs is provided further on in the report.

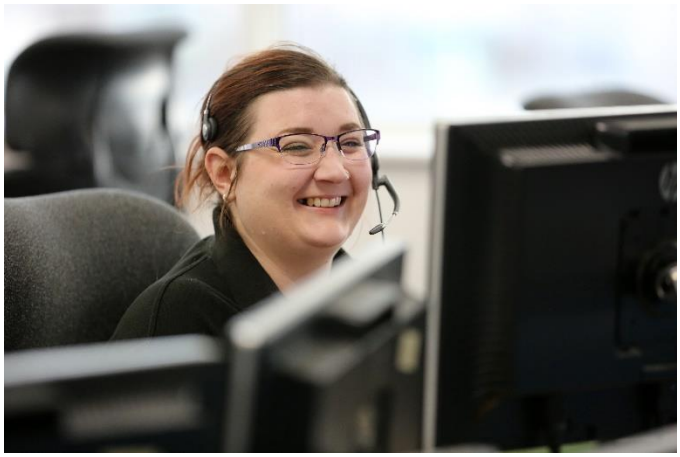
The Trust receives a weekly balanced scorecard report which provides a RAG-rated overview of performance against the response standards, AQIs and long wait thresholds. This report contains information on the performance of all ambulance trusts, enabling benchmarking to be undertaken.

Scheduled Care

There are no national targets against which our Scheduled Care is measured. We do set a number of local quality indicators, such as time on vehicle (with the aim for this to be less than 60 minutes in 90% of cases), timeliness of arrival at treatment centre and timeliness of pick-up following treatment (85% to be picked up within 60 minutes).

Emergency Operations Centre

We monitor a number of different national and local metrics in respect of our Emergency Operations Centre. These metrics include 111 call answer performance, timeliness of 111 clinician call-backs and the percentage of 111 calls transferred to 999 which are within an agreed set of measures we report to our commissioners.



Monitoring performance

Monitoring performance against these national and local metrics is of paramount importance, and we do this in a number of ways.

- We have a Performance team who analyse trends and trajectories for performance and liaise with all departments in the Trust to triangulate performance and proactively challenge and support.
- Clinical Care Managers and Clinical Operations Managers review performance and staffing plans on a daily basis.
- Within the Emergency Operations Centre the Dispatch and Duty Managers review performance on a daily basis.
- The Deputy Chief Operating Officer holds weekly performance review meetings with her senior team.
- The Executive Team critically assess the previous week's performance as part of their weekly meeting.
- There is a monthly management meeting in which the senior management team meet with the Executive Directors.
- During the year a Performance Task and Finish Group was established which was chaired by one of our Non-Executive Directors and reports directly to the Board.
- The Board committees and sub-groups also seek assurance over key elements of performance.
- The Board of Directors meets ten times each year and reviews the integrated performance report in detail at every meeting.
- Our performance is also subject to regular external scrutiny by our stakeholders, for example through regulatory returns and correspondence with NHS Improvement

and the Care Quality Commission, meetings with our commissioners, Overview and Scrutiny Committees and Healthwatch meetings.

Overview of operational and financial performance

Operational performance

Consistent with the previous year the Trust met the target for the most life threatening emergencies (category 1). Whilst we did not meet our response times for categories 2 to 4 we did achieve significant improvements in these categories over the period of January and February 2020. This improvement was due to additional winter funding and investment, which enabled us in turn to invest in additional frontline capacity.

Our performance in March 2020 was inevitably impacted by COVID-19, primarily due to reduced capacity due to COVID-related staff absences, which increased our response times.

Category	Mean 19/20	90th Percentile 19/20	*Mean 18/19*	*90th Percentile 18/19*
Category 1	00:06:32	00:11:13	*00:06:10*	*00:10:35*
Category 2	00:29:28	01:01:30	*00:21:33*	*00:45:18*
Category 3	-	03:51:28	-	*02:55:50*
Category 4	-	03:11:02	-	*02:54:23*

In respect of our NHS111 and Integrated Urgent Care service we experienced a significant spike in demand towards the year-end following government advice to contact the service for COVID-19 related symptoms. We received almost 10,000 calls per day towards the end of March 2020 resulting in around 2,000 additional clinical call-backs per week.

In context this is more than double the calls we would usually handle. We worked quickly to increase our call answer capacity as much as possible and established additional Clinical Assessment Services supported by additional staff to ensure we were able to offer advice and guidance at an increased level. The integrated nature of our 111 and 999 service was hugely beneficial in providing resilience and helped us to cope with demand levels beyond all expectations.

There was an evitable impact on our call answer performance for NHS111 and 999 as shown below:

Service	Target	2019/20	*2018/19*
NHS111 call answer performance	95% of call answered in 60 seconds	81.18%	*88.28%*
999 call answer performance	95% of call answered in 5 seconds	89.19%	*92.33%*

In respect of other operational performance figures, we monitor our 'hear and treat' and 'see and treat' rates as indicators which link very much to patient experience and care. Hear and treat refers to patients who are discharged with telephone advice and do not require an ambulance attendance. See and treat refers to patients who are visited by ambulance but do not require transport to a treatment centre by ambulance. We also measure the percentage of patients that we convey to emergency departments and alternative centres, the latter of which helps to reduce the pressure on the region's A&Es. The year-end performance shows a positive increase in patients discharged by hear and treat and see and treat and a reduction in conveyance.

Measure	2019/20	2018/19
Hear and treat	5.7%	5.1%
See and treat	26.8%	25.2%
See, treat and convey	67.5%	69.7%
See, treat and convey to an emergency department	57.4%	58.4%

Whilst demand has begun to reduce we are continuing to work hard to secure as much resource and resilience as we can to ensure that we can be as responsive as possible to demands caused by any further spikes in COVID-19.

Our Scheduled Care service continued to perform well in 2019/20. We completed a total of 541,210 journeys. We met our target for collection within 60 minutes (85.64% compared to a target of 80%) and although we did not meet our target for on time arrival (77% compared to a target of 80%), this was primarily due to being early rather than late.

We saw the benefits of the integrated nature of our service, with Scheduled Care colleagues supporting our Unscheduled Care service during times of pressure.

Financial performance

It has been another financially challenging year for the Trust as we continue to develop the services we provide for the people of the North East whilst dealing with increasing demands for our services, delivering a stretching cost improvement programme, embedding a wholly owned subsidiary company and responding to the COVID-19 pandemic.

We started the year with a plan to attain our nationally derived target, of a £0.075m surplus position. However, by the end of the year we moved to an adjusted financial performance deficit position of £0.304m, mostly due to allowable deficits for the change in discount rates and planned impairments. The Trust received significant Sustainability and Transformational

funding during the year and therefore masks our underlying recurring deficit financial position.

Our end of year cash balance was £11.8 million.

We made capital investments of £10.9m during the year, which was £1.22m below the original plan. The largest proportion of which, £7.2m, was spent on the replacement of vehicles and associated equipment including front line ambulances, rapid response and patient transport vehicles. Investments worth £1.3m were also made to maintain and enhance our estate, with a further £3.7m invested in Information Technology maintenance and developments.

Our operating income for the year was £148.5 million. The majority of our income comes from the provision of our Unscheduled Care and Scheduled Care services through our main contract which we have in place for the Clinical Commissioning Groups (CCGs) in our geographical area.

Unscheduled Care contracts for 2019/20 were based on a block volume arrangement for a fixed value, based on historical tariffs, with no charges for over, or reductions for under, activity against this activity plan and fixed for two years.

Our Scheduled Care service contract is also based on a block contract and is for transporting patients to out-patient appointments, dialysis appointments, day centres, out of hours treatment centres and primary care centres.

We also receive separate income for discrete contracts with local CCGs in respect of the North East 111 service, the Durham Urgent Care Transport service, a dedicated Durham discharge service, as well as Urgent Care service provision in the South of Tyne and Hartlepool and Stockton areas, whilst 2019/20 was the first year of operation of the North East Dental Clinical Assessment Service.

Additional income is received from our Commercial Services Team which provides a range of training services and event cover to the general public and private sector.

Overall our income for the year was ahead of plan with the largest contributing factor to this being £4.2m of notional income (as well as the corresponding expenditure) relating to the NHS employer pension cost increase.

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

Our top three areas of spend are pay, transport costs and depreciation of our assets. These running costs continue to be tightly controlled however we have seen pressures in the following areas:

- Pay;
- Changes to the discount rate on provisions;
- Legal fees; and
- Third party service provision.

Conversely we have seen spend reductions in the areas of:

- Early retirements; and
- Redundancy.

Our cost improvement programme (CIP) is pivotal to achieving financial performance and our CIP plan for the year was £6.255million. We over achieved our target by 11.3% reaching a total saving of £7.019m, including £3.403m of those savings recurrently.

There have been no events since the end of the financial year that have affected the Trust.

Other financial information

North East Ambulance Service NHS Foundation Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

No political donations were made during the year.

The Government's 'Better Payment Practice Code' requires public sector bodies to pay all trade creditors within 30 days or within the agreed terms. The Trust is an approved signatory of the prompt payment code, hosted by the Institute of Credit Management on behalf of the Department of Business Innovation and Skills. As a result the Trust is committed to:

- Pay suppliers within agreed terms;
- Ensure suppliers know how to invoice them; and
- Encourage good practice.

The Trust paid 93% and 95% of its non-NHS invoices within 30 days by number and value respectively and similarly 92% and 91% on its NHS invoices within 30 days by number and value respectively.

During 2019/20 no interest was payable under the Late Payments of Commercial Debts (interest) Act 1998.

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

Environmental and sustainability matters

The Trust aims to provide a superior patient experience with a reduced overall cost - both financial and environmental. The Trust has seen success in rolling out the numerous carbon reduction projects over the course of our Carbon Management Plan (CMP). These include high efficiency Light Emitting Diode (LED) lighting at all ambulance stations, two wind turbines, solar panels at twenty-four Trust properties including a 72kW system at Ashington Ambulance Station commissioned in 2019, and a 24kW system installed in February 2020 at Redcar Ambulance station.

A large part of the Trust's gas reduction has been due to the success of the renewable heating technology; Air Source Heat Pump (ASHP). The number of ambulance stations with renewable heating will be a third of the property portfolio by end of 2019/20. Over a 20-year lifetime the cumulative savings & income for the Trust exceed £900k. The carbon emissions reductions at these properties are just over 170 tonnes which is a significant contributor to the Trust's CMP.

Since 2012/13 a cumulative total of over £350k has been saved in electricity and gas consumption which was achieved by rolling out the 'Invest to save' energy projects – this equates to over a 30% reduction in electricity and 57% consumption reduction in gas. In terms of carbon saving, this equates to a 55% reduction in carbon from electricity and 57% from gas. Within the financial savings we also have a guaranteed income generated through both Feed in Tariff (FIT) and Renewable Heat Incentive (RHI) schemes for 20 years.

The overall carbon savings have been outstanding, with over a 1,300 tonnes saved from the 'Invest to save' energy projects from 2012/13 until January 2020. The Trust was recertified to both Carbon and Water Saver Standards which proves 3 years of savings through 3rd party audit. As a result of these achievements the Trust won the Energy category at the 2019 NHS Sustainability Awards.

The Trust is also working hard to reduce the diesel consumption and the consequent emissions of our fleet vehicles and have set a target of all non-frontline / support vehicles being electric by 2030. After a collaborative project with the Energy Savings Trust and the Northern Ambulance Alliance (NAA) in 2017 two electric vehicles were initially added to the pool car fleet and we are continually replacing diesel non frontline vehicles with low / ultra-low emission alternatives. At the end of 2019 the Trust and the NAA began working on the latest project with the Energy Savings Trust - identifying which Rapid Response Vehicles (RRV) are suitable for a change to alternative fuels. The estates department is also facilitating electrical charge point surveys at hub sites to determine where electric vehicle charge points for response vehicles will be located.

The Trust is conscious of the pressure to reduce single use plastics (SUPs) and as a result eliminated plastic disposables from the Trust Headquarters' catering facility in 2019. The Trust has signed the NHS Single Use Plastics Pledge and is currently identifying the next plastic items that can be reduced or eliminated across the Trust in 2020. The Trust is also working on a project to reduce clean cardiac arrest plastic going into the clinical waste.

All NHS trusts are expected to complete the Sustainable Development Assessment Tool and scores are published and benchmarked. The Trust scored 47% on the assessment in 2017 and 52% in 2018. We aimed to increase this to over 55% in 2019 with some dedicated work in the sustainable procurement and supply chain area. The Trust was delighted that it exceeded this target and achieved 63% through working closely with procurement and the clinical department to identify improvements made. With some further work in Climate Change Adaptation and sustainable procurement in 2020 the Trust aspires for a score of at least 68% in 2021.

Emergency preparedness, resilience and response

The NHS needs to plan for, and respond to, a wide range of incidents and emergencies that could affect health or patient care, with COVID-19 being just one topical example of this.

Under the Civil Contingencies Act (2004), NHS organisations and providers of NHS funded care must show that they can effectively respond to emergencies and business continuity incidents while maintaining services to patients. The NHS England Core Standards for Emergency Preparedness, Resilience and Response (EPRR) are the minimum standards which NHS organisations and providers of NHS funded care must meet, the purpose of these standards are to:

- Enable health agencies across the country to share a common approach to EPRR;
- Allow coordination of EPRR activities according to the organisation's size and scope;
- Provide a consistent and cohesive framework for EPRR activities; and
- Inform the organisation's annual EPRR work programme

The standards are reviewed and updated as lessons are identified from testing, national legislation and guidance changes and/or as part of the rolling NHS England and Improvement governance programme.

As part of the national EPRR assurance process we are required to assess ourselves against these core standards. We submitted our self-assessment to NHS England and Improvement in August 2019 and have undertaken updated assessments since this time. The outcome of this self-assessment shows the following compliance levels at the year-end:

Area	Compliance Rate (Year-end 2019/20)
EPRR Core Standards	79%
Hazardous Area Response Team (HART)	97%
Marauding Terrorist Attack (MTA)	96%
Chemical, biological, radiological and nuclear (CBRN)	78%
Mass Casualty	100%
Command & Control	69%
Joint Emergency Service Interoperability Principles (JESIP)	83%
NHS 111	89%
Patient Transport Service	87%

There are areas within the EPRR core standards which NEAS are partially or non-compliant with, however there is work in progress to ensure that the Trust can move from its current state to its future, desired state. It is to be recognised that in relation to the areas which are partially or non-compliant there is rationale and actions in place to make improvements.

Social, community, anti-bribery and human rights issues

The Trust has a broad range of policies in place covering environmental, social, community and human rights issues.

The Trust works with a range of community partners through its Healthwatch Ambulance Forum, Stakeholder Equality and Diversity Forum and with third sector community organisations to ensure we are able to liaise with partners that work within local diverse communities, understand their issues and can respond to potential concerns and priorities.

The Trust has worked with staff and stakeholders to assess and grade our performance against the national Equality Delivery System 2 guidance. The 2019/20 grading assessments indicated that the Trust is excelling in four objectives, achieving in twelve objectives and developing in two objectives.

The equality and diversity team are working with our procurement team and the complaints and appreciations team to improve the areas assessed as ‘developing’.

The Trust has continued to undertake targeted initiatives with Black, Asian and Minority Ethnic (BAME); Lesbian, Gay, Bisexual and Transgender (LGBT) and disabled people throughout the year to review services, policies and recruitment processes. These have taken place in a wide range of settings and some with other NHS and public sector organisations.

The Trust gathered patient and community feedback from the BAME events, Pride events, school visits and other community engagement events. Assurance has been very good. This feedback and data gathered through the Equality and Diversity annual report has allowed us to identify areas for improvement and will inform the four-year full review of the Trust's Equality Strategy for the period 2020-2024.

The Trust continues to use the Job Centre Plus Disability Confident Scheme. In 2019 the Trust was assessed as a Disability Confident 'Leader' organisation for its work and commitment as an inclusive organisation for disabled people.

In 2018/19 the Trust reviewed its dyslexia guidance documents for staff and managers and partnered with Dyslexia North East to provide staff and managers with support and assessments.

In respect of anti-bribery, there is an Anti-Fraud, Bribery and Corruption Policy in place with regular updates on activity and investigations provided to the Audit Committee. The Trust's Standards of Business Conduct Policy also includes references to bribery. The Local Counter Fraud Specialist also ensures that fraud awareness training is delivered as part of the Trust's statutory and mandatory training requirements.

There is a Board-approved Modern Slavery Act Statement which demonstrates the Trust's commitment to and efforts in, preventing slavery and human trafficking practices in the supply chain and employment practices.

Equality Reporting

Each year the Trust develops a separate annual equality report. The Trust meets all its legal, mandated and statutory requirements in relation to equality, diversity and human rights. We produce an annual report each year which outlines how we meet these requirements. A copy of this can be found at https://www.neas.nhs.uk/about-us/equality-and-diversity.aspx

Helen Ray
Chief Executive
10 June 2020

Accountability Report

Directors' Report

Board of Directors

The Board of Directors is responsible for formulating and driving strategy, ensuring accountability and shaping culture. It is ultimately accountable for everything that goes on in the organisation and it is responsible for putting the right people, the right quality of information and the right systems in place to make decisions. It operates through a scheme of delegation within a robust framework of systems and reporting which ensures that core business and risks are being controlled. The Board gains assurance through its committee structure and sources of other assurance and it meets formally, both in public and private sessions throughout the year to discharge its duties and receive those assurances. Our Chair and Chief Executive have complementary roles in leadership:

- Our Chair, Peter Strachan, leads the Board of Directors and ensures its effectiveness. The Trust's Chair also chairs the Council of Governors.
- Our Chief Executive, Helen Ray, leads the Executive Team and the organisation.

All Directors adhere to the Trust's Standards of Business Conduct policy and the core principles underpinning Board responsibilities and behaviours, including the Nolan Principles and the fit and proper person requirements of the Trust's CQC registration and NHS Provider Licence.

The Board of Directors has a range of skills and experience gained from the public, private and voluntary sectors that complement all areas of our business including clinical expertise, senior experience within other NHS bodies and emergency services, legal services, logistics, finance, human resource management and operational management. This range of skills ensures balance, completeness and appropriateness of membership of the Board of Directors.

Appointment and removal of directors are completed in accordance with the NHS Act 2006. Under the NHS Foundation Trust Code of Governance, and the Trust's Constitution, removal of the Chair or Non-Executive Directors requires the approval of three-quarters of the members of the Council of Governors. Appointments will also be terminated if, in accordance with the Constitution, they become disqualified from holding their appointment or they resign from office by giving notice. All Board appointments are made in accordance with the fit and proper persons regulations outlined above.

The role of Non-Executive Directors

Non-Executive Directors contribute to the development of strategy and play an important role in scrutinising management in achieving agreed goals and objectives and monitoring the reporting of performance. Non-Executive Directors are drawn from the local community

and can ensure that the voice of the public is heard in decision-making processes and that the interests of patients remain at the heart of Board discussions.

Non-Executive Directors also have a role in working with the Chair in the appointment and remuneration of the Chief Executive and other Executive Directors as members of the Trust's Nomination and Remuneration Committee. All of our Non-Executive Directors, including the Chair, are considered to be independent.

The role of Executive Directors

Some decisions are delegated to the executive management of the Board of Directors. Decision making for the operational running of the Trust is delegated to the Executive Team.

Executive Directors share the same corporate responsibilities as Non-Executive Director colleagues but bring detailed knowledge of the organisation's management systems and processes and of the health sector, as well as specialised clinical and managerial expertise.

The Trust has six voting Executive Directors who are employed by the Trust on permanent contracts with a six month notice period.

Board composition

There have been a number of changes to the composition of the Board in 2019/20. In May 2019 Yvonne Ormston, Chief Executive, left the Trust to take up a Chief Executive position at an acute trust. Lynne Hodgson, Director of Finance and Resources, retired in May 2019. The Board of Directors records its sincere thanks to both Yvonne and Lynne for their significant contributions to the Trust.

In February 2020 Caroline Thurlbeck, Director of Strategy, Technology and Transformation, commenced a twelve month secondment working with Clinical Commissioning Groups (CCGs) in the north and west of the Integrated Care System region as Programme Director. The Board wishes Caroline every success in her secondment.

Following Yvonne Ormston's departure, Paul Liversidge, Chief Operating Officer, acted as interim Chief Executive for the Trust until the incoming Chief Executive, Helen Ray, commenced in post in September 2019. Victoria Court, Deputy Chief Operating Officer, became Acting Chief Operating Officer during the period when Paul Liversidge was interim Chief Executive. Mark Readhead, Deputy Director of Finance, became acting Group Director of Finance and Contracting for a short period prior to the commencement of the substantive post-holder.

Helen Ray, Chief Executive, joined the Trust from Northumbria Healthcare and brought a wealth of knowledge and skills from 36 years of experience within the NHS. Paul Liversidge was formally designated as Deputy Chief Executive in November 2019, alongside his Chief Operating Officer role.

The Board welcomed Kevin Scollay to the role of Group Director of Finance and Contracting in June 2019. Kevin joined the Trust from North Tees and Hartlepool NHS Foundation Trust where he was Deputy Director of Finance. In June 2019 the Board also welcomed Jason

Emerson as interim Director of People and Development, a new position on the Board. Jason remained in post until March 2020 when Karen O'Brien joined as the substantive post-holder. Karen joined the Trust from Gateshead Health NHS Foundation Trust where she held the position of Deputy Director of Workforce.

From a non-executive perspective, the Trust introduced a new non-voting Associate Non-Executive Director position to support succession planning and talent management. Christopher Fairs joined as Associate Non-Executive Director in September 2019. Chris is a very senior HR professional for Caterpillar. Chris spends one to two days per month working with the Trust, including attending all Board meetings.

In January 2020 the Council of Governors and Board of Directors approved the re-appointment of Catherine Young to the positions of Deputy Chair and Senior Independent Director until the end of Catherine's second term of office on 31 January 2021.

The Board held 17 meetings in total in 2019/20 – 7 in public and 10 in private meetings.

Name and position	Board of Directors (out of 17 meetings held)	Audit (out of 5 meetings held)	Nomination and Remuneration (out of 8 meetings held)	Council of Governors
Executive Directors				
Helen Ray **Chief Executive** *(From September 2019 – present)*	9/9	N/A	3/4	1/2
Yvonne Ormston **Chief Executive** *(From 1st October 2014 – 31st May 2019)*	4/4	N/A	1/1	0/1
Lynne Hodgson, **Director of Finance & Resources** *(From 1st June 2016 – 12th May 2019)*	2/2	1/1	N/A	0/1
Kevin Scollay **Group Director of Finance & Contracting** *(From June 2019 – present)*	11/11	3/3	N/A	0/3
Paul Liversidge **Chief Operating Officer** *(From July 2006 – present)*	17	N/A	N/A	2/4
Joanne Baxter **Director of Quality and Safety, RGN** *(From August 2013 – present)*	14	N/A	N/A	1/4
Caroline Thurlbeck **Director of Strategy, Transformation and Workforce**	16	N/A	N/A	3/4

Name and position	Board of Directors (out of 17 meetings held)	Audit (out of 5 meetings held)	Nomination and Remuneration (out of 8 meetings held)	Council of Governors
(From August 2015 – took secondment February 2020)				
Dr Mathew Beattie Medical Director *(From July 2017 – present)*	14	N/A	N/A	2/4
Jason Emerson **Interim Director of People & Development** *(From June 2019 – March 2020)*	10/10	N/A	N/A	2/4
Karen O'Brien **Director of People & Development** *(From March 2020 – present)*	2/2	N/A	N/A	N/A
Victoria Court **Acting Chief Operating Officer** *(From June 2019 – September 2019)*	2/4	N/A	N/A	1/1
Mark Redhead **Acting Director of Finance & Resources** *(From May 2019 – June 2019)*	2/2	1/1	N/A	N/A
Non-Executive Directors				
Peter Strachan, **Chairman** *(From 29th May 2018 – present)*	17	N/A	8/8	6/7
Catherine Young, Non-Executive Director and Acting Chair *Deputy Chair and Senior Independent Director (reappointed in January 2020 until end of 2nd term on 31st January 2021)* *(Re-appointed on 1st February 2018 for her second 3-year term)*	15	N/A	8/8	4/4
Douglas Taylor, Non-Executive Director and Chair of the Audit Committee *(Re-appointed on 1st February 2018 for his second 3-year term)*	15	5	7/8	3/4
Carolyn Peacock, Non-Executive Director *(Reappointed on 1st November 2018 for her second 3 year term)*	16	5	7/8	1/4

Name and position	Board of Directors (out of 17 meetings held)	Audit (out of 5 meetings held)	Nomination and Remuneration (out of 8 meetings held)	Council of Governors
Helen Suddes, Non-Executive Director *(Reappointed on 1st November 2018 for her second 3 year term)*	16	N/A	6/8	2/4
John Marshall, Non-Executive Director *(Appointed on 1st November 2017 for a 3 year term – 1st term)*	15	N/A	7/8	4/4
Dr Gerry Morrow, Non-Executive Director *(Appointed on 1st November 2017 for a 3 year term – 1st term)*	16	3	7/8	3/4
Chris Fairs **Associate Non-Executive Director** *(From September 2019 – present)*	9/9	N/A	N/A	N/A

Board decisions

The types of decision taken by the Board of Directors include those on the organisation as a whole. The Board of Directors is responsible for formulating and driving strategy, ensuring accountability and shaping culture.

It is ultimately accountable for everything that goes on in the organisation and it is responsible for putting the right people, the right quality of information and the right systems in place to make decisions.

The Board of Directors operates through a scheme of delegation within a robust framework of systems and reporting which ensures that core business and risks are being controlled. The Board gains assurance through its committee structure and sources of other assurance and it meets formally, both in public and private sessions throughout the year to discharge its duties and receive those assurances.

The Board delegates some of its powers to a committee of Directors or to an individual Executive Director and these are set out in the Trust's scheme of delegation. Decision making for the operational running of the Trust is delegated to the Executive Team.

Performance evaluation

The Executive arm of the Board of Directors is monitored both collectively and individually on the delivery of key objectives, with the Chief Executive appraising performance of Directors on an annual basis (but meeting with each Director on a one-to-one basis every month), and the Chairman reviewing the Chief Executive's performance every six months.

As a Foundation Trust, it is the role of the Council of Governors to ensure there is an effective and meaningful performance assessment and appraisal process in place for both the Chairman and Non-Executive Directors.

Further information on individual Board Member performance evaluation processes is included within the Remuneration Report.

All Board committees (and those groups reporting to them) conduct a formal 'Review of Effectiveness' on an annual basis. Each committee (and group) is required to demonstrate to the Board (and each group to its senior committee) that it has fulfilled its remit, remained within its terms of reference and has satisfactorily discharged its duties, adding value in terms of assurances and identifying and mitigating risk. This process is led by the Non-Executive Chair of the committee. The evaluation process incorporates the use of a survey assessment tool, which was sent to all members and regular attendees of each Committee to seek views on effectiveness. This then informs the overall assessment to ensure that the outcomes reflected broader feedback.

It should be noted that due to the COVID-19 pandemic the performance evaluation process for both committees / groups and Board Members commenced but was suspended in order to re-focus priorities on the response to the pandemic. This was in line with guidance issued by NHS England and Improvement. The process will be completed once the pressures related to COVID-19 ease.

Declaration of interests

It is a requirement that the Chair and all members of the Board of Directors should declare any conflict of interest that arises in the course of conducting NHS business. Upon appointment, members of the Board of Directors are asked to declare any business interests, directorships, positions of authority in a charity or voluntary body in the field of health and any connection with contracting bodies for NHS services. All such declarations are entered in a register and are available for public scrutiny.

The Code of Governance requires the Trust to explicitly disclose the interests of the Chairman as part of the Annual Report. Peter Strachan is the Director Rail for Serco Plc's UK and Europe rail operation. He holds directorships in respect of Serco Caledonian Sleeper Ltd, Merseyrail Electrics Ltd and Inverness Business Improvement District Ltd.

A copy of the Board's register of interests is available on the Trust's website. Alternatively, you can obtain a copy of the register of interests by writing to our Trust Secretary using the contact information at the end of this report.

Similar to our Board of Directors, all of the Trust's Governors must declare details of any company directorships or other significant interests which could conflict with their responsibilities as a Governor of the Trust. A register of interests is maintained by the Trust and is available through request to the Trust Secretary. Address details can be found at the end of this report.

Audit Committee

The Audit Committee has primary responsibility for monitoring and reviewing financial and other risks and associated controls, corporate governance and financial assurance. The Chair of the Audit Committee is Douglas Taylor.

The Audit Committee is the Group Audit Committee in that it covers both the Trust and its subsidiary, NEASUS.

The Audit Committee is accountable to the Board of Directors and details of its meetings and member attendance are set out in the Board of Directors' table earlier in this report.

During 2019/20 the Committee: -

- Reviewed regulatory submissions in accordance with its terms of reference and external requirements. This included: the annual accounts; annual report; quality report; annual governance statement; annual planning self-certifications; ISA260 and external audit reports;
- Sought assurance regarding the robustness of risk management processes;
- Reviewed the processes behind the development of the clinical audit plan, and sought assurance over progress made in implementing the plan;
- Undertook the annual review of the Trust's Constitution, Standing Orders and Standing Financial Instructions;
- Approved the terms of engagement in relation to the external audit, the subsidiary audit, quality report work and the independent examination of the Charitable Fund;
- Considered the risks contained within the external audit plan;
- Evaluated the effectiveness of both internal and external audit functions;
- Reviewed Internal Audit updates throughout the year, including providing input on the draft plans presented at the beginning of the year. Progress in implementing audit recommendations was reviewed at each meeting;
- Approved the counter fraud annual work plan and received progress updates as well as updates on ongoing investigations;
- Approved the revised Anti-Fraud, Bribery and Corruption Policy;
- Sought assurances regarding the processes and controls in place to appropriately investigate and act upon Freedom to Speak Up concerns;
- Received external assurance reports – for example the annual finance system report.
- Received an annual update on the Trust's Business Contingency arrangements;
- Received regular updates on losses and special payments; and
- Received annual reports on compliance with policies falling within the remit of the Audit Committee.

In line with requirements of the Code of Governance the Committee reviewed the effectiveness of the External Audit and Internal Audit functions. The assessment was conducted following the completion of the 2018/19 year-end audits. Audit Committee members completed a comprehensive survey and the results were reported to the Committee in July 2019. A similar process will be initiated in June 2020 to review the effectiveness of both functions for 2019/20.

The Council of Governors appointed Mazars LLP as the Trust's external auditors from 1 September 2016, under a four-year contract. Mazars LLP's fee for the audit of the financial statements and value for money conclusion for 2019/20 was £38,100 excluding VAT.

Due to a change in regulations brought about by COVID-19 the Trust was not required to produce a Quality Report, which normally would have been subject to assurance work by Mazars. Mazars did commence some preliminary testing on the Quality Report prior to the change in regulations. In respect of this preliminary work Mazars charged the Trust £3,455.

Mazars LLP undertake an independent examination of the Trust's Charitable Fund, which in 2019/20 cost £440 excluding VAT. Mazars LLP also undertake the audit of the Trust's subsidiary, NEASUS, and a fee of £10,450 (excluding VAT) was charged for 2019/20.

During the year no non-audit services were provided (with the exception of the audit of the subsidiary company, the independent review of the Charitable Fund accounts and the preliminary work on the Quality Report). These services are excluded from the National Audit Office's 70% threshold for non-audit services work.

The Internal Audit function for the Trust and NEASUS is provided by the NHS Audit Consortium AuditOne.

Nomination and Remuneration Committee

The Council of Governors decides on the remuneration of the Chairman and Non-Executive Directors.

The Board's own Nomination and Remuneration Committee has delegated authority to set remuneration for all Executive Directors, monitor their performance, consider nominations for Executive Director vacancies and make recommendations on such appointments. The Committee sets the policy and authorises the remuneration packages and contractual terms that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective. Proper regard to the Trust's circumstances, performance and comparative information from within the NHS and other public sector organisations are taken into account. Advice and guidance to this Committee is provided by the Director of People and Development and Trust Secretary in respect of national guidance, Trust protocol and other related matters. The Director of People and Development will provide the professional advice to the Committee.

All Non-Executive Directors are members, including the Trust Chair, who is the Committee Chair. The Committee meets at least once per financial year, and details of its meetings and member attendance are detailed in the Directors' table included earlier within this report.

Council of Governors

The Council of Governors is the accountability forum between the Board of Directors and its stakeholders. It represents local interests and holds the Non-Executive Directors to account, as well as exercising its statutory powers which include:

- Appointing (and removing) the Chair and other Non-Executive Directors, deciding on remuneration and allowances;

- Appointing (and removing) the Trust's external auditors through a fair tendering process and receiving the annual accounts and the annual report; and
- In preparing the Trust's forward strategic plan, the Board of Directors must have regard to the views of the Council of Governors.

The Council meets formally and in public on a quarterly basis and has constituted a number of Governor Committees to help it fulfil its role. The Council of Governors has established three substantive committees, namely the Nomination & Remuneration Committee, Governor Governance Committee and a Membership & Engagement Committee. There is also Governor membership on the Quality Report Task & Finish Group, and some Governors are members of the Trust's Stakeholder Equality and Diversity Group. This Group brings together key external stakeholders of the Trust to provide feedback on our approach to equality and diversity. In 2019/20 a new task and finish group was also established to seek Governor input and views in respect of the strategy refresh exercise. This group will recommence as part of the Trust's recovery plans following COVID-19.

Governors canvass the opinion of the Trust's members and the public (and for appointed Governors the body they represent), on the Trust's forward plan, its objectives, priorities and strategy, and their views are communicated to the Board of Directors.

In addition, Governors have attended a number of different events and meetings across the region including Overview and Scrutiny committees and national conferences. Governors share relevant feedback with the full Council.

During 2019/20 the Governor Nomination and Remuneration Committee, and ultimately the Council of Governors led the process for the re-appointment of Catherine Young as Deputy Chair. The Council also recommended Catherine's re-appointment as Senior Independent Director. In addition, the Governor Nomination and Remuneration and Council of Governors also played a significant role in the appointment to the Associate Non-Executive Director position.

There have been a number of formal and informal meetings involving Governors, with the full Council Meeting taking place quarterly. Over the year, there has been a programme of themed seminars and update sessions to ensure that the Council fully understands the business of the Trust and its various activities so that Governors can fulfil their important role of engaging with the public and ensuring that our services continue to improve in line with the wishes of the membership.

It is noted that Governor meetings in Quarter 4 of 2019/20 were impacted by COVID-19, and the Trust made an early decision to suspend face-to-face Governor meetings for the protection of Governors and staff. As the Council meeting had taken place before the pandemic hit, this was not impacted, but Governor committees and development sessions were suspended. The Trust ensured that Governors received bi-weekly briefings to ensure that they received key information and assurance regarding the response to the pandemic.

The Council of Governors undertook a review of effectiveness at the year-end, with all Governors being invited to complete a survey. The survey sought views on the Council's

performance and meeting dynamics, including the Council agenda, Governor participation, the information it receives, the frequency and timing of meetings, its committees and working groups and community engagement. The outcomes will be shared with Governors once Governor meetings can recommence.

The Trust is committed to ensuring that Governors are equipped with the skills and knowledge they need, and that training which will support them in fulfilling their role is offered. The Governor Governance Committee works closely with the Trust Secretary to develop an annual training and development programme that reflects the needs and preferences of the Governors.

In January 2020, the Trust's Lead Governor, Michael Glickman, reached the end of his second term as Lead Governor. On behalf of the Board and Governors, the Chairman expressed his sincere gratitude to Michael Glickman for his commitment and support as Lead Governor for the last four years.

The Council of Governors duly elected Simon Walford as the Council's new Lead Governor, supported by Violet Rook and Michael McNulty as Deputy Lead Governors. Simon, Violet and Michael commenced in post on 1 February 2020 for a period of two years (or until the end of their terms as Governors, whichever is soonest). The Chairman and Lead Governor met prior to the government lockdown period and continued to stay in regular contact.

Governor elections were held during 2019/20 and this resulted in a number of new public and staff Governors being elected into post, as outlined in the following table.

The following table shows the members of the Council of Governors, each Governor's term of election, whether they were elected or appointed, including a description of the constituency or organisation that they represent, and their attendance at the Council of Governors' meetings. Where a Governor was not in post for the full year, the table shows attendance against the number of Council meetings they were eligible to attend. During the year there were four public Council of Governors meetings (the regular quarterly meeting) and three private Council meetings (to receive assurance from the Chair and Non-Executive Director appraisal process; to approve the appointment of the Associate Non-Executive Director and Chief Executive; and to approve the appointment of the Deputy Chair).

Region or organisation	Governor name	Term of appointment	Council of Governors meetings (max 7)
North of Tyne Region	Simon Walford (Lead Governor from 1 February 2020)	2 years 5 months from 1 June 2019 to 31 October 2021	4 of 5
	Violet Rook (Deputy Lead Governor from 1 February 2020)	3 years from 1 November 2016 to 31 October 2019 Re-elected 1 November 2019 to 31 October 2022	7 of 7
	Derek Bramley	3 years from 1 November 2016 to 31 October 2019	7 of 7

Region or organisation	Governor name	Term of appointment	Council of Governors meetings (max 7)
		Re-elected 1 November 2019 to 31 October 2022	
	Mark Glencorse	3 years from 1 November 2018 to 31 October 2021 *Left the Council effective from 24 April 2019*	0 of 2
	Nik Ritchie	2 years 5 months from 1 June 2019 to 31 October 2021	1 of 5
	Ian Ellison	2 years 5 months from 1 June 2019 to 31 October 2021	5 of 5
	John Rawling	3 years from 1 November 2019 to 31 October 2022	2 of 2
South of Tyne Region	George Smith	3 years from 1 November 2013 to 31 October 2016 Re-elected 1 November 2016 to 31 October 2019 *Left the Council effective from 31 October 2019*	0 of 5
	Michael Glickman (Lead Governor until 31 January 2020)	3 years from 1 November 2011 to 31 October 2014 Re-elected 1 November 2014 to 31 October 2017 Re-elected 1 November 2017 to 31 October 2020	5 of 7
	Bill Laing	3 years from 1 November 2016 to 31 October 2019 Re-elected 1 November 2019 to 31 October 2022	2 of 7
	Shobha Srivastava MBE	2 years from 1 November 2011 to 31 October 2013Re-elected 1 November 2013 to 31 October 2016 Re-elected 1 November 2016 to 31 October 2019 *Left the Council effective from 31 October 2019*	5 of 5
	Michael McNulty (Deputy Lead Governor from 1 February 2020)	3 years from 1 November 2019 to 31 October 2022	2 of 2
	Adam Skeen	3 years from 1 November 2019 to 31 October 2022	0 of 2
	Steve Connolly	3 years from 1 November 2019 to 31 October 2022 *Left the Council effective from 26 February 2020*	1 of 1
	VACANCY		

Region or organisation	Governor name	Term of appointment	Council of Governors meetings (max 7)
Durham Region	Robert Alabaster (Deputy Lead Governor until 31 January 2020)	3 years from 1 November 2011 to 31 October 2014 Re-elected 1 November 2014 to 31 October 2017 Re-elected 1 November 2017 to 31 October 2020	5 of 7
	Ricky Clayton	2 years from 1 November 2011 to 31 October 2013 Re-elected 1 November 2013 to 31 October 2016 Re-elected 1 November 2016 to 31 October 2019 *Left the Council effective from 31 October 2019*	0 of 5
	Stephen Dunn	3 years from 1 November 2019 to 31 October 2022	2 of 2
	Alex Murray	3 years from 1 November 2016 to 31 October 2019 Re-elected 1 November 2019 to 31 October 2022	5 of 7
	Geraldine Granath	3 years from 1 November 2016 to 31 October 2019 *Left the Council effective from 31 October 2019*	4 of 5
	Andrew Eales	3 years from 1 November 2017 to 31 October 2020	7 of 7
Teesside Region	Ray Stephenson	2 years from 1 November 2011 Re-elected 1 November 2013 to 31 October 2016 Re-elected 1 November 2016 to 31 October 2019*	6 of 7
	Jean McKenna	3 years from 1 November 2011 to 31 October 2014 Re-elected 1 November 2014 to 31 October 2017 Re-elected 1 November 2017 to 31 October 2020	4 of 7
	Janet Baker	3 years from 1 November 2018 to 31 October 2021 *Left the Council effective from 5 June 2019*	0 of 2
	Sue Francis	3 years from 1 November 2019 to 31 October 2022	0 of 2
	Craig Jacques	2 years 5 months from 1 June 2019 to 31 October 2021	0 of 5
	Graeme Smith	2 years 5 months from 1 June 2019 to 31 October 2021	2 of 5

Region or organisation	Governor name	Term of appointment	Council of Governors meetings (max 7)
North East Ambulance Service (Staff Governors)	Ken Powell (Unscheduled Care)	3 years from 1 November 2016 to 31 October 2019 *Left the Council effective from 31 October 2019*	0 of 5
	Matthew Potts (Unscheduled Care)	3 years from 1 November 2019 to 31 October 2022	2 of 2
	Chris Black (Support Services)	3 years from 1 November 2014 to 31 October 2017 Re-elected 1 November 2017 to 31 October 2020	4 of 7
	James McCormack (Scheduled Care)	3 years from 1 November 2018 to 31 October 2021	0 of 7
	Jebby Goodbrand (Emergency Operations Centre)	2 years 5 months from 1 June 2019 to 31 October 2021	1 of 5
Voluntary Organisations' Network North East (Stakeholder Governor)	VACANCY		
Local Authority Governors	Councillor Richard Dodd	3 years from 1 November 2011 to 31 October 2014 Re-appointed 20 February 2015 to 31 October 2017 Re-appointed 1 November 2017 to 31 October 2020	2 of 7
	Councillor Oskar Avery	3 years from 9 May 2017 to 31 May 2020	2 of 7
	Councillor Lorraine Tostevin	3 years from 30 August 2019 to 1 August 2022	0 of 2
	Councillor Margaret Hall	3 years from 30 August 2019 to 1 August 2022	0 of 2
	Councillor Andrew Scott	3 years from 9 May 2017 to 31 May 2020 *Left the Council effective from 17 July 2019*	2 of 2
Tees, Esk and Wear Valleys NHS Foundation Trust	Jennifer Illingworth	3 years from 3 January 2018 to 2 January 2021 *Left the Council effective from 11 February 2020*	1 of 7
	VACANCY		

Region or organisation	Governor name	Term of appointment	Council of Governors meetings (max 7)
Teesside University	Linda Nelson	1 year 10 months from 1 January 2016 to 31 October 2017 Re-appointed 1 November 2017 to 31 October 2020	4 of 7
Clinical Commissioning Group Representative	VACANCY		
Acute Trust Representative	VACANCY		
Local Resilience Forum Representative **Local Resilience Forum Representative**	Alison Slater	3 years from 1 November 2017 to 31 October 2020 Left the Council effective from 31 August 2019	0 of 5
	VACANCY		

*Due to an administrative error Ray Stephenson's third term was continued into 2020/21 when it should have ended on 31 October 2019. It was ensured that any votes cast were discounted, and that Mr Stephenson was not privy to sensitive material during the period following what should have been the end of his term.

The Board and Governor relationship

Our Board of Directors recognises the importance of receiving and reacting to the views of our Council of Governors.

Governor development sessions were held throughout the year, with all Board Members also invited to attend. This included opportunities to debate, discuss and shape the Trust' strategic plans. Other topics included:

- Training on equality and diversity; and
- Updates on the development and implementation of the Integrated Care System.

It is noted that due to COVID-19 the full development programme was not completed during the year, but there still a number of opportunities for Governors to gain new knowledge, skills and experience in their role.

The Board of Directors are well represented at the Council of Governors meetings throughout the year. In addition, Board Members and Governors come together on a monthly basis to participate in the Trust's Quality Walkround programme (where staff views and feedback are sought). This is an opportunity for Governors to engage with Directors outside of the formal meeting environment.

The schedule of matters reserved for the Board of Directors includes a specific section detailing the roles and responsibilities of the Council of Governors. There is also a specific policy which outlines how the Council of Governors can raise serious concerns about the Board of Directors, should the situation ever arise.

Foundation Trust membership

There are no limits to how many members we can have as a Foundation Trust - anyone who is over 16 years old and lives in the North East region can join. We can request that certain

people do not become members, for example, someone who has threatened, harassed, harmed or abused NHS staff, patients or visitors in any way, and members of staff who have submitted their notice of resignation (though if eligible they may apply to become a public member rather than a staff member). Our constituencies are as follows:

- North of Tyne: Newcastle upon Tyne, Northumberland and North Tyneside;
- South of Tyne: Gateshead, South Tyneside and Sunderland;
- Durham: County Durham and Darlington; and
- Teesside: Hartlepool, Stockton, Middlesbrough and Redcar & Cleveland.

Membership profile

Public constituency	
At 1st April 2019	9,128
New members	41
Members leaving	-115
At 31st March 2020	9,054

Public/ Staff	Constituency	Number of members
Staff	Unscheduled Care	1,247
	Scheduled Care	407
	Emergency Operations Centre	601
	Support Services	285

The following tables illustrates our membership profile. Please note that the figures do not necessarily total 9,054 members in all tables, as this is dependent upon the data disclosed at the point of registering.

Please note the analysis section of this report excludes:
- 756 public members with no dates of birth, 249 members with no stated ethnicity and 56 members with no stated gender.

Public Constituency	Number of members
Age 0-16*	0
Age 17 - 21	19
Age 22+	**8,279**
Not stated	756
Total	**9,054**

*Only individuals aged 16+ are eligible to become members.

Gender (Public Constituency)	Number of members
Female	4,236
Male	4,762

Public Constituency	Number of members
White	8,391
Black or Black British	33
Asian or Asian British	238
Mixed	101
Other	42

Public Constituency	Number of members
AB	2,129
C1	2,558
C2	2,048
DE	2,309

Effectiveness of membership engagement

We held our annual members' meeting in September 2019 at Winter House, Wynyard Business Park, Teesside along with our Annual General Meeting. The event attracted a range of stakeholders including Governors, staff, members, the public and representatives from partner organisations.

We provided a look back at the highlights and challenges during 2019/20 as well as showcasing some of our collaborative service innovations, including our partnership with Macmillan to deliver an end of life service and an overview of our falls service initiatives across the region.

We have a Membership & Engagement Committee where activity is reported, and our Governors play an active role in supporting the Trust with membership engagement. We have a toolkit which assists Governors in engaging with members and the public, enabling them to represent their views effectively.

Governors accompany our staff to various community events throughout the year to engage with members and the wider public. In 2019/20 this has included Trust representation at the various Pride events across the region, the Newcastle and Middlesbrough Melas, agricultural shows and emergency service open days.

Members who wish to contact their Governor should email governors@neas.nhs.uk or alternatively write to our Engagement and Membership Officer who will direct the contact to the appropriate Governor, using the address at the end of this report.

Members who wish to contact a Director should address a letter to the Director concerned, at the address on the last page of this report. We operate in an open and transparent manner and members are welcome to get in touch if they have a query or comment.

NHS Improvement's Well-Led Framework

The Board reviewed its detailed assessment against the joint CQC and NHS England and Improvement Well-Led Framework in February 2020 as part of its Board development programme.

Further information on the Trust's governance processes and structures can be found within the Annual Governance Statement section of this report.

The Board's work around the Well-Led Framework, as well as the broader CQC compliance work, informed the Board's overall evaluation of performance, internal control and governance at the year-end. There are therefore no material inconsistencies between the Annual Governance Statement, Board Assurance Statements, year-end and regulatory submissions.

Patient care

We have continued to invest in patient care during 2019/20, putting patient care and safety at the very heart of the Trust's focus.

There are a number of nationally mandated clinical ambulance quality indicators (AQIs) which the Trust reports against. There is a national timelag in the publications of results and therefore the below results show performance to November 2019.

AQI	Apr 19 – Nov 20
Sepsis care bundle This indicator defines those patients with suspected severe sepsis who receive the correct bundle of care.	77.8%
STEMI care bundle This indicator defines those patients with acute ST segment elevation myocardial infarction (STEMI) / heart attack who receive the appropriate care bundle.	88.3%
Stroke care bundle This indicator defines those patients with a suspected stroke who receive the correct bundle of care.	99.8%
Post-ROSC care bundle This indicator defines those patients who receive the correct bundle of care following a return of spontaneous circulation (ROSC).	70.8%
Survival to Discharge This indicator measures the percentage of patients resuscitated by the Trust who were discharged from hospital	8.0%
Survival to Discharge Utstein The percentage of patients with a witnessed cardiac arrest who were resuscitated by the Trust and then discharged from hospital	28.7%
ROSC at hospital This indicator measures the percentage of patients who had a return of spontaneous circulation (ROSC) on arrival at hospital, following resuscitation	33.5%
ROSC at hospital Utstein	58.3%

This indicator measures the percentage of patients with a witnessed arrest who had a return of spontaneous circulation (ROSC) on arrival at hospital, following resuscitation	

It is noted that patient outcome data is not always available from hospitals. Excluding unknown outcomes from the survival figures shown in the table would result in a survival to discharge of 8.4% and a survival to discharge Utstein rate of 32.3%.

We use statistical process control to monitor our performance in each AQI, alongside national benchmarking data. This enables us to identify areas for further improvement, as well as those areas where we consistently perform well.

In 2019/20 we performed consistently well in respect of our stroke care bundle. We identified that further work was required in respect of our post-ROSC care bundle performance.

We have moved to real time audits so we can feedback to crews in a timely manner. More audits are now on the Clinical Annual Record of Excellence (CARE) platform which enables clinicians and clinical audit / effectiveness teams to more easily identify areas where clinicians may need some further support or adjustments need to be made to training.

We have been using learning from deaths to provide qualitative feedback after cardiac arrests. We have linked in with our Quality, Service Improvement and Redesign (QSIR) practitioners to help improve compliance at a local level. An analysis of care bundle fails has been completed and we have used this to drive system changes to our ePCR which are due to be implemented in summer 2020.

Commissioning for Quality and Innovation (CQUIN)

In 2019/20 the following CQUIN schemes were agreed nationally and supported by the Trust's local commissioners. These were:

- Indicator CCG2 – staff flu vaccinations with the aim of vaccinating 80% of staff.
- Indicator CCG10:
    - CCG10a – access to patient information at scene (assurance). Achievement of NHS Digital's assurance process for enabling access to patient information on scene, by ambulance crews via one of the four nationally agreed approaches.
    - CCG10b – access to patient information at scene (demonstration). Achieving 5% of face to face incidents resulting in patient data being accessed by ambulance staff on scene.

The Trust achieved its highest ever flu vaccination levels of 65.6%, we did not achieve the CQUIN target of 80%. Whilst recognising the significant improvement in 2019/20, a lessons learned exercise will be held to strive to achieve the 80% target next year.

The Trust achieved all aspects of indicator CCG10. The Trust achieved its CQUIN target of 5% of face to face incidents resulting in patient data being accessed by ambulance staff on scene for Quarters 3 and 4 2019/20 (indicator CCG10b).

The Trust has introduced a number of mechanisms for frontline staff to access patient data on scene including the retrieval of Medical Interoperability Gateway (MIG) information for 111, 999 and electronic patient care record (ePCR) systems. The sharing of core patient information means that Unscheduled Care crews can access more detailed information when helping and treating patients. The MIG gives healthcare professionals 24/7 live access to patients' medical records which can help them to make informed clinical decisions faster and see which health services and clinicians are available to support patients. Data can be viewed in a single application and shared with other organisations to provide integrated care for the patient.

The MIG has been accessed by over 5% of staff on scene via the ePCR for incidents with face to face responses. The target has been consistently achieved, hitting on scene access for 50% of face to face incidents in January 2020, for example.

Quality priorities 2019/20

Every year the Trust identifies a number of quality priorities to progress, following consultation with Trust staff, Council of Governors and external stakeholders, such as the Clinical Commissioning Groups, Local Authority Overview and Scrutiny Committees, Healthwatch and the wider community.

There is a requirement to have a quality priority linked to each of the following areas:

- Patient safety;
- Patient experience; and
- Clinical effectiveness.

The following provides an outline of each quality priority and what we have achieved:

Embedding just culture to improve patient safety

The aim of this priority is to begin the work to ensure a just culture is developed within the organisation. A just culture will balance an open and honest reporting environment with a quality orientated learning culture, focused on ensuring safe systems are in place to improve patient safety. This work is included in the national Patient Safety Strategy published in July 2019.

We have worked closely with Mersey Care NHS Foundation Trust, a mental health trust, who have embarked on their Just and Restorative Culture journey and outlined the real benefits in investing in staff to improve safer care for patients.

We have supported 15 staff to attend a four day programme on Just and Restorative Culture delivered by leaders from Mersey Care NHS Foundation Trust and Northumbria University. These are our Just Culture champions to support the organisational development required to embed this in NEAS.

We have looked at what staff are telling us about reporting incidents, from our staff survey results and are encouraged that 95% of staff would know how to report unsafe clinical practice, however we want to improve this further. 91% of respondents also responded that

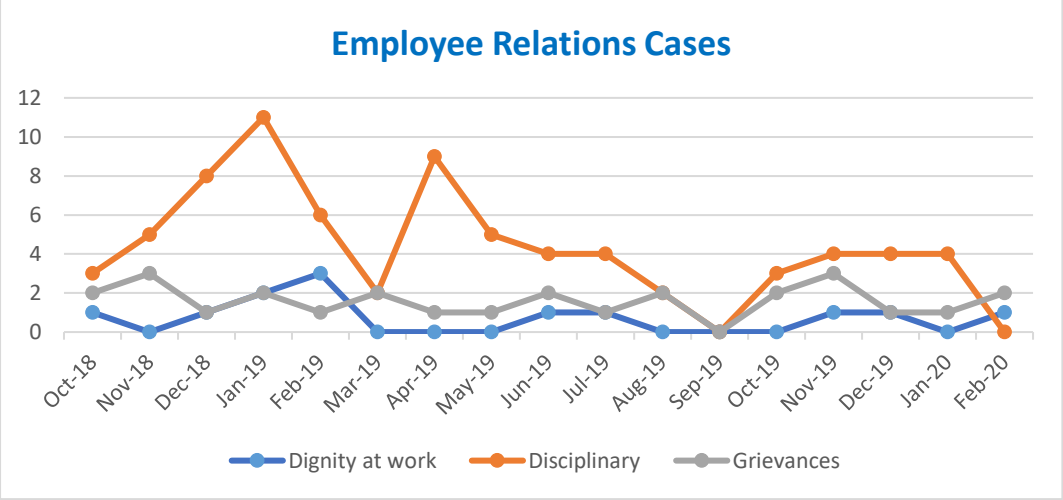
they had reported an error, near miss or incident that could have hurt staff or patients last time they saw it, which was higher than the sector average.

We want to do more, so that we are leaders in the ambulance sector, by supporting and encouraging our staff to let us know when things aren't working well or care is delivered not as planned.

One area we have looked at is the way we investigate incidents and draw out the learning that improves the systems and processes we use rather than focus on the individual who has played a part in the incident. We stand by our Trust values in everyone being accountable and responsible for their actions and reckless behaviour by staff will be handled appropriately.

We understand that our policies and processes need to written in line with best practice but with more involvement from the people who will need to implement them. We have gained greater knowledge in the organisation about Human Factors and System Learning, by supporting key staff to undergo further training on this. This has influenced how we clinically review patient safety incidents, where it is suspected moderate harm or more has occurred to patients.

As a result of this work we have seen a reduction in the number of staff undergoing formal disciplinary action in the Trust.



We have also encouraged staff not only to report patient safety incidents but also to celebrate when things are going well by recognising colleagues and submitting 'excellence reports'.

Patient safety incident reporting has increased:

- April 18 – March 2019 = 2,035
- April 19 – March 2020 = 2,209

Excellence reporting has increased:

- 148 excellence reports were submitted from September 18 when it was launched, to March 19.
- There were 491 excellence reports have been submitted from April 19 – March 20

Improving patient care and experience for people with mental health needs

The aim of this priority is to develop and implement our Mental Health Strategy and specifically to look at the education and training provided to staff to improve their knowledge and skills, supporting clinical decision making on scene which will assist in effective referrals to mental health teams and others. We also wanted to provide greater support to staff particularly when exposed to a traumatic situation at work.

Our Mental Health Strategy has been developed with input from a range of internal and external stakeholders and is aligned to the national Mental Health Strategy.

We have enlisted the assistance of specialist mental health trainers to deliver an innovative programme of education to frontline staff and 95% of relevant staff have received this training.

A 6 month pilot 'A BASIC STEP' tool developed by North West Ambulance Service commenced in February 2020. This provides a framework for frontline crews to risk assess patients on scene and enable a structured way in which they can communicate their concerns to mental health professionals.

A business case has been developed and supported which will enable 40 staff to attend Trauma Risk Management practitioner training planned for March & June 2020, with a further course later in the year (subject to changes relating to COVID-19). This provides a structured approach to supporting staff exposed to a traumatic situation at work, not only with immediate debriefing but further contact and referral into appropriate services.

Clinical effectiveness – improving cardiac arrest survival

Early recognition and access to treatment, early cardiopulmonary resuscitation (CPR) and early defibrillation are all key to survival. The ambulance service plays a key part in the chain of survival through the timeliness and quality of interventions provided.

To improve the prompt access to Community Public Access Defibrillators (CPAD) support provided to clinicians on resuscitation and therefore improve the quality and outcomes for patients the Trust's Charitable Fund has provided £600 contribution towards CPADs purchased in areas deemed to be at higher risk and with low current coverage.

There has been an increase from 541 CPADs available across the geographical footprint of the Trust in March 2019 to 742 in March 2020.

We have also introduced the GOODSAM app as a means of alerting our Community First Responders of a cardiac arrest occurring near their location. This provides an opportunity for prompt resuscitation and defibrillation prior to an ambulance arriving on scene.
We have also enlisted the support of medical students from Newcastle University as Community First Responders.

We have implemented a cardiac arrest register within the Trust to enable us to analyse the care we provide. This work has enabled more focus on training around paediatric cardiac arrest and feedback to clinicians regarding the care provided on scene – including positive areas of practice and areas of learning.

Care Quality Commission inspection

The Trust was not subject to a full inspection during 2019/20 and this section therefore refers to the most recent inspections. The Trust was subject to an announced Well Led Inspection by the CQC in October 2018 and the outcome was as follows:

Ratings for the whole trust

Safe	Effective	Caring	Responsive	Well-led	Overall
Good →← Jan 2019	Good →← Jan 2019	Good →← Jan 2019	Good →← Jan 2019	Good →← Jan 2019	Good →← Jan 2019

The rating for well-led is based on our inspection at trust level, taking into account what we found in individual services. Ratings for other key questions are from combining ratings for services and using our professional judgement.

In addition, as part of its regulatory regime, NEAS was also subject to an Unannounced Inspection during September 2018. The two core services inspected were the Emergency Operations Centre and our NHS111 Service. The outcome of this inspection was as follows:

Ratings for ambulance services

	Safe	Effective	Caring	Responsive	Well-led	Overall
Emergency and urgent care	Good Nov 2016	Requires improvement Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016
Patient transport services	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016
Emergency operations centre	Requires improvement → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019	Good ↑ Jan 2019	Good ↑ Jan 2019
Resilience	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016	Good Nov 2016
Overall	Good → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019	Good → ← Jan 2019

The Emergency Operations Centre had significantly improved from the 2016 CQC inspection by being awarded with a 'Good' rating within the Well Led Domain and subsequently a 'Good' rating overall.

The NHS111 service retained its previous rating (2016) of 'Good' overall and 'Good' within each of the five domains.

The CQC issued the Trust with two Requirement Notices:

- Regulation 12 Health and Social Care Act 2014 – Safe Care and Treatment
- Regulation 18 Health and Social Care Act 2014 – Staffing

The Trust developed an improvement action plan in response to the areas identified by the CQC and this is closely monitored by the CQC for completion and close out.

An unannounced responsive inspection of the Emergency Operations Centre was carried out by the CQC on Monday 3rd June 2019. This was in relation to a patient safety concern that they had directly received and which related to the management of medicines, staff competencies, inappropriate triaging, training and poor culture.

The final CQC report noted that the allegations made to the CQC were unfounded. The responsive inspection provided assurance that the service was safe, effective and well-led.

During this inspection the CQC Team found:

- Medicines were managed in line with the Trust's medicines policy.
- Systems were in place to access and monitor each training module and identify any themes or trends relating to training attendance. The training system followed a RAG (red, amber, green) coding system to highlight training that was completed, due or

overdue. This allowed the Trust good oversight of training compliance and no issues were found.

- They found that 80% of all call handlers were dual trained and could work with both 111 and 999 calls. Staff operated on the basis that no matter what number the public called, they would be treated according to the most appropriate pathway.
- There were call audits undertaken to monitor the 111 service and the 999 service. The Trust was about to commence call audits for advanced practitioner and doctors' clinical advice calls through a monitoring tool.
- Appropriate induction and assessment processes were in place.
- There were processes in place to monitor competencies and to address competency failings if they occurred.
- North East Ambulance Service had created standards and competencies for advanced practitioners.
- Staff told the CQC inspection team that the culture within the Emergency Operation Centre was very good and supportive.
- The inspection team were advised that culture checks were undertaken through the annual staff survey and quarterly listening events were in place. Nothing of concern was highlighted by managers or staff within the service.
- The Trust had recent instances of bullying and harassment. However, the inspection team observed that the Trust had dealt with these promptly.

However, the following two areas of improvement were identified by the inspection team:

Action the Trust **MUST** take to improve:-

- Under the Health and Social Care Act 2008 Regulation 19 1(b), 2:- Fit and Proper Persons the inspection team found that the clinical job descriptions, rotas and clinical staff list did not reflect the new integrated role for GPs and doctors in the CAS due to the incorrect usage of the GP job title. It was requested that the Trust amend the clinical job description and all related documents to reflect the integrated clinical role.

Action the trust **SHOULD** take to improve:

- The Trust should ensure that all staff are following North East Ambulance Service standards during break periods.

An action plan was developed to address these two areas of concern, and the final close out report was submitted back to the CQC prior to their deadline.

New services and developments

The Trust implemented the following new services during 2019/20:

- **North Tyneside GP Home visiting** - during 2019 we launched a pilot service with local Commissioners. The service provides home visiting support to GP practices across the North Tyneside area. It operates Monday to Friday, 1000-1800 with services provided by a mix of Advance Practitioners (AP) and paramedics. There is

scope for up to 32 home visits daily with home visiting initially screened by the relevant clinician and referred to Care Point as being suitable for a paramedic or AP / Emergency Care Practitioner skill set requiring a same day urgent response. Over the pilot period, data shows that the service has kept circa 90% of patients in the community without the requirement for ongoing ambulance conveyance or attendance at Emergency Department. Extending the pilot into a full service is being explored with Commissioners.

- **New discharge vehicles Northumbria** – the Trust has seen demand on same day journeys increase during 2019 from Northumbria and North Tyneside however no bespoke same day service was in place to manage this. As the average stay of a patient at Northumbria Specialist Emergency Care Hospital (NSECH) is around 16 hours, this highlighted the need for a dedicated same day discharge support service in this hospital as the ability to book pre planned discharges was limited.

  In early 2019 to support winter pressures two additional vehicles were funded to support activity but analysis showed that the support requirement was not limited to winter. As such an extension to the support was agreed with Commissioners with a formal pilot launched utilising five vehicles, primarily dedicated to NSECH. These vehicles focus on same day discharges and provide both stretcher and multi-purpose vehicles. The service will continue to be reviewed moving forward to ensure it effectively supports discharges from Northumbria sites.

- **New complex lifting service** - As part of a Quality Improvement (QI) event, staff developed a new model for our bariatric patients and those with complex moving and handling needs following the retirement of the previous specialist bariatric support vehicles. The model has been developed in two phases. Phase one focused on the Trust modifying 6 of our Scheduled Care vehicles to make them capable for transporting Scheduled Care pre planned bariatric patients. The second phase is the development of 2 support vehicles which will carry specialist and additional equipment to support front line crews. The vehicles will be staffed by a single crew and will respond to emergency and unplanned incidents.

  The first phase was mobilised in August 2019 and has reduced the number of failed or delayed bariatric transport to patients in a pre-planned situation, this has resulted in improved patient outcomes and increased patient experience.

The dedicated vehicles went live in March 2020. This has been an investment by the Trust in both staff training and equipment, not only delivering improvements for patients but also reducing the risk of potential injuries for staff. It will also reduce time on scene for front line crews providing operational benefits.

- **Operation Ealing (Medicar)** - This initiative arose out of pressures on both the police and ambulance services to reduce waiting times when both services have to attend the same incident. Starting in May 2019, this pilot aimed to overcome these issues with the Trust and Cleveland Police providing a joint response, operating out of Hartlepool North, covering the Cleveland Force's whole area.

Initially running on a Friday night 1930-0330, a paramedic works on a Cleveland Police vehicle which is dispatched by the police but with access also to the Trust's dispatch function. The service attends scenes where both services are required to reduce delays to attendance. This has resulted in being able to release Double Crewed Ambulances (DCAs) from scene or stand them down attending as the paramedic resource has been able to treat on scene. In June 2019 this won a Gold award for Working in Partnership at the Police ROSE awards and has now been extended to a Saturday night as well.

- **Out of Hours Dental services** – the Trust partnered with Dencall to deliver a new dental out-of-hours telephony service which launched on 1 April 2019. The new service offers help and advice to patients who are suffering with dental problems in the evening, through the night and at weekends and is the first service of its kind in the UK.

The service covers Northumberland, Tyne and Wear, Durham & Darlington, Teesside and North Cumbria. Patients with dental concerns can ring NHS111, and, where appropriate, will be put in touch with specialists in the out-of-hours team at Dencall. The telephone-based service is for patients suffering with dental problems who need urgent help.

Service Improvement initiatives

The following initiatives were implemented during 2019/20:

- **Lockers** - The medicines management policies are based on the issue of controlled drugs to individual paramedics. As such, the Trust provides controlled drugs lockers on ambulance stations for staff to securely store their drugs. During 2019 the Trust undertook additional work, building on the issuing of new lockers the previous year, to refit drugs rooms at 15 stations as well as meet increased demand as a result of the Unscheduled Care Service Transformation. Delivered in full, this work has ensured there are enough lockers at all stations for paramedics, including relief capacity that also covers future training requirements.

- **Fuel bunker access** - The overall aim of this project is to reduce the Trust's fuel costs and associated mileage when crews are needing to refuel. As part of a joint collaboration with the Fire and Rescue Services, a number of small pilot sites have been established. Early signs are that the pilots are developing well, especially in the North of the patch where we co-locate with the Fire Service. Over a six-month period cost savings of over £3,500 have been achieved and plans to roll out further are in discussion.

- **What 3 words** – NEAS have adapted processes to be able to use the national initiative known as 'What3words'. The function is delivered via an app that can be added to anyone's phone. If a caller is not sure of their location when they call for help, the Trust can text a message to the person on their mobile. By pressing on a link, the app will take a grid reference from the mobile phone location, generating a 3 word combination identifying the location of the patient. This enables the Trust to pinpoint their location. The Trust has worked with Cleric, our computer-aided dispatch provider, to build this into our operating system so that we are able to use this moving forward.

- **Metro train passengers response** – During 2018/19, the Trust worked with London North Eastern Railway (LNER) and other ambulance services to develop a process of supporting patients who fall ill on the East Coast Mainline. In 2019 this has been adapted for the Metro Service that operates in the North East. Working with the Metro service provider, a process is in place whereby they are able to contact the Trust when a patient falls ill and move the passenger onto the platform which is where we respond to them. Their control centre is able to contact a clinician in the Trust who will then speak to the driver to find out the details of the incident so we can respond appropriately. This process aims to avoid severe disruption to the Metro service as well as enabling the Trust to identify a patient's location and condition quickly. Initial incidents show this is already having a positive impact for all those involved.

- **Vehicle procurement change control process** – during 2019 a Quality Improvement event was held to review the procurement process for new vehicles. This identified the need for a specification library to be created and maintained in the Trust to support ongoing management. Additionally, a change control process was

established to ensure that any proposed changes to these specifications are effectively reviewed and agreed by all affected areas of the organisation. Key stakeholders are involved through the Vehicle Design Group who are at the core of the decision-making process. As it has just been introduced, the change control process continues to be refined, but the initial change requests for the next batch of vehicles due to be ordered went through the process without encountering any significant issues.

- **Dementia Strategy – Dementia Friendly Ambulances.** As part of the Trust's commitment to improve the care of patients with dementia there has been some excellent work in looking at the design of our vehicles to ensure where possible it meets the needs of people with dementia (and other disabilities).

After much work the design was agreed and has been reviewed nationally. It has been agreed that the specification developed by the Trust, working in partnership with members of the public with dementia and a range of other disabilities will now be adopted nationally for future ambulance designs.

A meeting was held at the Dementia Café in Newcastle upon Tyne, ran by the Alzheimer's Society, where the group members were asked to shortlist pictures to be used in our Dementia Friendly ambulances.

- Community Paramedic Project – Berwick upon Tweed In June 2019 a Community Paramedic project commenced, as it was identified that there was significant emergency ambulance travel time lost whilst transferring patients to hospital who live in Berwick (with the TD15 postcode). It was felt through discussion that a new model of care could be piloted. This entailed providing an additional three Community Enhanced Care Paramedics, alongside the usual ambulance resource there to provide the following support:

  - Responding to Category 1 life threatening emergencies
  - Working in partnership with primary care teams and the Minor Injuries Unit
  - Providing home visits to patients, where deemed appropriate by the GP
  - An expanded range of medications able to provide, under Patient Group Directions

  A total of 215 patients were seen by the Community Paramedic team in July and of those 70% were cared for and discharged, with only 11% conveyed to an emergency department. 247 patients were seen in August and of those 71% were discharged by the Community Paramedic and 14% conveyed to an Emergency Department. Our response to Category 1 emergencies in the Berwick area also improved.

  Feedback from GPs, pharmacists and the wider health care team was very positive as was feedback from care homes in the area.

  The pilot, which was part funded by the Trust (50%) and part funded by the local commissioners was so successful that it has been fully funded by the commissioners and extended for 6 months to evaluate it further. The Trust's Charitable Fund also supported the pilot through the provision of funding for equipment.

- **Developing our Mini Medics.** The Ambulance Mini Medics and Senior Cadet Programme introduces young people to the work and activities of the North East Ambulance Service. It strengthens community engagement, develops skills for young people and links to the Trust's Restart a Heart campaign. The Ambulance Mini Medic scheme is for children aged 9-11.

The scheme was introduced in 2019, with support from the Trust's Charitable Fund, and has proven to be a huge success. We currently have 47 schools engaged and have provided education and training in vital life-saving skills to hundreds of school children aged 9-11.

Our Ambulance Mini Medics have also represented the Trust at our award ceremonies and local events such as the remembrance parades.

The principal aim of the Ambulance Mini Medic programme is to be viewed as a fun and interactive volunteering opportunity for children age 9-11 years old, whereby through positive interaction, children develop and maintain knowledge and trust in the ambulance service, gain skills and represent the Trust at events and ensuring all children have basic life support skills and a fundamental knowledge of the Trust.

The children wear an Ambulance Mini Medic Trust Uniform to perform their duties and each participating school has an Ambulance Mini Medic notice board to promote the work that the children have undertaken. The children decide what to include on the notice board as part of their duties.

Service Improvements from Patient Feedback

We continue to develop and expand our patient feedback process and improve the data that is available to managers, patients and the public. We are committed to acting upon patient feedback and using this information to drive service improvements.

Patient feedback has led to several improvements across the Trust over the last 12 months, these have included:

- The launch of our accessible and dementia friendly vehicle in partnership with patients and the Alzheimer's Society, becoming the first ambulance trust in the country to be awarded Dementia Friendly status from the Alzheimer's Society. Our designs have been adopted by NHS England and Improvement as part of the national specification for ambulance design in the country in the future.
- Implemented a message in a bottle scheme to support people living with dementia, people with learning disabilities, vulnerable people and people with communication needs

- We delivered a Black, Asian and Minority Ethnic (BAME) focused recruitment event to improve how we promote work opportunities to BAME people in the region. Over 400 people attended.
- We reviewed our patient experience process and appointed a new partner for surveys to improve the range of services we can receive feedback from and improve how we can use and analyse the data from surveys.
- We developed an NHS111 leaflet in twelve community languages raising awareness of the service and availability of telephone interpreters free of charge.
- We developed an 'Our Services' information leaflet for patients to receive information on the full range of services we provide.

Making Services accessible to patients

We continue to make progress towards ensuring our services are accessible to patients with a wide range of communication needs.

We continue to provide:

- A range of communication mechanisms to contact our services including British Sign Language relay, Text Relay and telephone.
- A range of communication support providers for employees to use and access.
- Advice and guidance to all staff on meeting the specific communication needs of patients through statutory and mandatory training and factsheets
- The Recite Me accessibility tool to our website giving users access to a range of accessibility features for disabled people and people whose first language is not English.
- The Communications Support Guide to assist staff to communicate with people with a variety of communication needs.
- A learning disability web zone and a young persons' learning web zone improving information about how and when to use our services to these groups of people.

We continue to work with commissioners, regional and national partners and NHS England and Improvement to explore how we can meet the Accessible Information Standard.

We continue to provide information in a range of formats on request. We provide a range of literature in easy read format for people with learning disabilities and we can provide information in large print, Braille, audio and other formats on request. Our website is

compatible with national W3C accessibility features to ensure people with a range of different needs are able to access information contained on our website.

Public and Patient Involvement activities

The following activities with involvement from the public and patient took place during 2019/20:

- The Vehicle redesign group and second stage dementia friendly package to make our vehicles more accessible to disabled people and people living with dementia, as previously outlined.
- As part of our Equality Strategy review, we have consulted with a wide range of organisations to understand what we are doing well and what we could improve for people from diverse backgrounds.
- We continue to attend regional events, such as Pride and Mela festivals, to understand the needs of LGBT and BAME people and use these events to collect feedback about our services, promote employment and Foundation Trust membership opportunities and inform our future work.
- Organising and / or attending a range community engagement events including school visits, agricultural shows, third sector organisations and groups to temperature check how we are doing and promote our services, how to use them, promote our employment and volunteering opportunities and answer questions from local communities.
- The launch of the Ambulance Mini Medics and their programme of their work with schools and young people has improved our visibility with young people and helps to educate young people about our services, how to use them and basic first aid.
- The annual Restart a Heart day helps us to link with stakeholders, schools, the Resuscitation Council and the British Heart Foundation to train pupils about lifesaving skills. It enables us to teach the next generation the skills that will hopefully give them the confidence to help in emergency situations.
- We continue to offer engagement opportunities for stakeholders, patients and Governors through our Stakeholder Equality Group and for the regional Healthwatch organisations through our Healthwatch Ambulance Forum, both of which are well attended.

Learning from complaints

We recognise the importance of feedback received from our patients, their family and carers as a means of understanding and improving the service we provide and ensuring that patient experience is positive and meets the rightful expectations of the population we serve. To this end, we encourage our patients and members of the public to share their experience with us and tell us when we have performed well and when we have not performed so well. We acknowledge that a culture of openness is at the basis of our drive to improve patient safety, patient outcomes and overall patient experience.

Fundamental requirements of this approach are the offer of a sincere and heartfelt apology and an explanation of what happened to ensure that the patient and/or their family is fully informed of how the patient has come to suffer harm as a result of their contact with our service. Much work has been done to focus the attention on the importance of learning from mistakes as a means of achieving excellence in the field of pre-hospital care. This includes emphasising that any member of staff – regardless of experience, age, or seniority – can make errors, and that the learning from these must be based on improving the systems for all, rather than feedback for individual members of staff.

2019/20 saw the introduction of the Patient Experience and Engagement Group, which met bi-monthly and was attended by a multi-disciplinary cohort of staff, as well as representatives from the Patient Advice and Liaison Service (PALS). The group discussed complaint and appreciation themes and trends, as well as looking at data by cluster and area within the region.

The financial year 2019/20 recorded 436 complaints, 0.02% of the overall activity. 292 complaints were upheld or partially upheld. The Trust received notification that, during 2019/20, 3 complaints were referred to the Parliamentary and Health Service Ombudsman. This financial year the Trust has again seen a reduction in the overall number of complaints received compared to the last financial year, 436 against 489 in 2018/19, a reduction of 11%. The number of complaint 'elements' (the different parts of the complaint which have caused the person to complain) has parity with the previous year, with 641 elements in total, against 650 in 2018/19. In addition to the reduction in total complaints received, appreciations have maintained a high level throughout 2019/20, with 889 received in total.

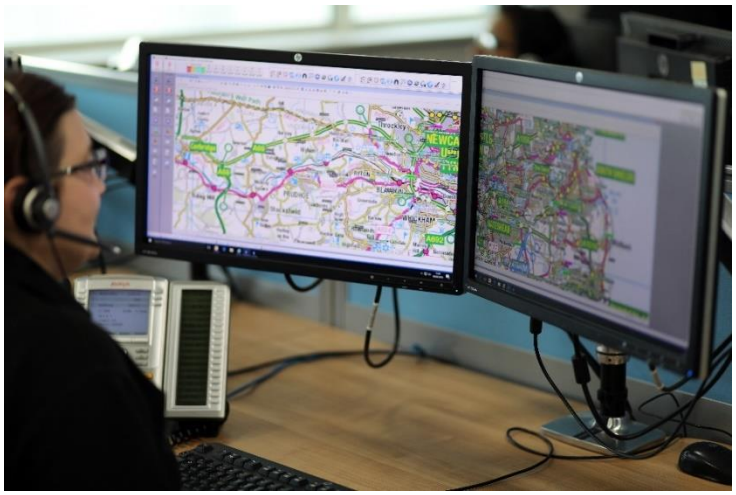
	2019/20	2018/19	Difference +/-
Total complaints	436	489	-11%
Total 999, 111, Urgent Calls, Calls Answered	1,751,720	1,688,814	+3.7%
Complaints as a % Total calls for 999, 111, Urgent Calls, and Scheduled Care Journeys (Patients and Escorts)	0.025%	0.029%	On par
Total Number of upheld Complaints	181	193	-12
Total Number of Part Upheld Complaints	111	90	+21

The key reasons that members of the public had cause to complain in 2019/20 are shown below. These are the elements to complaints, so one complaint may feature several of these elements:

Cause of Complaint	2019/20	2018/19	Difference +/-
Quality of Care	264	277	-13
Staff Attitude	140	135	+5
Timeliness of Response	135	176	-41
Quality of Communication	63	34	+29
Driving Incident	21	16	+5
Standards/ Compliance	18	12	+6
Total	641	650	-9

All complaints provide a valuable opportunity for the Trust to see the perspective of the patient or their family member, and although complaint rates are low the Trust still strives to learn and improve. During 2019/20 some changes in practice and learning coming from complaints included:

- Improved provision for end of life care - the Trust has implemented three end of life care vehicles, including new guidance for health advisors, dispatch and healthcare professionals about what the purpose of the vehicles is. This should ensure more appropriate transport for this cohort of patients.
- In response to complaints where the incorrect vehicle assigned initially could not provide pain relief or oxygen, the script for healthcare professional calls now asks directly if any analgesia or oxygen is required. This should ensure the patient is assigned a crew who can give them the right care the first time. There is also a standard operating procedure for Scheduled Care staff to escalate patients who they believe are not appropriate for them to convey.
- Introduction of the use of 'What Three Words' to help Health Advisors locate the patient as quickly as possible. This should help with callers trying to provide locations in rural areas where there are not many landmarks or street names available.



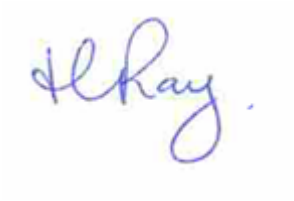
- New guidance to all call handling staff regarding clinical observations provided, regardless of whether this is from a healthcare professional or a patient, and how this must be recorded within the call log.
- Updated 'Failed Contact Procedure' to include searching online to confirm a number for a care home if no answer is received, to ensure every effort is made to make contact.

Stakeholder relations

We have met with over 20 community organisations to engage with them on the review of our Equality Strategy 2020-24. Their feedback has been considered in the review of the strategy and action plan.

We have contributed to a number of different consultations on service reconfiguration during the year. We meet regularly with local authority Overview and Scrutiny Committees, discussing our performance against national standards and our quality priorities. Our attendances at Scrutiny Committees included discussions on:

- The Path to Excellence healthcare transformation project in Sunderland.
- Review of our operational performance after our implementation of new rotas and additional vehicles – in particular with committees in Northumberland, Sunderland, Hartlepool, Durham and the joint Tees Valley committee.
- Anti-social behaviour and the use of body-worn cameras at Hartlepool and joint Tees Valley committees.
- Ambulance responses to maternity cases in Hartlepool.
- Ambulance responses to patients using opioids in Middlesbrough.
- Dementia services across the NHS and social care in Newcastle.
- Ambulance responses to rural areas of Redcar & Cleveland borough.
- The use and effectiveness of direct GP bookings via NHS111 in Durham.



Helen Ray
Chief Executive
10 June 2020

Remuneration Report

Annual statement on remuneration

The Board's Nomination and Remuneration Committee met eight times during 2019/20 to fulfil its appointment and remuneration role.

The Committee's main work areas and achievements in relation to remuneration and Director performance during the year included:

- Leading on the recruitment of the Chief Executive and approving the proposed pay and terms and conditions;
- Approving interim arrangements for posts including the Chief Executive position;
- Reviewing the performance of the Executive Directors for 2018/19;
- Leading on the recruitment of the Director of People and Development;
- Reviewing and approving the proposals in relation to Executive Director portfolios and remuneration proposals; and
- Receiving assurance over the performance of the new Chief Executive following her six month performance review.

In relation to the appointment role, the Committee agreed the process for the recruitment of the Chief Executive and the Director of People and Development. The Committee ratified the appointment of Helen Ray as Chief Executive in July 2019. In respect of the Director of People and Development appointment, the initial recruitment rounds were unsuccessful and interim arrangements were put in place. The Committee led on the second round of external recruitment and ratified the appointment of Karen O'Brien in January 2020.

Peter Strachan
Chairman
10 June 2020

Senior managers' remuneration policy

For the purposes of this policy and this report, senior managers are defined as those individuals who hold Board positions, namely the Chief Executive, Chairman, Executive Directors and Non-Executive Directors.

As outlined in the Directors' Report the Council of Governors decides on the remuneration of the Chairman and Non-Executive Directors.

In line with best practice and regulatory guidance, the Governor Nomination and Remuneration Committee, on behalf of the Council, reviewed benchmarking data in respect of basic pay and enhancements for the Chair and Non-Executive Directors.

For Executive Directors, the Board's own Nomination & Remuneration Committee, consisting of Non-Executive Directors, sets the policy and authorises the remuneration packages and contractual terms that are sufficient to attract, retain and motivate Executive Directors whilst remaining cost effective.

Proper regard to the Trust's circumstances, performance and comparative information from within the NHS and other public sector organisations are taken into account.

Advice and guidance to this Committee is provided by the Director of People & Development (formerly by the Head of Human Resources) and Trust Secretary, in respect of national guidance, Trust protocol and other related matters.

Pay and conditions of other Trust employees are taken into account when setting the remuneration for senior managers. Only Board Members are paid outside of the Agenda for Change pay framework.

Executive Director salaries are market-tested, and benchmarking is a key factor in determining appropriate salaries, alongside the regulatory remuneration scales.

We have reviewed our approach on Executive remuneration to determine whether the amounts paid are necessary and justifiable. This has involved undertaking both regional and national benchmarking to ascertain how our rates of Executive pay compare to others.

Board-level recruitment is undertaken in line with the Trust's equality and diversity policies. The Board and its Nomination and Remuneration Committee are committed to ensuring that the Board of Directors is as representative as possible of the communities the Trust serves.

We only have one individual with basic earnings greater than £150,000 during 2019/20. This relates to the Medical Director and includes an element of earnings derived from GP sessional work in the Clinical Assessment Service. In setting the basic salary for the Medical Director role the Committee reviewed remuneration scales and benchmarking information. The Committee balanced salary level considerations with the need to attract high-calibre candidates to vacancies and ensure that salary packages were sufficiently but not excessively competitive in order to secure individuals with significant relevant experience. With respect to the earnings derived from the Clinical Assessment Service, they follow the Trust's agreed rates for GPs.

We understand and fully support the need to critically assess Executive remuneration levels in order to ensure they are necessary and justifiable, particularly in the current financial climate. It is critical that we are able to attract the right calibre of candidates within our local market, and our salaries therefore need to be within a reasonable range when compared to other local trusts. We need to ensure that we are able to attract and retain good calibre candidates for the benefit of the Trust, our patients and our staff.

The Trust is committed to ensuring that Director's pay is considered in line with the Trust's performance, delivery of our Annual Plan and Strategic Objectives, together with the national context. This is shown within the future policy table below.

COMPONENT OF PAY	LINK TO STRATEGIC OBJECTIVES	HOW THE TRUST OPERATES THIS IN PRACTICE	MAXIMUM LIMIT	PERFORMANCE MEASURES
BASIC SALARY	To enable the Trust to attract and retain the highest calibre of senior leaders in a competitive market place through offering appropriate but attractive salary packages	Executive Director salaries are monitored using market testing and benchmarking. Non-Executive Director salaries are also benchmarked to provide assurance that salaries remain appropriate.	No prescribed maximum limit, however salaries over £150,000 are subject to external opinion	Annual appraisal of performance against agreed personal and corporate objectives.
TAXABLE BENEFITS		Directors are given a car allowance / lease car Depending on job role, some Directors are in receipt of a phone allowance. Non-Executive Directors do not receive any benefits.	No prescribed maximum limit	Not applicable
PENSION		Via the NHS Pension Scheme	Standard NHS Pension Scheme	Not applicable

COMPONENT OF PAY	LINK TO STRATEGIC OBJECTIVES	HOW THE TRUST OPERATES THIS IN PRACTICE	MAXIMUM LIMIT	PERFORMANCE MEASURES
BONUS		The Trust has no annual bonus arrangements in place. However: The Remuneration Committee reserves the right to approve one-off, non-recurring payments to recognise exceptional performance, or delivery of specific projects.	No prescribed maximum limit.	Exceptional performance, as defined by the Remuneration Committee
EARN-BACK			Where salary levels are pitched in excess of £150,000	Annual appraisal of performance against agreed personal and corporate objectives.

For Non-Executive Directors, the components of their remuneration are set out in the following table. NHS England and Improvement released new requirements regarding Chair and Non-Executive Director remuneration in November 2019. The aim of this new publication was to align remuneration for Chairs and Non-Executive Directors in both trusts and foundation trusts by April 2022. The Governor Nomination and Remuneration Committee therefore reviewed the proposed national remuneration structures set by NHS Improvement and determined that no immediate changes were required to current remuneration levels for existing post-holders.

Role	Basic salary per annum (£)	Salary enhancement per annum in respect of the role (£)	Fees payable for any other duty (£)	Other items considered in respect of remuneration
Chair	44,000	-	-	-
Non-Executive Directors	14,000	-	-	-
Deputy Chair	14,000	-	-	-
Audit Committee Chair	14,000	1,500	-	-
Senior Independent Director	14,000	1,500	-	-

Performance conditions

The Council of Governors approved a performance assessment and appraisal process for the Chair and Non-Executive Directors and the Governor Nomination and Remuneration Committee decided on some of the key elements of that. The performance appraisal process takes into account best practice, and enables all Governors and fellow Board Members to provide feedback on a non-attributable basis in the form of a survey. The survey was developed to enable assessments of performance to be made against the core competencies for the Chairman and Non-Executive Director roles.

The Chair agrees objectives with each Non-Executive Director and develops their own personal objectives. The Senior Independent Director conducts the Chairman's appraisal, with input from the Lead Governor.

In respect of the Chairman's appraisal the Senior Independent Director put in place plans to follow the new NHS England and Improvement requirements. This included utilising standardised competencies and seeking views from internal and external stakeholders on performance against these competencies. Whilst feedback was collated and analysed, the appraisal process was suspended in line with NHS England and Improvement's recommendations, to enable the Trust to focus on its COVID-19 response.

The Executive arm of the Board of Directors is monitored both collectively and individually, on delivery of key objectives. The Chief Executive meets with each Director on a monthly basis which assists in preparation for the year-end appraisal. The Chairman meets with the Chief Executive on a weekly basis and conducts performance reviews every six months.

The Trust's Nomination and Remuneration Committee (consisting of Non-Executive Directors) takes account of the performance of each Director and that of the Executive arm of the Board as part of its annual salary review discussions.

As noted previously, the year-end appraisal process was suspended for Executive and Non-Executive Directors in 2019/20 in line with NHS England and Improvement's recommendations, allowing the Trust to prioritise its focus on the COVID-19 response. The Chief Executive's first six month review had already been conducted and considered at the February 2020 Committee meeting.

Service contracts for senior managers

Our Executive Directors' contracts are subject to a notice period of 6 months. Agreement to any lesser period of notice must be approved by the Trust Board, subject to an assessment of the risk to the continuity of the business. Non-Executive Directors can terminate their contract at any time.

Senior managers' remuneration and pension benefits are detailed in the tables on the following pages. Accounting policies for pension and other retirement benefits are set out within the accounts. No compensation for loss of office payable or receivable has been made under the terms of the approved Compensation Scheme, and there have been no payments to past senior managers (this aspect of the remuneration report is subject to audit).

The key components of the remuneration package for senior managers include:

- Salary and fees;
- All taxable benefit; and
- Pension related benefit.

Some terms are specific to individual senior managers, which is assessed on a case by case basis, such as:

- Vehicles;
- On call arrangements; and
- Earn-back – in response to NHS England and Improvement's guidance on Very Senior Manager Pay.

Annual report on remuneration

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is chaired by the Chair of the Board, and all Non-Executive Directors are members of the Committee. There have been eight meetings of the Committee during 2019/20 and Board Member attendance can be seen in the table within the Directors' Report.

During the year the Head of HR and subsequently interim Director of People and Development provided the Committee with professional advice on remuneration and nomination matters. Further information about the remit of the Committee can be found in the Senior Manager Remuneration section of this report.

The term dates for senior managers can be seen within the Board composition table in the Directors' Report.

Expenses payments to Governors and Directors

Expenditure on Governors' travel expenses amounted to £3,809 (£4,493 2018/19). The total number of Governors claiming was 15. The number of Governors in post during the year varied due to a number of new appointments, resignations and changes in our appointed Governors. The year commenced with 24 Governors and ended with 28 Governors in post.

Directors' expenses for the reporting period were £2,866 (£2,532 2018/19). The total number of Directors claiming was 10 out of a maximum of 18 Directors who served on the Board during the year.

The remuneration tables overleaf have been subject to audit.

Name and Title	Period 1st April 2019 - 31 March 2020					
	Salary (bands of £5,000)	**Taxable Benefits (nearest £100)**	**Annual Performance Related Bonus (bands of £5,000)**	**Long Term Performance Related Bonus (bands of £5,000)**	**All Pension Related Benefits (bands of £2,500) Note 1**	**Total Remuneration (bands of £5,000)**
	£'000	**£**	**£'000**	**£'000**	**£'000**	**£'000**
Helen Ray - Chief Executive (from 16/09/19)	85-90	4,200	0	0	40-42.5	130-135
Yvonne Ormston - Chief Executive (to 02/06/19)	25-30	0	0	0		25-30
Kevin Scollay - Group Director of Finance and Contracting (from 04/06/19)	85-90	0	0	0	90-92.5	175-180
Lynne Hodgson - Director of Finance and Resources (to 12/05/19)	15-20	0	0	0		15-20
Paul Liversidge - Chief Operating Officer and Acting Chief Exec (03/06/19 - 15/09/19)	120-125	0	0	0	112.5-115	235-240
Victoria Court - Acting Chief Operating Officer (03/06/19 - 15/09/19) *Note 4*	85-90	0	0	0	0	85-90
Joanne Baxter - Director of Quality and Safety	110-115	0	0	0	2.5-5	110-115
Caroline Thurlbeck - Director of Strategy, Technology and Transformation *Note 6*	105-110	0	0	0	7.5-10	110-115
Jason Emerson - Director of People & Development (from 04/06/19 to 27/03/20) *Note 4*	80-85	0	0	0	0	80-85
Mathew Beattie - Medical Director *Note 7*	165-170	0	0	0	0	165-170
Peter Strachan - Chairman	40-45	0	0	0	0	40-45
Douglas Taylor - Non Executive Director	15-20	0	0	0	0	15-20
Catherine Young - Non Executive Director, Deputy Chair and Senior Independent Director	15-20	0	0	0	0	15-20
Helen Suddes - Non Executive Director	5-10	5,900	0	0	0	10-15
Carolyn Peacock - Non Executive Director	10-15	0	0	0	0	10-15
John Marshall - Non Executive Director	10-15	0	0	0	0	10-15
Gerry Morrow - Non Executive Director	10-15	0	0	0	0	10-15
Christopher Fairs - Associate Non Executive Director (from 01/09/20)	0-5	0	0	0	0	0-5

Note 1 *- This is the annual increase in pension entitlement determined in accordance with the HMRC method.*
Note 2 – there have been no payments made to past senior managers in the year.
Note 3 *- Karen O'Brien started as Director of HR on 23 March 2020 however remuneration for that one week has not been included on the basis of materiality.*
Note 4 *- Jason Emerson and Victoria Court are not members of the NHS Pensions Scheme so will not be included within the pensions benefits tables.*
Note 5 *- Kyee Han's pay includes all employer on-costs and pension contributions.*
Note 6 *– Caroline Thurlbeck commenced a 12 month secondment in February 2020.*
Note 7 *- Dr Mathew's Beattie's pay is composed of a number of different elements relating to clinical duties, as well as his salary as the Trust's part-time Medical Director. This is shown in the following table:*

Income Source	**19/20**	**18/19**
	£	**£**
Income associated with Medical Director position	124,120	139,681
Income from GP sessional work in the Clinical Assessment Service and as part of the GP Out of Hours contracts	43,338	17,725
TOTAL	**167,458**	**157,406**

Name and Title	**Period 1st April 2018 - 31 March 2019**					
	Salary (bands of £5,000)	**Taxable Benefits (nearest £100)**	**Annual Performance Related Bonus (bands of £5,000)**	**Long Term Performance Related Bonus (bands of £5,000)**	**All Pension Related Benefits (bands of £2,500) Note 1**	**Total Remuneration (bands of £5,000)**
	£'000	**£**	**£'000**	**£'000**	**£'000**	**£'000**
Yvonne Ormston - Chief Executive	155-160	0	0	0	0	155-160
Lynne Hodgson - Director of Finance and Resources	125-130	0	0	0	0	125-130
Paul Liversidge - Chief Operating Officer	110-115	0	0	0	45.0-47.5	185-190
Joanne Baxter - Director of Quality and Safety	110-115	0	0	0	60.0-62.5	190-195
Caroline Thurlbeck - Director of Strategy, Technology and Transformation	105-110	0	0	0	115-117.5	240-245
Kyee Han - Medical Director (to 30/06/18) *Note 5*	15-20	0	0	0	0	15-20
Mathew Beattie - Medical Director *Note 7*	155-160	0	0	0	62.5-65.0	235-240
Peter Strachan - Chairman (from 29.05.18)	35-40	0	0	0	0	35-40
Douglas Taylor - Non Executive Director	15-20	0	0	0	0	15-20
Catherine Young - Non Executive Director, Deputy Chair and Senior Independent Director	15-20	0	0	0	0	15-20
Helen Suddes - Non Executive Director	10-15	0	0	0	0	10-15
Carolyn Peacock - Non Executive Director	10-15	0	0	0	0	10-15
John Marshall - Non Executive Director	10-15	0	0	0	0	10-15
Gerry Morrow - Non Executive Director	10-15	0	0	0	0	10-15

Name and title	Period	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019	Real increase in Employer Funded Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
		£000	£000	£000	£000	£000	£000	£000	£000
Helen Ray - Chief Executive	16/09/19 - 31/03/20	0.0-2.5	0.0-2.5	55-60	145-150	1,239	1,175	24	
Yvonne Ormston - Chief Executive	01/04/19 - 02/06/19	0	0	60-65	185-160	1,459	1,450	0	
Paul Liversidge - Chief Operating Officer	01/04/19 - 31/03/20	5.0-7.5	15-17.5	50-55	155-160	1,249	1,089	144	
Kevin Scollay - Group Director of Finance and Contracting	04/06/19 - 31/03/20	2.5-5.0	5-7.5	10-15	30-35	191	127	41	
Lynne Hodgson - Director of Finance and Resources	01/04/19 - 12/05/20	0	10-12.5	45-50	245-250	0	1,152	0	
Caroline Thurlbeck - Director of Strategy, Technology and Transformation	01/04/19 - 31/03/20	0.0-2.5	0.0-2.5	40-45	95-100	803	775	14	
Joanne Baxter - Director of Quality and Safety	01/04/19 - 31/03/20	0.0-2.5	0.0-2.5	35-40	100-105	727	702	11	
Mathew Beattie - Medical Director	01/04/19 - 31/03/20	0.0-2.5	0.0-2.5	30-35	65-70	524	514	4	

Name and title	Period	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019.	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Employer Funded Cash Equivalent Transfer Value	Employers Contribution to Stakeholder Pension
		£000	£000	£000	£000	£000	£000	£000	£000
Yvonne Ormston - Chief Executive	01/04/18 - 31/03/19	0.0-2.5	2.5-5.0	60-65	185-190	1,416	1,268	126	
Paul Liversidge - Director of Operations	01/04/18 - 31/03/19	2.5-5.0	7.5-10.0	45-50	135-140	1,063	912	137	
Lynne Hodgson - Director of Finance and Resources	01/04/18 - 31/03/19	0.0-2.5	0.0-2.5	50-55	145-150	1,125	1,012	96	
Caroline Thurlbeck - Director of Strategy, Technology and Transformation	01/04/18 - 31/03/19	5.0-7.5	10-12.5	35-40	95-100	757	579	164	
Joanne Baxter - Director of Quality and Safety	01/04/18 - 31/03/19	2.5-5.0	7.5-10.0	30-35	100-105	686	550	122	
Mathew Beattie - Medical Director	01/04/18 - 31/03/19	2.5-5.0	2.5-5.0	25-30	65-70	503	395	90	

Fair pay multiple

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 North East Ambulance Service NHS Foundation Trust was £167k. This was 8 times the median remuneration of the workforce which was £20,794. Total remuneration includes, salary and non-consolidated performance related pay. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2019/20	2018/19
Band of highest paid Director's total remuneration (£'000)	165-170	155-160
Median total (£)	20,794	20,448
Remuneration ratio	8	8

In 2019-20, no (2018-19: one) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £44.25 to £167,457.46 (2018-19: £145.89 to £212,894.04).

Cash equivalent transfer value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies.

The CETV figures, and from 2004-05 the other pension details, include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme. They also include any additional pension benefit accrued to the member as a result of purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Benefits and related CETVs do not allow for any potential future adjustment arising from the "McCloud judgment". The method used to calculate CETVs has changed to remove the adjustment for Guaranteed Minimum Pension (GMP) on 8 August 2019. If an individual was entitled to a GMP, this will affect the calculation of the real increase in CETV which has been reported. This is more likely to affect individuals who are members of the 1995 Section and 2008 Section of the NHS Pension Scheme.

Pensions and retirement benefit

The provisions of the NHS Pensions Scheme cover past and present employees. The scheme is an unfunded defined benefits scheme that covers NHS employers, General Practices and other bodies allowed under direction of the Secretary of State in England and Wales. The scheme is accounted for as if it were a defined contribution scheme: the cost of participating in the scheme for an NHS body is taken to equal the contributions payable to the scheme for the accounting period. The total employer contribution payable for 2019/20 was £9,839,518. On advice from the scheme actuary, scheme contributions may be varied from time to time to reflect changes in the scheme's liabilities. A more comprehensive accounting policy note on pension liabilities is included in the full set of the accounts.

Helen Ray

Chief Executive

10 June 2020

Staff Report

Looking after our staff is one of our three strategic aims, as outlined in our 2015-2020 Strategic Plan. The corporate priorities and underlying objectives support the delivery of the Trust's strategic aims. One of the Trust's six corporate priorities for 2019/20 centred on workforce.

As part of the workforce corporate priority we developed a number of sub-objectives and milestones. At a headline level they included the development and delivery of the Trust's workforce strategy and the strengthening of organisational health and wellbeing and development and delivery of leadership and progression opportunities.

A number of these sub-objectives were impacted by the need to re-direct focus during Quarter 4 towards COVID-19 and will therefore be considered for inclusion within the plans for 2020/21 where they are still relevant.

Workforce headlines – recruitment and retention

We have continued to work hard to recruit and retain high calibre staff, both in relation to the front line and supporting functions. The Trust's monthly turnover rates remained below the local threshold of 1.25% in every month and for most months was less than 1%.

The Trust increased its headcount by 109 staff over the year. This has included increasing the paramedic establishment in line with the output of our demand and capacity review.

Recruiting to clinical positions within our Clinical Assessment Service proved challenging during the year, but we saw a significant increase in interest during Quarter 4 as part of the response to the COVID-19 pandemic.

Workforce headlines – staff engagement and wellbeing

There has continued to be a focus on sickness absence and supporting the wellbeing of our staff in 2019/20. The sickness absence rate for the year ended 31 March 2020 was 6.8%.

We have also continued to strengthen our organisational health and wellbeing focus during 2019/20. We achieved our highest ever rate of flu vaccinations for front-line workers of 65.6%.

Workforce headlines – Freedom to Speak Up

We continued to promote Freedom to Speak Up and the role of the Freedom to Speak Up Guardian to staff across the Trust during 2019/20. During the year the Guardian received nine concerns, which was an increase on the previous year's figure of three.

Most cases raised concerns about staff behaviour, primarily relating to individual staff members. Two cases included broader concerns about cultural issues in relation to bullying and harassment. The Freedom to Speak Up Guardian will be working with colleagues in the directorate of People and Development to help inform work in addressing behavioural issues.

Only minimal patient safety issues were raised through Freedom to Speak Up and where this had occurred, there was immediate escalation and investigation to identify and act on potential risks.

In some cases it was concluded that there was no case to answer and the person raising the concern received feedback to explain the outcome of the investigation. In other cases elements of the concerns were upheld and this resulted in recommendations being made to either strengthen a process / policy or to support an individual in improving their competency or management skills.

The Trust was named by the National Guardian's Office as one of the most improved trusts in respect of its score on the national Freedom to Speak Up index. The index was developed using the NHS staff survey results from 2018/19.

It is recognised that Freedom to Speak Up is only one mechanism for raising concerns within the Trust. The Trust is also a high reporter of incidents, which again provides assurance that staff feel confident in reporting issues through the formal incident reporting channels.

Staff survey evidence indicates that 67% of staff would feel secure in raising concerns about unsafe clinical practice. This is a slight decline from last year's result of 73% but remains higher than the sector average. In addition, 95.9% of respondents confirmed that they would know how to report unsafe clinical practice. There is scope for further improvement in some areas with 55% of staff being assured that the Trust takes action to ensure that where errors, near misses or incidents are reported they do not happen again. The Guardian will be reviewing the breakdown of the survey results in more detail to inform the work for 2020/21.

The Workforce Committee and Board of Directors have been appraised of Freedom to Speak Up activity during the year. The Guardian has provided briefings on emerging National Guardian's Office publications and best practice. The Guardian and Freedom to Speak Up Executive Lead jointly delivered training to the Board as part of a Board development session.

Analysis of staff costs and numbers (subject to audit)

An analysis of our average staff numbers for the year is shown below. The 'other' category includes staff engaged by the Trust that do not have a permanent employment contract. This includes employees on short-term contracts of employment, agency/temporary staff and inward secondments from other organisations.

Staff group	Permanent staff 2019/20	Other 2019/20	Total 2019/20	Permanent staff 2018/19	Other 2018/19	Total 2018/19
Ambulance staff	2,132	3	**2,135**	2,075	1	**2,076**
Medical and dental	5	0	**5**	4	-	**4**
Administration and estates	352	10	**362**	322	9	**332**
Healthcare assistants and support staff	65	2	**68**	81	4	**84**
Nursing, midwifery and health visiting staff	51	11	**62**	38	9	**47**
Scientific, therapeutic and technical staff	1	0	**1**	1	0	**1**
Other	2	0	**2**	2	-	**2**
Total average numbers	**2,609**	**26**	**2,635**	**2,521**	**23**	**2,547**

*Please note that due to rounding differences some of the above figures do not exactly cast to the totals shown.

As at 31 March 2020 the gender split of the Trust's workforce was as follows (this table is not subject to audit):

Staff Group	Assignment Category	Male 2019/20	Female 2019/20	*Male 2018/19*	*Female 2018/19*
Directors	Full time	2	4	1	4
	Part time	6	3	5	3
Other Senior Managers (Agenda for Change Bands 8a to 8d)	Full time	25	22	28	20
	Part time	0	3	3	5
Employees	Full time	1,231	924	1,212	834
	Part time	186	392	267	406

An analysis of our staff costs for the year is shown in the following table (subject to audit):

Staff group	Permanent staff 2019/20 £000	Other 2019/20 £000	Total 2019/20 £000	Permanent staff 2018/19 £000	Other 2018/19 £000	Total 2018/19 £000
Salaries and wages	85,498	0	**85,498**	78,391	110	**78,501**
Social security costs	8,140	0	**8,140**	7,348	-	**7,348**
Apprenticeship levy	400	0	**400**	358	-	**358**
Pension cost – employer's contribution to NHS pensions	9,840	0	**9,840**	9,101	-	**9,101**
Pension cost – employer contributions paid by NHSE on provider's behalf (6.3%)	4,221	0	**4,221**	-	-	**-**
Pension cost – other	55	0	**55**	-	-	**-**
Termination benefits	32	0	**32**	199	-	**199**
Temporary staff – agency / contract staff	0	1,178	**1,178**	-	750	**750**
TOTAL GROSS STAFF COSTS	**108,186**	**1,718**	**109,904**	**95,397**	**860**	**96,257**
Recovery from Department of Health group bodies in respect of staff cost netted off expenditure	(233)	-	(233)	(213)	-	(213)
TOTAL STAFF COSTS	**107,953**	**1,718**	**109,671**	**95,184**	**860**	**96,044**

Sickness absence

The health and wellbeing of our employees is of vital importance and we recognise that sickness absence is an important indicator in this respect. Our sickness absence levels have traditionally been high and as such have been an area of significant focus over the last few years.

Our year-end rolling sickness absence rate was 6.8%. Whilst this is marginally higher than last year's figure of 6.44%, the composition of this figure changed, with a reduction in the long-term sickness absence rate. This demonstrates that the Trust was beginning to see some benefits from the initiatives introduced to support staff to come back to the workplace. Inevitably the COVID-19 pandemic will result in higher sickness absence rates than anticipated in 2020/21.

More statistics in relation to sickness absence can be found on the NHS Digital website: https://digital.nhs.uk/data-and-information/publications/statistical/nhs-sickness-absence-rates

Staff policies and actions

Our policies are formally reviewed every three years, or more frequently if required, in order to ensure that they are fit for purpose and reflect the latest requirements and good practice.

Supporting disabled employees

We continue to use the Job Centre Plus Disability Confident Scheme and we have been assessed as a 'Disability Confident Leader' organisation in 2019. We continue to take actions to support disabled people into work and stay in work and have launched the Able@NEAS disability staff network group.

We have undertaken a full equality analysis assessment of our recruitment process and made a number of reasonable adjustments throughout the process to support people with various needs.

We have reviewed our training for managers on recruitment to ensure they have received adequate training on unconscious bias, the Equality Act and their responsibilities under the law and the Disability Confident Scheme.

Our Equality, Diversity and Human Rights Policy provides details of our service and employment aims for all protected groups including disabled people and our Equality Code of practice supports and compliments this.

Through the recruitment and selection process we will continue to assess the specific needs of new employees on a case by case basis with support from Occupational Health. This will help to identify and advise of any reasonable adjustments necessary to ensure that individuals can make a smooth transition into the workplace.

If an employee is not able to continue in their substantive role (once reasonable adjustments have been considered), we work with them individually to identify suitable alternatives. We support each person through a redeployment process which offers work trials and opportunities to discuss suitable alternative roles.

In 2019 we reviewed our guidance for managing dyslexia in employment. The Trust has built upon its previous commitments and partnered with the North East Dyslexia Society aims to ensure that all individuals who are dyslexic or have a learning disability do not face discrimination either on the grounds of disability or with regard to other aspects of their identity.

Our gender pay gap, workforce disability equality standard, workforce race equality standard data and our response to our Public Sector Equality Duty in the form of our

Equality and Diversity Annual report can be found on our website at https://www.neas.nhs.uk/about-us/equality-and-diversity.aspx

Staff engagement

In the most recent Friends and Family Test score, as measured in our NHS Staff Survey, 54% of staff said they strongly agreed or agreed with recommending the Trust as a place to work. This compares with 59% the previous year.

In the same survey, 77% of staff said they strongly agreed or agreed with recommending the Trust for our care and treatment. This compares with 81% the previous year.

Communicating to a geographically diverse workforce is a challenge and ambulance trusts have some of the lowest levels of engagement across the NHS. In the last year, we have spent some time learning more about some of the challenges and barriers that staff face in communications through surveys and focus groups. This has been used to establish a project board aimed at making improvements in those areas most identified from the results of questionnaires and conversations.

We continue to build upon our digital communications project, which saw the roll-out of our new intranet this year, called Siren, on the foundations of the Microsoft SharePoint and Office 365 platforms. These offer greater flexibility for remote workers and better opportunities for collaboration and sharing of ideas, conversations and innovations among our staff. This sets us up nicely for the coming 2020/21 year where we hope to introduce further digital innovations for improved opportunities for engagement of senior leaders with staff alongside other opportunities for staff to collaborate among themselves.

Board directors have continued to be visible among staff through organised Quality Walkrounds across the organisation each month.

Engagement with staff representatives

The Trust remains fully committed to working in partnership with our Trade Union colleagues to ensure the views of employees are taken into account in making decisions which are likely to affect the interests of our employees.

Regular consultation on key issues takes place at our Joint Consultative Committee, attended by both staff representatives and senior managers, on a bi-monthly basis.

All policies with an HR-related impact are reviewed by staff representatives. Consultation on key service changes takes place to ensure the impact on our workforce is properly addressed. A recent example would be the proposed changes to our Unscheduled Care shift patterns where we have worked closely with both local and regional Trade Union officers to develop a set of principles around which to build our rotas, and then communicated and consulted on these with Unscheduled Care colleagues.

A separate trade union recognition agreement and joint consultative committee is in place for our subsidiary NEASUS.

We continue to support our Black Asian and Minority Ethnic staff network – Together@NEAS and our LGBT staff network Proud@NEAS to ensure these groups of staff have a voice in the workplace and we have worked with these groups on a range of projects throughout the year.

Health and safety

Health and safety remains a top priority for the Trust with a dedicated Strategic Health and Safety Committee with appropriate representation from across the Trust including Unions. There have been several positive developments during 2019/20, which include:

- Investment in health and safety management and risk assessment training for EOC managers;
- Assistance in vehicle design and safety equipment both for Scheduled and Unscheduled Care;
- Continue to be at the forefront of body worn video work, which has included national involvement with ambulance trusts to share Information governance arrangements and standard operating procedure documents;
- A full review and update of the Trust's health and safety policy and associated proce dures;
- Developed a suite of generic operational risk assessments and model risk assessments for ambulance premises;
- Continuing to support the training dept on health and safety related training packages; and
- Research and procurement of a new ambulance helmet.

The Health and Safety team also supported the Trust's response to COVID-19 from March 2020 onwards. This included:

- Support to the COVID-19 Strategic coordination cell including 7 day working;
- Support the Trust in relation to face fit testing for front line staff;

- Research and communications with external providers in relation to personal protective equipment;
- Facilitation and assistance in the procurement of personal protective equipment (PPE) and hand sanitisers; and
- Providing continued support to operations in relation to PPE.

Occupational health

Our Occupational Health Service (OHS) continues to provide a Specialist Nurse-led clinical service that benefits both staff and patients and as the only in-house Occupational Health Service within an Ambulance Trust is seen as an investment in the health and wellbeing of the workforce.

In maintaining Safe, Effective Quality Occupational Health Service (SEQOHS) accreditation since 2013 the OHS delivery continues to be underpinned by the following principles:

- Strong focus on a high quality, clinically-led, evidence-based service
- An equitable and accessible service for the whole workforce
- Impartial, approachable and receptive to both clients and employer
- Articulates the range of services required
- Contributes to improved organisational productivity
- Works in partnership with all NHS organisations and within the community
- Strives for innovation and excellence
- Offers diversity and depth of specialisation and training opportunities

Contributing to the prevention of ill health or injury at work, the OHS provides timely interventions focussed on addressing the main causes of sickness absence, MSK and Mental Ill health. It prides itself on offering all staff access to Rapid Access Physiotherapy Service, Psychological Service and an Occupational Health Consultant who provide a wealth of evidence-based treatments, guidance and support. Working alongside the Trust Management Teams, Human Resources and Union colleagues, particularly in case reviews, the OHS is instrumental is supporting staff to return and/or remain at work.

By teaching and training staff around health and wellbeing issues, the OHS engages with all staff at any stage of their employment by actively participating in the Corporate Induction, undertaking mobile clinics in a well-equipped purpose-built vehicle, responding to daily referrals and working with staff who are due to retire.

The OHS provides annual health surveillance to specific staff groups within the Trust. All Operational staff have a Fitness to Drive to Group 2 DVLA Standards medical undertaken during Statutory & Mandatory training, NEASUS have hand vibration screening and HART have a customised medical in relation to their role.

The OHS continues to play a pivotal role in the annual flu vaccination campaign. By providing training, working alongside Peer Vaccinators and utilising a Flu App developed in conjunction with Informatics, the OHS were instrumental in 65.5% of our front line staff being vaccinated during the Seasonal Flu Campaign 2019/20 which is the best achievement for the same in the last decade.

Fraud and corruption

Local Counter Fraud Specialist Services (LCFS) were provided to the Trust via contract arrangements with AuditOne. There were some changes in personnel during 2019/20 with the appointment of a new Local Counter Fraud Specialist.

The LCFS team has delivered a programme of fraud awareness sessions throughout the year to ensure that all staff understand their roles and responsibilities in countering fraud. All staff are required to complete fraud awareness e-learning as part of their annual statutory and mandatory training.

An annual plan, updates on progress against the plan and an annual report on compliance against the Counter Fraud arrangements are presented to the Audit Committee regularly. The Trust's Counter Fraud Policy is available on the Trust's website.

Trade union facility time disclosures

In accordance with the requirements of the Trade Union Facility Time Publication Requirements Regulations 2017 and the guidance issued by the Cabinet Office, there is a requirement to include trade union facility time disclosures within the Annual Report.

The government has confirmed that the deadline for reporting on trade union facilities time has been extended until 30 September 2020. This date will be kept under review owing to the current pressures faced by COVID-19. As such the report is not available in time to incorporate into the annual report but will be publicly disclosed as required once this has been prepared.

Staff survey results 2019

Statement of approach

The NHS Staff Survey aims to collate employee views on their experience at work in a number of key areas, these views are collated, analysed and improvements are made. We listen in order to ensure a good working environment and we do this with the use of the NHS Staff Survey. We are a very diverse organisation in terms of our staff groups and the survey allows us to look at their individual workplace experiences.

Each year the survey produces a set of results which the Organisational Development Team analyse and breakdown into bespoke data for the different departments. This allows areas of concern to be highlighted, and specific actions to be implemented. These actions are communicated as it is vital that our employees know that we are continuously aiming to improve their working life.

Summary of performance

The following tables provide an overview of our survey performance over the last four years in comparison to our national benchmarking group, namely other ambulance trusts.

Response Rate

Our response rates for the staff survey over the last four years are shown in the table below:

Year (2016 – 2019)	NEAS Response Rate	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	49% = *(1,147)*	60%	37%	28%
2017	54% = *(1,325)*	61%	42%	34%
2018	49% = *(1,204)*	65%	49%	34%
2019	47% = *(1,225)*	71%	50%	41%

All employees were counted in the survey again this year and we distributed a mix of paper and electronic surveys to the different groups of employees. All clinical employees including Scheduled Care, Unscheduled Care and Emergency Operations Centre received a paper copy direct to their home address and all support services employees received the electronic format to their NEAS email address. This change has slightly increased our completions from 1,204 employees to 1,225 employees.

Planning for the 2020 survey will focus on a more robust staff engagement process, communicating the actions that have been implemented as a result of the feedback that each directorate has received.

Results - Organisational Themes

The survey results have been themed nationally into eleven indictors and the following table demonstrate our performance against these indicators compared to the historic scores and the rest of the sector.

Equality, Diversity and Inclusion

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	8.4	9.0	8.4	7.9
2017	8.6	8.8	8.3	7.8
2018	8.6	8.7	8.4	8.0
2019	8.6	9.5	8.5	8.1

The overall score for this theme has remained the same since the 2018 survey.

Staff Survey results are used heavily in this area to understand how our employees feel about our approach. Currently there are three active staff network groups, our Disability group Able@NEAS, LGBT Group Proud@NEAS and our BME group Together@NEAS all of which do some excellent work in promoting awareness.

Some focus this year has been on gaining qualifications through apprenticeships so that all staff have access to these to support fairness and equality in promotion situations.

Health and Wellbeing

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	4.9	5.2	4.8	3.9
2017	5.1	5.2	5.1	4.3
2018	5.3	5.3	5.3	4.5
2019	5.0	5.3	5.0	4.6

The overall score for this theme has decreased slightly, but not statistically significantly since the 2018 survey.

This year we have seen the launch of the Health and Wellbeing working group. The staff survey results are used to steer this group by analysing departmental data.

Immediate Managers

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	6.6	6.8	5.8	5.2
2017	6.5	6.9	5.8	5.4
2018	6.6	6.9	6.2	5.3
2019	6.2	6.9	6.3	5.4

The score for this theme has declined by 0.4 since 2018 and has been highlighted as a key concern for the Trust. There will be more focus on leadership and management training including coaching.

Morale

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	No score	No score	No score	No score
2017	No score	No score	No score	No score
2018	5.8	5.8	5.7	4.9
2019	5.5	6.0	5.7	5.1

This theme sees us fall below the Ambulance Sector average. There have been many changes since 2018 and as a Trust we therefore need to reflect upon the impact of changes on the morale of our workforce.

Quality of Appraisals

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	4.8	4.9	4.5	3.6
2017	4.8	5.1	4.4	3.6
2018	5.2	5.2	4.6	3.9
2019	5.0	5.4	4.8	4.0

There was great improvement for appraisals from 2017 to 2018 however this has dropped slightly in 2019. Changes to the appraisal paperwork in early 2020 is intended to provide more structure, clarity to the process and incorporating the values and behaviours of the Trust. Feedback from this has been that managers are likely to feel more empowered to tackle behaviour as they have a set of standards that they are using to measure.

Quality of Care

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	7.6	7.7	7.3	7.1
2017	7.8	7.8	7.2	6.8
2018	7.8	7.8	7.4	7.0
2019	7.5	7.7	7.4	7.0

Employees are generally satisfied with the level of care that they can deliver, and the Trust continues to share patient experience data to highlight positive areas to instil confidence in day to day practice.

Safe Environment – Bullying and Harassment

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	7.4	8.1	7.1	6.3
2017	7.6	7.6	7.1	6.5
2018	7.6	7.6	7.3	6.9
2019	7.3	7.5	7.4	7.0

The Trust is continuing with a zero-tolerance approach to bullying and harassment, implementing new training packages including adding in relevant information to existing training platforms. The mediation service is continuing to be used and strengthened to ensure that it can deal with situations and issues early before to becomes a formal process.

However this has to continuously be communicated as we have seen a decline in performance from 2018 to 2019.

Safe Environment – Violence

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	8.7	9.0	8.8	8.5
2017	8.8	9.0	8.7	8.5
2018	8.8	9.0	8.8	8.1
2019	8.8	8.9	8.8	8.7

The staff survey results in relation to violence remain static. The Trust continues to work with the police and media to raise public awareness that violence will not be tolerated.

Safety Culture

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	6.1	6.3	5.9	5.1
2017	6.3	6.4	5.9	5.4
2018	6.5	6.5	6.1	5.8
2019	6.2	6.5	6.2	5.9

The Safety Culture theme has decreased since 2018 therefore as a result there has been continuous developments and awareness raising of incident reporting. This is so that staff are fully aware of when to raise a concern, how to do this and ensuring that outcomes are fed back and change is implemented in the appropriate areas.

Staff Engagement

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	6.3	6.4	6.0	5.5
2017	6.4	6.4	6.1	5.5
2018	6.5	6.5	6.2	5.7
2019	6.2	6.6	6.3	5.8

Our Staff Engagement score is extremely important as it steers the direction of where we need to focus and implement change. Each Directorate receives their own set of results with comparison data from previous years and are then required to design and implement an action plan which is shared to promote a shared learning culture.

Team working

Year (2016 – 2019)	NEAS score	Best Response Rate *(Ambulance Sector)*	Average Rate *(Ambulance Sector)*	Worst Response Rate *(Ambulance Sector)*
2016	5.1	5.9	5.1	4.5
2017	5.3	5.9	5.1	4.6
2018	5.4	6.1	5.3	4.5
2019	5.3	6.2	5.3	4.7

NEAS is based upon having a team working culture; we are one team. We do focus on our own teams and are always mindful of the impact our decision making can have on the wider NEAS team.

Conclusion

Whilst the results are overall very positive, we strive to identify ways in which we can continue to improve on our results and make the Trust a better place to work.

Our NHS Staff Survey champions continue to work with the Organisational Development Team in reviewing the results and helping to design and implement necessary change. It is important to us that we consult with our staff at every stage, so that they feel included in the decision making and changes that affect them at work.

Some of our key areas of focus following the detailed analysis include:

- Continue to implement the health and well-being strategy to improve wellness at work
- Further reduce incidents of harassment bullying and abuse
- Continue to encourage employees to report incidents, accidents and near misses
- Continue to improve communication between senior managers and all staff.
- Harness staff ideas for service improvement
- Involve staff increasingly in decision-making or change that affects their work and provide regular feedback
- Increase flexible working opportunities

The Organisational Development Group is responsible for monitoring progress against the Trust's NHS staff survey action plan. This group reports into the People and Development Committee and ultimately the Board of Directors.

Expenditure on consultancy

The Trust spent £41,981 on consultancy services during 2019/20 (2018/19 - £19,974).

Off-payroll engagements

The Trust makes every effort to minimise the use of off-payroll arrangements, which are only used as a last resort, for example where recruitment has failed for critical posts. Only in very exceptional circumstances would off-payroll engagements be undertaken for highly paid staff. When off-payroll engagements arise we strictly apply NHS Improvement requirements to ensure proper protocols are followed and disclosures made.

We confirm the following:

- There have been no off-payroll engagements as of 31 March 2020 for more than £245 per day and lasting longer than six months.
- There have been no new off-payroll engagements or any that reached six months duration between 1 April 2019 and 31 March 2020 for more than £245 per day and that lasted longer than six months.
- There have been no off-payroll engagements of Board Members and/or senior officials with significant financial responsibility between 1 April 2019 and 31 March 2020, as illustrated by the following table:

	NUMBER OF ENGAGEMENTS
Number of off-payroll engagements of Board Members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed Board Members and/or senior officials with significant financial responsibility. This figure includes both off-payroll and on-payroll engagements.	10

Exit packages (subject to audit)

The following table demonstrates a significant reduction in the number of exit packages compared to 2018/19 – no exit packages were agreed in 2019/20 .

EXIT PACKAGE COST BAND	NUMBER OF COMPULSORY REDUNDANCIES 2019/20	NUMBER OF OTHER DEPARTURES AGREED 2019/20	TOTAL NUMBER OF EXIT PACKAGES BY COST BAND 2019/20	NUMBER OF COMPULSORY REDUNDANCIES 2018/19	NUMBER OF OTHER DEPARTURES AGREED 2018/19	TOTAL NUMBER OF EXIT PACKAGES BY COST BAND 2018/19
<£10,000	-	-	-	-	5	**5**
£10,000 - £25,000	-	-	-	-	1	**1**
£10,000 - £25,000	-	-	-	-	-	-
£25,001 - £50,000	-	-	-	-	-	-
£50,001 – £100,000	-	-	-	1	-	**1**
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
Total number of exit packages by type	-	-	-	-	-	-
Total resource cost (£000's)	-	-	-	**1**	**6**	**7**

-

The following table demonstrates that there were no non-compulsory departures which attracted an exit package in the year.

	AGREEMENTS – NUMBER 2019/20	TOTAL VALUE OF AGREEMENTS 2019/20 £000	AGREEMENTS – NUMBER 2018/19	TOTAL VALUE OF AGREEMENTS 2018/19 £000
Voluntary redundancies including early retirement contractual costs	-	-	-	-
Mutually agreed resignations (MARS) contractual costs	-	-	-	-
Early retirements in the efficiency of the service contractual costs	-	-	-	-
Contractual payments in lieu of notice	-	-	-	-
Exit payments following employment tribunals or court orders	-	-	-	-
Non-contractual payments requiring HM Treasury approval	-	-	6	52
Total	-	-	**6**	**52**
Of which: non-contractual payments requiring HM Treasury approval made to individuals where the payment value was more than 12 months of their annual salary	-	-	-	-

NHS Foundation Trust Code of Governance

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

North East Ambulance Service NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

There are other disclosures and statements (mandatory disclosures) that we are required to make, even where we are fully compliant.

The mandatory disclosures have already been made within the main text of the Annual Report and page references are therefore provided below.

Mandatory disclosures

Code ref.	Summary of requirement	Section reference
A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.	Directors' Report – The Board and Governor Relationship section
A.1.2	The annual report should identify the chairperson, the deputy chairperson (where there is one), the chief executive, the senior independent director (see A.4.1) and the chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the Board and those committees and individual attendance by directors.	Directors' Report – Board Composition section and table of Board Members

Code ref.	Summary of requirement	Section reference
	This requirement is also contained in paragraph 7.46 as part of the remuneration report requirements. The disclosure relating to the remuneration committee should only be made once.	
A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated lead governor.	Directors' Report – Council of Governors section and table of Governors
FT ARM	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by governors and directors.	Directors' Report – Board Composition section and table Directors' Report – Council of Governors section and table.
B.1.1	The Board of Directors should identify in the annual report each non-executive director it considers to be independent, with reasons where necessary.	Directors' Report – Board Composition section and table
B.1.4	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Directors' Report – Board Composition section Directors' Report – Board of Directors section
FT ARM	The annual report should include a brief description of the length of appointments of the non-executive directors, and how they may be terminated	Directors' Report – Board of Directors section describes how appointments may be terminated. Directors' Report – Board Composition section and table shows appointment length
B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it has used in relation to Board appointments.	Directors' Report – Nomination and Remuneration section Remuneration Report – Nomination and Remuneration Committee
FT ARM	The disclosure in the annual report on the work of the nominations committee should include an explanation if	Not applicable – open advertising was used

Code ref.	Summary of requirement	Section reference
	neither an external search consultancy nor open advertising has been used in the appointment of a chair or non-executive director.	for all vacant Board positions.
B.3.1	A chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Directors' Report – Board Composition table Directors' Report – Declaration of Interests section
B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Directors' Report – Council of Governors section Directors' Report – The Board and Governor Relationship
FT ARM	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2)(aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	Directors' Report – The Board and Governor Relationship
B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the chairperson, has been conducted.	Directors' Report – Performance Evaluation section
B.6.2	Where there has been external evaluation of the Board and/or governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Directors' Report – Performance Evaluation section
C.1.1	The directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report). See also ARM paragraph 7.90	Performance Report: Overview – Going Concern section Further disclosures are made in the Annual Governance Statement

Code ref.	Summary of requirement	Section reference
C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Annual Governance Statement
C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Directors' Report – Audit Committee section
C.3.5	If the Council of Governors does not accept the audit committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the Council of Governors has taken a different position.	Not applicable for 2018/19 – see Directors' Report – Audit Committee section
C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Directors' Report – Audit Committee section
D.1.3	Where an NHS foundation trust releases an executive director, for example to serve as a non-executive director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the director will retain such earnings.	Remuneration Report – Service Contracts for Senior Managers section
E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the non-executive directors, develop an understanding of the views of governors and members about the NHS foundation trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Directors' Report – The Board and Governor Relationship

Code ref.	Summary of requirement	Section reference
E.1.6	The Board of Directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Directors' Report – Foundation Trust Membership section
E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly available to members on the NHS foundation trust's website and in the annual report.	Directors' Report – Foundation Trust Membership section
FT ARM	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Directors' Report – Foundation Trust Membership section
FT ARM	The annual report should disclose details of company directorships or other material interests in companies held by governors and/or directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of governors' and directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report.	Directors' Report – Declaration of Interests Section

Comply or explain disclosures

The Trust has complied with the majority of the 'comply' or 'explain' disclosures of the NHS Foundation Trust Code of Governance, with the exception of one statement. The following table outlines the provision where we did not fully comply with the provision.

Code Ref.	Summary of Disclosure	Explanation
D.2.3	The Council should consult external professional advisers to market-test the remuneration levels of the chairperson and other non-executives at least once every three years and when they intend to make a material change to the remuneration of a non-executive.	During 2019/20 NHS Improvement released new requirements regarding Chair and Non-Executive Director remuneration in November 2019. The aim of this new publication was to align remuneration for Chairs and Non-Executive Directors in both trusts and foundation trusts by April 2022. The Governor Nomination and Remuneration Committee therefore reviewed the proposed national remuneration structures set by NHS Improvement, rather than consulting external professional advisers.

NHS Improvement's Single Oversight Framework

Single Oversight Framework

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

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

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

Segmentation

The Trust's confirmed segment from NHS Improvement as at the end of Quarter 3 was segment 2. Within segment 2 providers are offered targeted support from NHS Improvement, but are not in breach of their licence and formal action is not needed.

The Trust's segment for Quarter 4 has not yet been confirmed by NHS Improvement.

This segmentation information is the Trust's position as at 31 March 2020. Current segmentation information for NHS trusts and foundation trusts is published on the NHS Improvement website.

Finance and use of resources

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

Area	Metric	2019/20 scores				2018/19 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	1	1	1	1	1	1	1	1
	Liquidity	1	1	1	1	1	1	1	1
Financial efficiency	I&E margin	2	2	2	2	1	2	2	1

Area	Metric	2019/20 scores				2018/19 scores			
Financial controls	Distance from financial plan	1	1	1	1	1	1	1	1
	Agency spend	4	4	4	4	2	1	1	1
Overall scoring		**3**	**3**	**3**	**3**	**1**	**1**	**1**	**1**

Statement of Accounting Officer's Responsibilities

Statement of the Chief Executive's Responsibilities as the Accounting Officer of North East Ambulance Service NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require North East Ambulance Service NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of North East Ambulance Service NHS Foundation Trust and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

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

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

The Accounting Officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS Foundation Trust and to enable her to ensure that the accounts comply with requirements outlined in the above mentioned Act.

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

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

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

Helen Ray

Chief Executive

10 June 2020

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of North East Ambulance Service NHS Foundation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North East Ambulance Service NHS Foundation Trust for the year ended 31 March 2020 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

Leadership

The Board of Directors has overall responsibility for the management of risk within the Foundation Trust. The Medical Director is designated as the Executive Lead for risk management (having taken over this responsibility from the Director of Quality and Safety in Quarter 4 2019/20) and is responsible for ensuring that there are robust systems and processes in place for effective risk management and for ensuring that the Risk Management Strategy and Policy are implemented and evaluated effectively. These are effectively implemented via the Annual Risk Management Plan which is monitored by the Executive Risk Management Group. Professional support is provided by the Head of Risk and Regulatory Services.

The Board of Directors receive a quarterly risk management report containing the Board Assurance Framework (BAF) and the Organisational Risk Register (ORR), both of which are subject to regular scrutiny at the Executive Risk Management Group. Additionally the strategic risks on the Board Assurance Framework are mapped to an appropriate Non-

Executive Director-chaired Board Committee, and the relevant extracts are reviewed at every meeting of the Board Committees.

Executive Directors of the Foundation Trust have the responsibility for leadership in risk management for their own Directorates. On a cyclical basis the Directorate and service risk registers are scrutinised by the Executive Risk Management Group.

It is noted that the Foundation Trust commenced an internal governance review in late 2019/20. A new structure was approved, and plans were in place to implement the new governance structure from 1 April 2020. These plans were paused as the Trust focussed its efforts on addressing the coronavirus pandemic. The Board approved an interim approach to governance at its meeting in March 2020 in line with guidance issued by the regulator, NHS England and Improvement. As the implementation of the revised structure is completed in early 2020/21 the recommended changes to its committees and groups will be implemented. One of the agreed changes would be the disbanding of Executive Risk Management Group from 1 April 2020 with its functions carefully mapped to Board committees and the new Executive Management Group. Further detail will be reflected in the Corporate Governance Statement.

Foundation Trust managers are responsible for the management of day-to-day risks of all types within their management structure and budget allocation. They are charged with ensuring that risk assessments are undertaken throughout their area of responsibility on a pro-active basis and that remedial action is carried out where problems are identified in order to reduce or mitigate that risk.

Risk Training

It is the policy of the Foundation Trust to provide and maintain, so far as is reasonably practicable, all plant, systems of work (including safe use, handling, storage and transport of substances and articles), places of work and working conditions, such that they are safe and with minimal risks to employees, as well as to non-employees, and to provide such information, instruction and training as is necessary for this purpose.

The Board received an update on risk management as part of the Board Development Programme in February 2020. All Board Members received health and safety training as part of the Foundation Trust's statutory and mandatory training programme.

The Foundation Trust regularly makes available opportunities for managers to attend essential management training, which incorporates risk management elements.

Risk management is incorporated in the Foundation Trust's induction and statutory and mandatory training programme. General risk awareness/health and safety training is also

provided to all staff on an annual basis according to their level of need/responsibility. Furthermore, investigation training courses for investigating officers were delivered during the year alongside essential management training covering risk management topics.

The Risk Management Strategy, policies and procedures and responsibilities are held in the Foundation Trust's Document Management System, available to all staff.

The Medical Directorate has a number of appropriately qualified and experienced staff to lead, support and advise staff at all levels of the organisation with the identification and management of risk.

All adverse events are recorded and investigated by the Foundation Trust utilising the Ulysses Safeguard System. Those of a serious nature are considered by a Root Cause Analysis process and signed off via the Serious Incident Review Group, chaired by the Director of Quality and Safety. The outcomes of such incidents inform future training plans, policies and wider learning for the Foundation Trust.

The Foundation Trust has representation on the National Ambulance Risk and Safety Forum and various other national and regional groups which promote active benchmarking and learning from good practice.

The risk and control framework

The Foundation Trust endeavours to establish a positive risk culture within the organisation where every member of staff feels committed and empowered to identify and correct/escalate system weaknesses.
The Trust Board is committed to ensuring a robust infrastructure is in place to manage risks from operational level to Board level, and that where risks crystallise, demonstrable improvements can be put in place.

The Foundation Trust therefore has a comprehensive Risk Management Strategy, Policy and Plan. The Risk Management Policy describes how risks are identified, recorded and managed via the electronic Ulysses Safeguard system and how they are quantified, using a risk scoring matrix. This allows standardisation of risk assessment across the Foundation Trust, utilising a common currency. The policy also requires action plans to be determined and implemented for those risks that are inadequately controlled. The Foundation Trust also has a number of associated policies and procedures.

The Annual Risk Management Plan is reported into the Executive Risk Management Group on a quarterly basis. The Foundation Trust recognises that it is impossible and not always desirable to eliminate all risks and that systems of control should not be so rigid that they stifle innovation and imaginative use of limited resources, in order to achieve health

benefits for patients. The strategy defines the leadership, responsibility and accountability arrangements of risk within the Foundation Trust. It promotes integrated governance and the philosophy of Enterprise Risk Management (ERM). ERM dictates that risk management is systematic, robust and evident, that it should identify potential events that may affect the organisation and manage risks to be within its risk appetite. The strategy covers non-clinical, clinical, organisational and financial risks. It also requires that risk management processes are applied to business planning at all levels and that risk management issues are communicated to key stakeholders where necessary.

The Risk Management Strategy also contains a section on risk appetite and risk maturity. The Board of Directors was fully briefed on this and was actively involved in reviewing the Foundation Trust's risk appetite in February 2020.

North East Ambulance Service NHS Foundation Trust's appetite is currently assessed as moderate – i.e. the Foundation Trust will accept moderate risk to the delivery of our Strategy within the Foundation Trust's accountability and compliance frameworks, whilst maximising performance within Value for Money frameworks. The Foundation Trust may take considered risks, where the long-term benefits outweigh any short-term losses. Well managed risk taking will ensure that the skills, ability and knowledge are there to support innovation and maximise opportunities to further improve services. The Foundation Trust commits to review its risk appetite statement on an annual basis and/or following any significant changes or events.

The Board reviewed its risk maturity in February 2020 and an internal self-assessment indicated that the Foundation Trust had maintained its risk maturity as 'risk enabled' level.

Turning towards external reviews, the Audit One team conducted a risk-based audit of Board Assurance Framework and Risk Management during June 2019. The final Internal audit report concluded that governance, risk management and control arrangements provide substantial assurance that the risks identified are managed effectively. Compliance with the control framework was found to be taking place.

Board Assurance Framework

The arrangements in place to manage the organisation's risk also include the Foundation Trust's Board Assurance Framework (BAF). The BAF provides the Foundation Trust with a method for effective management of the principal strategic risks to meeting its corporate objectives and links to the Foundation Trust's mission, vision and strategic aims. The BAF is managed via the Ulysses risk management system. The development enables the BAF to be directly linked with the relevant risk registers therefore improving the governance arrangements. It provides a structure for evidence to support the Annual Governance Statement.

The Board Assurance Framework includes the following key elements:

- Strategic objectives of the Foundation Trust by the responsible Director, with each objective mapped to a Board Committee for monitoring;
- A description of the strategic risk, including initial score, current score and target score;
- The corporate / organisational risks which link to the main strategic risk, including scores and the groups responsible for seeking assurance over the effective management of these risks;
- Risks to achieving the objectives;
- Key controls in place at the committee level to manage the risks;
- Any gaps in control;
- Any mitigations for gaps in controls;
- Assurances split by internal and external assurances;
- Any gaps in assurance at the committee; and
- Mitigation (actions) to address gaps in control and assurances.

The Board Assurance Framework (BAF) is approved by the Board at the beginning of the financial year and managed through delegation of specific BAF risks to the Board committees. The Executive Risk Management Group oversees and monitors the full BAF prior to its quarterly review by the Board of Directors.

Quality Governance is provided via the Foundation Trust's Quality Committee which monitors the delivery of the Foundation Trust's Quality Strategy and compliance with the Care Quality Commission (CQC) fundamental standards. This Committee also oversees production of the Quality Report. The Quality Committee is supported by a number of sub groups covering key areas such as patient safety, health and safety, patient experience and safeguarding.

There are a number of mechanisms in place to assess the quality of performance information throughout the Foundation Trust. The directorate Change Approval Boards review data quality issues arising from systems within their remit.

The Foundation Trust manages its information security on an on-going basis via two forums, the Information Security Working Group (ISWG) and the Information Governance Working Group (IGWG). The former typically deals with technical issues and how to address them and escalates more significant issues to the IGWG. The IGWG manages the Foundation Trust's information security at a much higher level and is in a position to provide much wider assurances due to the involvement of staff from across the organisation.

The Foundation Trust also formally assesses its compliance against the Information Governance standards (including Information Security) via the Data Protection Toolkit which is visible and auditable to regulating bodies. Due to the current Corona situation, the Toolkit submission has now been pushed back from 31st March 2020 to 30th September 2020 in order to reduce the burden and release the capacity of NHS organisations to deal with the pandemic. The Foundation Trust has provided evidence for 97/116 mandatory evidence items and it is expected that the status of the organisation will be ''Approaching Standards'' till all the mandatory evidence assertions are met. An audit of the toolkit was undertaken in January of this year by AuditOne with the outcome '' *Governance, risk management and control arrangements provide a* ***good*** *level of assurance that the DSP Toolkit assertions are effectively managed. A high level of compliance with DSP Toolkit assertions was found to be taking place. Minor remedial action is required''.*

The highest scoring risks throughout the year, which were reflected on the Organisational Risk Register and linked through to the Board Assurance Framework, are outlined below, along with a brief summary of the mitigating actions taken:

Risk Description	Key Mitigating Actions
The impact of COVID-19 (Coronavirus) on the safe and effective delivery of services. ***This links to every one of the Foundation Trust's corporate objectives, given the magnitude of this risk and its potential and realised impact on the Foundation Trust, its staff and patients.***	• A robust governance structure was put in place to oversee the Foundation Trust's response to COVID-19. This included daily meetings with a dedicated infrastructure to support the implementation of command and control principles. • Direct links were established at regional and national level to work proactively with partners and ensure that the most up-to-date guidance / intelligence is monitored and acted upon as appropriate. • Working arrangements for Emergency Operations Centre (EOC) staff were adjusted to introduce 2 metre spacing between desks to help prevent the spread of the virus. • Regular communications were in place with internal and external stakeholders to discuss service delivery and measures to manage the situation. • Business continuity plans were quickly revised to ensure that every part of the Foundation Trust had specific work instructions in place for COVID-19. • Personal protective equipment (PPE) was issued to operational staff in line with government guidance.

	• Where possible dedicated resources / vehicles were used to transport confirmed COVID-19 cases, minimising the risk of cross-infection to staff. • Revised governance arrangements were put in place to provide robust, agile and timely mechanisms for making key decision. • Measures were put in place to redeploy support services staff and obtain support from external bodies / volunteers to assist with front line services and bolster contingency arrangements should key staff be off sick.
Ambulance delays (particularly Category 2 delays) were identified as a theme within serious incidents. This was underpinned by a number of factors, such as a surge in demand, staffing and handover delays. ***This links to the corporate objective relating to improving quality and safety.***	• Workforce plans were in place to increase staffing levels. • A subsequent Category 2 performance action plan was in place. • Third party providers were utilised to backfill rota lines. • Additional monies were secured externally and through the identification of internal efficiencies from corporate services to reinvest on the front line over the winter period. • A number of specialist paramedics were recruited and commenced in role in November 2019.
The potential loss of skilled clinical workforce due to requirements highlighted in the NHS plan regarding the employment of paramedics into primary care networks. ***This links to the corporate objective relating to improving quality and safety.***	• Work was undertaken to map out full workforce requirements to meet both the performance standards and the workforce requirements for primary care networks. • The Foundation Trust commenced the development of a community service directorate with a subsequent career framework and model for delivery. • Plans were developed in respect of implementing a rotational paramedic model. • The Foundation Trust developed its lines of communications with primary care network colleagues and the Integrated Care System.

Failure to deliver our ambulance key performance indicators (KPIs) in relation to our performance trajectory agreed with commissioners in respect of Category 2, 3 and 4 patients. ***This links to the corporate objective relating to improving our quality and safety.***	• There has been a significant focus in this year, including establishing new scrutiny and assurance methods such as the Performance Task and Finish Group, a Non-Executive led group. • The Foundation Trust has been in regular communication with commissioners and NHS Improvement to present financial and operational benchmarking information detailing our relative position and influencing factors. • Prior to COVID-19 contracting discussions were productive and positive. • Third party providers were utilised to backfill rota lines. • Additional monies were secured externally and through the identification of internal efficiencies from corporate services to reinvest on the front line over the winter period.
Inability to recruit in line with the workforce plan for the Foundation Trust.	• A recruitment plan is in place for paramedic positions. • The Foundation Trust has continued to develop its apprenticeship opportunities, including for paramedics. • The Foundation Trust also continued to develop leadership and progression opportunities, as well as strengthen the focus on health and well-being.

Action plans to minimise the possibilities of these risks being realised are co-ordinated via the relevant directorate leads and include continuous monitoring via the appropriate group or Board-level committee.
Future risks are typically identified as part of the financial and operational planning process for the forthcoming year. This process has been suspended at the time of writing due to COVID-19 pandemic.

The primary future risks for the Foundation Trust as at the year-end relate to the current unprecedented situation regarding COVID-19 and the longer-term impact of this on the Foundation Trust's operations, staffing and finances. Planning for future recovery and the return to business as usual was a key priority at the year-end.

The risks listed in the above table all remain relevant for 2020/21 and beyond, and once the COVID-19 situation is largely resolved, the Foundation Trust will return its focus to managing key risks including:

- The risk of losing the paramedic workforce to primary care networks; and
- The risk of not securing sufficient funding and resources to be able to deliver against the core performance standards.

NHS Foundation Trust Licence Condition 4 sets out the overall standards expected for different aspects of governance. This includes but is not limited to: the effectiveness of the Board and its committees; the clarity of reporting lines; and the clarity of responsibilities and accountabilities throughout the Foundation Trust. Under NHS Improvement's Single Oversight Framework, the segmentation of providers is based, in part, on compliance with the licence conditions.

The Board routinely reviews information which provides assurance over compliance with the key elements of Licence Condition 4, including but not limited to:

- Annual reviews of effectiveness for each Board-level Committee;
- An annual assessment of Board effectiveness;
- Summary of assurances and escalations from each Board Committee; and
- An annual review of key corporate documents including the Scheme of Delegation, Standing Financial Instructions, Standing Orders and the Constitution.

The Board is required to assess compliance with the underlying principles, systems and standards of good corporate governance to NHS Improvement in the form of a Corporate Governance Statement. The Audit Committee reviewed the Foundation Trust's Corporate Governance Statement and sought evidence to support the declarations being made. It considered the risks and mitigating actions that management provided to support the Statement and determine both from its own work throughout the year and assurances provided from the work of the Foundation Trust's internal auditors, external auditors and other external audits or reviews, whether the Statement was valid. Only then did the Audit Committee recommend to the Board that the Corporate Governance Statement could be signed.

Risk Management is embedded within the organisation in a number of ways. All departments within Directorates maintain up-to-date risk registers via the Ulysses Safeguard System. Risks are escalated via departmental and directorate risk registers to the Organisational Risk Register which identifies the major risks to the whole organisation both within a year and for the foreseeable future.

Management of these risks are reported to the Executive Risk Management Group. There is a clear escalation process to ensure high level risks are reported on the Organisational Risk Register.

All Cost Improvement Schemes have processes in place to identify and mitigate risks to quality. The Transformation Board is chaired by the Chief Executive and provides additional

focus, leadership and assurance on the identification and safe delivery of cost improvements / transformational schemes. All cost improvement schemes undergo a full quality impact assessment prior to approval.

All new or revised policies are only approved once an equality analysis assessment has been satisfactorily completed.

Management and operational structures are in place to manage the risks that the Foundation Trust faces. All the groups working within the governance structure are remitted to identify, and where appropriate, escalate all risks emerging from the business transacted. The Groups/Committees report through Committees of the Board in a structured manner, ultimately to the Board.

There are clear Terms of Reference for each Board Committee and group that report to it and a robust process is in place to review the effectiveness of the groups and Board Committees on an annual basis. The structure of these reviews ensures that consideration is given to any potential overlap and gap in responsibilities; minimising the risks to compliance with the Foundation Trust's licence. The timing of these meetings has been aligned to provide for the most up-to-date information to be considered to inform decision-making and assess risk.

The remit of five Committees of the Board covered risk (both clinical and non-clinical) and these are:

- Executive Risk Management Group; (the remit of which has been outlined earlier in this statement)
- Audit Committee; (which sought assurance over the risk management processes and controls in place rather than the content and management of individual risks themselves)
- Quality Committee;
- Workforce Committee; and
- Finance Committee.

With the exception of the Executive Risk Management Group, all of the Committees were chaired by a Non-Executive Director of the Foundation Trust.

Clinical Risk is monitored via the Foundation Trust's Quality Governance Group and Quality Committee. The Foundation Trust's Medical Director chairs the Clinical Advisory Group which provides access to expert professional opinion from specialist medical advisers and clinicians and reports to the Quality Committee. During 2019/20 the Foundation Trust employed a part-time Deputy Medical Director to increase senior clinical capacity. In addition, the Medical Director position will become full time from 1 April 2020.

Clinical risk, whilst being everyone's responsibility, is managed by operational staff and monitored by the Quality and Safety Directorate. Clinical risk is reported through the Risk Management System, Ulysses which allows themes and trends to be identified and inform organisational learning. All clinical practices are carried out using the best available clinical evidence base. This includes advice that is given to patients over the telephone as well as advice and skills performed when the paramedic is in a face to face situation.

As outlined at the beginning of the Annual Governance Statement, during 2019/20 the Foundation Trust undertook a review of its governance structure and several changes to groups and committees will be implemented in early 2020/21. This will affect some of the Board committees, including disbanding the Executive Risk Management Group and embedding risk within several existing and new groups.

Developing Workforce Safeguards

The Foundation Trust is committed to ensuring that our patients receive the highest quality of care through ensuring that our staffing processes are safe, sustainable and effective.

Internally a corporate workforce plan is developed, supported by recruitment and training plans. These are reviewed on a regular basis by board committees and the Trust Board. This medium to long term strategic plan ensures we review what is required of the workforce and how this is delivered through strong partnership working with the local higher education institutions to ensure a robust pipeline of skilled practitioners.

Any changes to the workforce establishments, introduction of new roles/working practices or changes to current roles are considered by the Director of Quality and Safety (Executive Nurse) and the Medical Director to consider the Quality Impact Assessment undertaken by the service, prior to approving or rejecting the changes.

Systems are in place to monitor staffing levels in the Emergency Operations Centre and across Unscheduled and Scheduled Care and there is currently an ongoing project to review and revise our emergency care shift patterns and rotas to ensure correct deployment of resources across the 24-hour period. We have commissioned a further demand and capacity review to ensure our new rotas match more recent assessments of demand.

Short term strategies are in place to respond to day to day challenges with workforce, with demand and capacity modeling across the services to establish where hot spot areas may be. A clear escalation process is in place, with daily calls to review safe staffing and other operational issues, which is led by the Strategic Manager on call. The Foundation Trust is currently reviewing staff rotas across all of our services to ensure they best meet the demand profile of each service. Where staffing pressures cannot be addressed with internal Foundation Trust employed resources we have the ability to draw on third party providers to optimize patient and staff safety. Regular updates are provided to relevant Board Committees and the Trust Board for appropriate assurance.

CQC Compliance

The Foundation Trust is fully compliant with the registration requirements of the Care Quality Commission. In 2018 the Foundation Trust was inspected by the CQC and retained its overall rating of 'good'. The Foundation Trust seeks continuous improvement in its services for the benefit of its patients and staff.

Register of Interests

The Foundation 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 Foundation Trust with reference to the guidance) within the past twelve months, as required by the '*Managing Conflicts of Interest in the NHS*' guidance.

NHS Pension Scheme

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.

Equality Diversity and Human Rights

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

Carbon Reduction

The Foundation Trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK climate projections 2018 (UKCP18). The Foundation Trust ensures that its obligations under the climate change act and the adaptation reporting requirements are complied with.

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

The Foundation Trust's operational and financial plans are approved by the Board and submitted to NHS England/Improvement (NHSEI). Performance against the plan is monitored by the Trust Board on a monthly basis, with a summary version also being presented to the Governors on a quarterly basis. This ensures appropriate links back to public, staff and stakeholder accountability.

The Board receives and reviews a monthly Integrated Quality Performance Report which draws together operational performance, quality metrics, workforce metrics and financial metrics in an integrated dashboard format. More detailed finance and quality reports are also presented as separate agenda items.

On a quarterly basis the Board receives a report outlining progress against the Foundation Trust's corporate priorities, alongside the quarterly presentation of the Board Assurance Framework to demonstrate how effectively strategic risks are being managed. The Board

Committees also receive updates against the corporate priorities which have been mapped to them for ongoing scrutiny.

In addition to Board scrutiny, the Finance Committee meets on a monthly basis to review progress against the financial plan in detail and seek assurance over the delivery of the Cost Improvement Programme. Progress against the Foundation Trust's financial plans and corporate priorities are presented to and reviewed by the Finance Committee each month.

The Foundation Trust's Transformation Board reviews the progress of the major transformational and service improvement projects and reports into the Finance Committee each month.

The remit of the Trust Board committees includes ensuring the effective use of resources and responsibility for investigating specific areas contributing to the Integrated Quality Performance Report. For example, the Quality Committee reviews the progress against Ambulance Quality Indicators and on the Committee's behalf the Director of Quality and Safety and the Medical Director review the assurances, via Quality Impact Assessments, that the schemes in the CIP programme do not impact adversely upon service provision to patients.

During 2019/20 monthly performance meetings with service lines and corporate services were held, known as Delivering Consistently. These meetings enabled key issues and mitigating actions to be identified and discussed with the Executive Team on a timely basis.

Assurance on economy, efficiency and effective use of resources is also provided by Internal Audit, as their work-plan includes audits of the major areas of resource utilisation. Ultimately, however, the Foundation Trust has the lowest reference cost and cost per incident of the English Ambulance Foundation Trust sector which provides substantial assurance on its economical use of resources.

Information governance

During the year eight incidents were reported via the DSP Toolkit. (Seven incidents to the ICO and one incident to both the ICO and DHSC/NHS England.). The ICO has fed back on all occasions that there are no further actions necessary, which gives a good assurance that the Foundation Trust has good information governance procedures in place to investigate and address incidents.

In addition, the Foundation Trusts internal auditors undertook a review of GDPR during the year, the results of which provided a high level of assurance.

Data quality and governance

Governance and leadership: Data Quality is owned by each system's Information Asset Owners (IAO) and monitored via Change Approval Boards (CAB). Part of the responsibility of this group is to ensure any change to operational process or system use is raised with stakeholders in order to capture all changes that could impact reported data. The Trust's information team produce Trust-wide data quality dashboards for regular review by IAOs and Information Asset Administrators (IAA) to strengthen data quality contained within all systems that are used to feed all reports including performance reports. The data quality dashboards report/highlight any potential issues and offer the opportunity for correcting data at source, as well as highlighting any general problems with certain procedures or training requirements. The information team also logs any issues that become apparent whilst reporting, and these are raised with the IAO and reviewed at the appropriate CAB, providing assurances to the Information Governance Working Group (IGWG), through its direct reporting arrangements and ensures the Trust's compliance with legislative, mandatory and regulatory requirements in terms of the group's scope.

The Role of Policies and Plans: In ensuring the quality of care provided, the Trust maintains and reviews data quality dashboards where any data quality issues are identified and monitored by the appropriate services. If data quality issues are discovered, the IAO is responsible for making the necessary improvements to the data within the source system. All IAOs, IAAs and staff have access to all Trust policies via the Trust's intranet, Siren, available any time via any device.

Systems and processes: The Trust has robust processes around data quality. Each system has a nominated IAO and IAA who work with the information team to ensure that data can be accurately extracted for reporting purposes. All reported data is reviewed by the information team as well as independently by the performance team or relevant department to ensure this adheres to national guidance. Reconciliation checks are regularly carried out to ensure that reported performance figures can be reconciled back to source data, with any issues identified raised with the IAO.

People and skills: IAO and IAA, are the members of staff with expertise in that particular area, understanding the operational requirements and processes as well as the requirements for information. Informatics staff are highly skilled in extraction and presentation of data using the latest Microsoft business intelligence technology. The performance team then reviews all data from an objective standpoint to ensure the data is concurrent with forecasts or established baselines.

Data use and reporting: Data is reported to internal Board-Level Committees only after it has been checked by the IAO, and then by the performance team. The Board-Level Committees are then given the opportunity to scrutinise the data, before it is published externally on our internet site. Any group or individual then has the opportunity to question anything about the data and demand rationale for data. Healthwatch, Overview and Scrutiny Committees and Clinical Commissioning Groups all have direct and open contact to reported performance.

Corona Virus Pandemic

The end of the financial year saw the Corona Virus pandemic hit the United Kingdom. This caused unprecedented pressure on the Foundation Trust and the whole healthcare system as a major event was triggered and multiple business continuity plans were put into action. However, during these unprecedented times, controls were always maintained with supporting actions mobilised to ensure continuity of the service without significant undue risk to the public purse. A coronavirus governance structure was established and shared with the Board in March 2020 to provide assurance over how key decisions about the Trust's response to the pandemic were being made on a daily basis. In addition, the Board approved a proposed approach to Board and committee governance during the pandemic which ensured agendas would be focussed on critical items and struck a balance between accountability and the delegated decision-making needed to respond to an ever-changing situation.

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 the NHS Foundation Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, the Executive Risk Management Group and Quality Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The system of internal control is managed by the Board of Directors. The Board of Directors therefore employs a number of systems to assure itself that the systems of internal control are working effectively. The formal governance structure of committees reporting through to the Board, maintains effective systems and identifies, and where appropriate, escalates all risks emerging from the business transacted.

The Board of Directors endorses the strategic priorities, all formalised risk management plans and endorses and reviews the Board Assurance Framework. It also receives and reviews the monthly Board Performance Report which draws together the main components of Foundation Trust-wide performance (finance, operational performance, workforce and quality) against plan, from which the Board gains assurance.

The Audit Committee acts independently from the Executive, to provide assurance to the Board, based on a challenge of evidence and assurance obtained, that the interests of the Foundation Trust are properly protected in relation to annual reporting and internal control. It keeps under review the effectiveness of the system of internal control, that is, the systems established to identify, assess, manage and monitor risks both financial and otherwise, and to ensure the Foundation Trust complies with all aspects of the law, relevant regulation and good practice.

This Committee reports to the Board any matters in respect of which the Committee considers that action or improvement is needed and makes recommendations as to the steps to be taken.

The Committee developed, approved and monitored a programme of internal audit work which assessed the effectiveness and fitness for purpose of key assurance processes and systems of internal control. The Head of Internal Audit opinion has provided good assurance on the system of internal control. Where scope for improvement was identified, recommendations were made, and action plans put in place that were monitored by the Audit Committee.

The Audit Committee has overseen the effectiveness of the Foundation Trust's risk management arrangements, considered the Annual Governance Statement and reviewed its statutory role and responsibilities and remains vigilant in assessing its controls in a complex and fast-moving environment.

The Audit Committee has also sought assurance over the development of the Clinical Audit Plan, its delivery and the effective implementation of recommendations which included the provision of additional resources to undertake call audits.

During the year the Executive Risk Management Group has enabled a focussed review of strategic, Trust-wide, directorate and departmental risks to take place. In addition, the Group has undertaken detailed scrutiny of the risk management delivery plan, business continuity and resilience arrangements. Subsequently a report was presented to the Board of Directors which provided the assurance required.

The Quality Committee provides the Board with an independent and objective review of all aspects of quality governance. This includes but is not limited to: clinical effectiveness; patient safety; patient experience; CQC compliance; safeguarding; clinical audit; and progress against the Foundation Trust's Quality Strategy and quality priorities. The Committee fulfilled these roles throughout 2019/20 and escalated any key issues to the Board for further action, decision and scrutiny.

The Head of Internal Audit provides me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the Internal Audit work. The work undertaken throughout the year, following a risk based audit plan, agreed by the Audit Committee, culminated in a Head of Internal Audit Opinion. This Head of Internal Opinion concluded that, on the basis of work carried out in accordance with the Tactical Internal Plan 2019/20, good assurance could be given that there is a generally sound system of internal control, designed to meet the organisation's objectives, and that controls are generally being applied consistently.

My review is informed by internal and external assessments during the year as follows:-

- Compliance with Foundation Trust Code of Governance;
- Internal self-assessment against the CQC / NHS Improvement Well-Led domain;
- Internal Audit reports on arrangements within key Foundation Trust functions;
- Monthly performance reports covering all Directorates in the form of an Integrated Quality Performance Report;
- External Audit reports including the Value for Money conclusion and Annual Audit Letter.

The Board of Directors of North East Ambulance Service NHS Foundation Trust approves this Annual Governance Statement.

Conclusion

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

Helen Ray
Chief Executive
10 June 2020

Independent auditor's report to the Council of Governors of North East Ambulance Service NHS Foundation Trust

Report on the financial statements

Opinion on the financial statements

We have audited the financial statements of North East Ambulance Service NHS Foundation Trust ('the Trust') and its subsidiary ('the Group') for the year ended 31 March 2020 which comprise the Group and Trust Consolidated Statement of Comprehensive Income, the Group and Trust Consolidated Statement of Financial Position, the Group and Trust Consolidated Statement of Changes in Taxpayers' Equity,, the Group and Trust Consolidated Statement of Cash Flows, and notes to the financial statements, including the summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by HM Treasury's Financial Reporting Manual 2019/20 as contained in the Department of Health and Social Care Group Accounting Manual 2019/20, and the Accounts Direction issued under the National Health Service Act 2006.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Trust and Group as at 31 March 2020 and of the Trust's and the Group's income and expenditure for the year then ended;
- have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20; and
- have been properly prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities section of our report. We are independent of the Trust and Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Accounting Officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's or the Group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit, and directing the efforts of the engagement team. These matters were addressed in the context of our

audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	Our response and key observations
Revenue recognition (Group and Trust) The Group recognised £148 million of revenue from activities in the Statement of Comprehensive Income. The primary source of revenue is through contracts with commissioning bodies in respect of the provision of A&E, Patient Transport and other services. Notes 3.1 and 3.2 provide further information on the nature and source of the Trust's and Group's revenue. Auditing standards include a rebuttable presumption that there is a significant risk in relation to the timing of income recognition, and in relation to judgements made by management as to when income has been earned. The pressure to manage income to deliver forecast performance in a challenging economic environment increases the risk of fraudulent financial reporting leading to material misstatement and means that we are unable to rebut the presumption.	Our audit procedures included, but were not limited to: • Testing a sample of income received around the year-end to confirm the transactions were recognised in the correct financial year. • Testing a sample of year-end receivables to confirm the receivable recognised was appropriate. • Evaluating the Trust's and Group's accounting policy in respect of revenue recognition to ensure that it is in line with the requirements of the Group Accounting Manual (GAM). • Testing revenue transactions that had been recorded by journal entries. Journals were selected for testing on the basis of meeting one or more fraud risk indicators that we determined to be applicable to the revenue recognition significant risk.. • Considering information provided by the Department of Health and Social Care in respect of year-end intra-NHS transactions. Where we identified any significant differences between the Trust's position and that of the counterparty we obtained assurance that the Trust's position was supported by appropriate evidence. **Observations and conclusions** We obtained sufficient appropriate evidence to conclude that revenue recognised in the financial statements is reasonable.
Valuation of PPE (Trust) Land and buildings are the Trust's highest value assets and Note 14 to the financial statements discloses information on the Trust's holding of property, plant and equipment (PPE). This includes £20 million of land and buildings held at current value at 31 March 2020. These assets are subject to periodic revaluation in line with the requirements of the Group Accounting Manual (GAM). Note 1.8 to the financial statements describes the Trust's accounting policy with respect to the valuation of land and buildings and Note 14 discloses further information on the balance. Management engage a valuation expert ('the valuer') to provide the Trust with current value of	Our audit procedures included, but were not limited to: • Obtaining an understanding of the Trust's approach to valuing its land and buildings and its engagement with the valuer.. • Writing to the valuer to obtain an understanding of their valuation methodology and compliance with professional requirements, their professional qualifications and their independence from the Trust. • Obtaining an updated understanding of the basis of valuation applied by the valuer in the year. This included understanding and challenging the methodology applied to

Key audit matter	Our response and key observations
property and land in accordance with Royal Institution of Chartered Surveyors (RICS) requirements. Changes in the value of property may impact on the Statement of Comprehensive Income depending on the circumstances and the specific accounting requirements of the Group Accounting Manual. The valuations require judgement and a high level of estimation in determining current values. The significant risk of material misstatement is further increased due to the additional estimation uncertainty arising from the Covid-19 pandemic and Note 1.26 discloses a material valuation uncertainty in relation to this.	estimate the gross replacement cost of the Trust's operational land and buildings on a modern equivalent asset basis. • Testing the accuracy and completeness of key data used by the valuer, such as gross internal areas, through comparison with estates management records held by the Trust.Testing the accuracy of how valuation movements were presented and disclosed in the financial statements. • Using relevant market and cost data to assess the reasonableness of the valuation as at 31 March 2020. In doing so, we also considered relevant, publicly-available valuation indices to assess the effect of the material valuation uncertainty disclosed by the valuer and the Trust in the financial statements. **Observations and conclusions** Our work has provided the assurance we sought in respect of this key audit matter.

Our application of materiality

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures, and in evaluating the effect of misstatements, both individually and on the financial statements as a whole. Based on our professional judgement, we determined materiality for the financial statements as follows:

	Trust	Group
Overall materiality	£2.800 million	£2.958 million
Basis for determining materiality	Approximately 2% of operating expenses.	
Rationale for benchmark applied	Operating expenses was chosen as the appropriate benchmark for overall materiality as this is a key measure of financial performance for users of the financial statements.	
Performance materiality	£2.100 million	£2.219 million
Reporting threshold	£0.084 million	£0.089 million

The range of financial statement materiality across components, audited to the lower of local statutory audit materiality and materiality capped for group audit purposes, was between £0.129 million and £2.800 million all being below group financial statement materiality].

An overview of the scope of our audit
As part of designing our audit, we determined materiality and assessed the risk of material misstatement in the financial statements. In particular, we looked at where the Accounting Officer made subjective judgements such as making assumptions on significant accounting estimates.

We gained an understanding of the legal and regulatory framework applicable to the Trust and the Group and the sector in which they operate. We considered the risk of acts by the Trust and Group which were contrary to the applicable laws and regulations including fraud. We designed our audit procedures to respond to those identified risks, including non-compliance with laws and regulations (irregularities) that are material to the financial statements.

We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the National Health Service Act 2006.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole. We used the outputs of our risk assessment, our understanding of the Trust's and the Group's accounting processes and controls and their environments, and considered qualitative factors in order to ensure that we obtained sufficient coverage across all financial statement line items. There were no changes to the scope of the current year audit from the scope in the prior year.

Our tests included, but were not limited to:
- obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by irregularities including fraud or error;
- review of minutes of board meetings in the year; and
- enquiries of management.

As a result of our procedures, we did not identify any Key Audit Matters relating to irregularities, including fraud (other than the key audit matter on revenue recognition outlined above).

The risks of material misstatement, including due to fraud, that had the greatest effect on our audit are discussed under 'Key audit matters' within this report.

Our group audit scope included an audit of the Trust and Group financial statements. Based on our risk assessment, the Trust was subject to a full scope audit which was performed by the Group audit team. Audit procedures of one or more classes of transactions were completed by the component auditor, Mazars LLP, for the Trust's subsidiary, North Easy Ambulance Service Unified Solutions Limited, where these transactions were material to the Group's net assets, revenue and expenditure. At the Group level we tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information
At the Group level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information.

Other information
The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We are also required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' Statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed.

We have nothing to report in these regards.

Responsibilities of the Accounting Officer for the financial statements
As explained more fully in the Chief Executive's responsibilities as the Accounting Officer, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Accounting Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Accounting Officer is required to comply with the Department of Health and Social Care Group Accounting Manual and prepare the financial statements on a going concern basis, unless the Trust is informed of the intention for dissolution without transfer of services or function to another entity. The Accounting Officer is responsible for assessing each year whether or not it is appropriate for the Trust and Group to prepare financial statements on the going concern basis and disclosing, as applicable, matters related to going concern.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Opinion on other matters prescribed by the Code of Audit Practice

In our opinion:

- the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the requirements of the NHS Foundation Trust Annual Reporting Manual 2019/20; and
- the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Annual Governance Statement	
We are required to report to you if, in our opinion: • the Annual Governance Statement does not comply with the NHS Foundation Trust Annual Reporting Manual 2019/20; or • the Annual Governance Statement is misleading or is not consistent with our knowledge of the Trust and Group and other information of which we are aware from our audit of the financial statements.	We have nothing to report in respect of these matters.
Reports to the regulator and in the public interest	
We are required to report to you if: • we refer a matter to the regulator under Schedule 10(6) of the National Health Service Act 2006 because we have a reason to believe that the Trust, or a Director or officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or • we issue a report in the public interest under Schedule 10(3) of the National Health Service Act 2006.	We have nothing to report in respect of these matters.

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

Matter on which we are required to report by exception
We are required to report to you if, in our opinion, we are not satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We have nothing to report in this respect.

Responsibilities of the Accounting Officer
The Chief Executive as Accounting Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of arrangements for securing economy, efficiency and effectiveness in the use of resources
We are required by Schedule 10(1) of the National Health Service Act 2006 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance on the specified criterion issued by the Comptroller and Auditor General 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. The Comptroller and Auditor General determined this criterion as that necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements

for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2020.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary.

Use of the audit report

This report is made solely to the Council of Governors of North East Ambulance Service NHS Foundation Trust as a body in accordance with Schedule 10(4) of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust 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 Council of Governors of the Trust as a body for our audit work, for this report, or for the opinions we have formed.

Certificate

We certify that we have completed the audit of the financial statements of North East Ambulance Service NHS Foundation Trust and North East Ambulance Service NHS Foundation Trust Group in accordance with the requirements of chapter 5 of part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Cameron Waddell

Key Audit Partner
For and on behalf of Mazars LLP

Salvus House
Aykley Heads
Durham
DH1 5TS

11 June 2020

Foreword to the accounts

North East Ambulance Service NHS Foundation Trust

These accounts, for the year ended 31 March 2020, have been prepared by North East Ambulance Service NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.

Signed 

Name **Helen Ray**
Job title **Chief Executive**
Date **10th June 2020**

Consolidated Statement of Comprehensive Income

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Operating income from patient care activities	3	143,207	128,415	143,130	128,415
Other operating income	3	5,289	6,125	6,482	7,690
Operating expenses	5, 7	(147,900)	(132,172)	(148,880)	(133,280)
Operating surplus/(deficit) from continuing operations		**596**	**2,368**	**732**	**2,825**
Finance income	10	132	95	449	221
Finance expenses	11	(122)	(151)	(317)	(216)
PDC dividends payable		(1,012)	(970)	(1,012)	(970)
Net finance costs		**(1,002)**	**(1,026)**	**(880)**	**(965)**
Other gains / (losses)	12	102	(40)	113	(43)
Surplus / (deficit) for the year from continuing operations		**(304)**	**1,302**	**(35)**	**1,817**
Surplus / (deficit) for the year		**(304)**	**1,302**	**(35)**	**1,817**
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Revaluations	15	140	536	140	536
Total comprehensive income / (expense) for the period		**(164)**	**1,838**	**105**	**2,353**
Surplus/ (deficit) for the period attributable to:					
North East Ambulance Service NHS Foundation Trust		(304)	1,302		
TOTAL		**(304)**	**1,302**		
Total comprehensive income/ (expense) for the period attributable to:					
North East Ambulance Service NHS Foundation Trust		(164)	1,838		
TOTAL		**(164)**	**1,838**		

Consolidated Statement of Financial Position

		Group		Trust	
		31 March 2020	31 March 2019	31 March 2020	31 March 2019
	Note	£000	£000	£000	£000
Non-current assets					
Intangible assets	13	1,826	1,143	1,826	1,143
Property, plant and equipment	14	44,991	42,006	44,370	38,953
Loans to subsidiary	16	-	-	11,601	6,019
Total non-current assets		**46,817**	**43,149**	**57,797**	**46,115**
Current assets					
Inventories	17	511	540	491	463
Receivables	18	8,155	7,903	7,918	7,761
Loans to subsidiary	16	-	-	1,911	930
Non-current assets held for sale	19	73	73	73	73
Cash and cash equivalents	20	11,797	11,664	10,048	11,208
Total current assets		**20,536**	**20,180**	**20,441**	**20,435**
Current liabilities					
Trade and other payables	21	(11,308)	(8,381)	(11,105)	(9,040)
Borrowings	23	(593)	(618)	(2,017)	(948)
Provisions	26	(2,687)	(1,947)	(2,687)	(1,947)
Other liabilities	22	(668)	(709)	(668)	(709)
Total current liabilities		**(15,256)**	**(11,655)**	**(16,477)**	**(12,644)**
Total assets less current liabilities		**52,097**	**51,674**	**61,761**	**53,906**
Non-current liabilities					
Trade and other payables	21	(396)	(339)	(396)	(339)
Borrowings	23	(2,587)	(3,065)	(11,151)	(4,466)
Provisions	26	(3,058)	(2,885)	(3,058)	(2,885)
Total non-current liabilities		**(6,041)**	**(6,289)**	**(14,605)**	**(7,690)**
Total assets employed		**46,056**	**45,385**	**47,156**	**46,216**
Financed by					
Public dividend capital		35,935	35,100	35,935	35,100
Revaluation reserve		5,837	6,135	5,837	6,135
Income and expenditure reserve		4,284	4,150	5,384	4,981
Total taxpayers' equity		**46,056**	**45,385**	**47,156**	**46,216**

The notes on pages 129 to 162 form part of these accounts.

Helen Ray
Chief Executive
10-Jun-20

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**35,100**	**6,135**	**4,150**	**45,385**
Surplus/(deficit) for the year	-	-	(304)	**(304)**
Revaluations	-	140	-	**140**
Transfer to retained earnings on disposal of assets	-	(55)	55	**-**
Public dividend capital received	835	-	-	**835**
Other reserve movements	-	(383)	383	**-**
Taxpayers' and others' equity at 31 March 2020	**35,935**	**5,837**	**4,284**	**46,056**

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

Group	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**34,702**	**6,021**	**2,426**	**43,149**
Surplus/(deficit) for the year	**-**	**-**	**1,302**	**1,302**
Revaluations	-	536	-	**536**
Transfer to retained earnings on disposal of assets	-	(105)	105	**-**
Public dividend capital received	398	-	-	**398**
Other reserve movements	-	(317)	317	**-**
Taxpayers' and others' equity at 31 March 2019	**35,100**	**6,135**	**4,150**	**45,385**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**35,100**	**6,135**	**4,981**	**46,216**
Surplus for the year			(35)	**(35)**
Transfer to retained earnings on disposal of assets		(55)	55	**-**
Revaluations		140		**140**
Public dividend capital received	835			**835**
Other reserve movements		(383)	383	**-**
Taxpayers' and others' equity at 31 March 2020	**35,935**	**5,837**	**5,384**	**47,156**

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

Trust	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**34,702**	**6,021**	**2,742**	**43,465**
Deficit for the year			1,817	**1,817**
Transfer to retained earnings on disposal of assets		(105)	105	**-**
Revaluations		536		**536**
Public dividend capital received	398			**398**
Other reserve movements		(317)	317	**-**
Taxpayers' and others' equity at 31 March 2019	**35,100**	**6,135**	**4,981**	**46,216**

Consolidated Statement of Cash Flows

		Group		Trust	
		2019/20	2018/19	2019/20	2018/19
	Note	£000	£000	£000	£000
Cash flows from operating activities					
Operating surplus / (deficit)		596	2,368	732	2,829
Non-cash income and expense:					
Depreciation and amortisation	5.1	6,955	6,498	6,912	6,460
Net impairments	6	355	648	355	648
(Increase) / decrease in receivables and other assets		(264)	(1,531)	(415)	(1,105)
(Increase) / decrease in inventories		29	311	(28)	75
Increase / (decrease) in payables and other liabilities		2,104	868	1,459	873
Increase / (decrease) in provisions		904	(774)	904	(774)
Net cash flows from / (used in) operating activities		**10,679**	**8,388**	**9,919**	**9,006**
Cash flows from investing activities					
Interest received		132	95	449	221
Purchase of intangible assets		(1,229)	(501)	(1,229)	(501)
Purchase of PPE and investment property		(8,576)	(5,433)	(2,484)	(3,208)
Sales of PPE and investment property		135	114	655	509
Net cash flows from / (used in) investing activities		**(9,538)**	**(5,725)**	**(2,609)**	**(2,979)**
Cash flows from financing activities					
Public dividend capital received		835	398	835	398
Movement in loans drawdown by subsidiary		-	-	(6,564)	(3,007)
Capital element of finance lease rental payments		(718)	(628)	(1,386)	(864)
Interest paid on finance lease liabilities		(125)	(134)	(355)	(198)
PDC dividend (paid) / refunded		(1,000)	(959)	(1,000)	(959)
Net cash flows from / (used in) financing activities		**(1,008)**	**(1,323)**	**(8,470)**	**(4,630)**
Increase / (decrease) in cash and cash equivalents		**133**	**1,340**	**(1,160)**	**1,397**
Cash and cash equivalents at 1 April - brought forward		**11,664**	**10,324**	**11,208**	**9,811**
Cash and cash equivalents at 31 March 20	20	**11,797**	**11,664**	**10,048**	**11,208**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS Improvement, in exercising the statutory functions conferred on Monitor, 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 following a financial assessment by the Trust's management team. The assessment was based on historical financial performance against control totals and achievement of PSF/FRF. The Trust also has sufficient cash resources to meet future liabilities as they fall due during the coming year. The Trust's Board of Directors has not applied to the Secretary of State for the dissolution of the Trust without the transfer of services to another entity.

Note 1.3 Consolidation

Other subsidiaries

North East Ambulance Service Unified Solutions is a wholly owned subsidiary of the Foundation Trust. Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

Where subsidiaries' accounting policies are not aligned with those of the Trust then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Where subsidiaries' accounting policies are not aligned with those of the Trust then amounts are adjusted during consolidation where the differences are material. Inter-entity balances, transactions and gains/losses are eliminated in full on consolidation.

Subsidiaries which are classified as held for sale are measured at the lower of their carrying amount and 'fair value less costs to sell'.

The Trust has not consolidated its charity on the basis of materiality.

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.

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.

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.

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

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

- Land and non-specialised buildings – market value for existing use
- 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.

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.

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
Buildings, excluding dwellings	1	113
Plant & machinery	4	15
Transport equipment	4	10
Information technology	2	7

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

Note 1.9 Intangible assets

Recognition

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

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 - 3rd Party and In-House Software	1	7
Development expenditure	1	7
Websites	1	7
Software licences	1	7

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method.

Note 1.11 Cash and cash equivalents

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

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

Note 1.12 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.

Financial liabilities classified as subsequently measured at amortised cost.

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.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, 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 1.13 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 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 1.14 Provisions

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

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 26.1 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

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

Note 1.15 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 27 where an inflow of economic benefits is probable.
Contingent liabilities are not recognised, but are disclosed in note 27, 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 1.16 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 the audit of the annual accounts.

Note 1.17 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 1.18 Corporation tax

The Trust has determined that the wholly owned subsidiary did not generate any Corporation tax liabilities.

Note 1.19 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 1.20 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 1.23 Early adoption of standards, amendments and interpretations

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

Note 1.24 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 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. 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. A reasonable estimate of how this would effect the financial statements is not available at this time due to potential changes to financial planning due to Covid-19.

Note 1.25 Critical judgements in applying accounting policies

The following are the judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

As the majority of Trust income is from NHS standard contract arrangements then all revenue including CQUIN have been recorded in the current reporting period.
Other revenue is based on meeting performance obligations, so research and development income and training income are only recorded when those criteria are met.

Note 1.26 Sources of estimation uncertainty

The following are assumptions about the future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year:

The key sources of estimation relate to the values recorded as provisions and the revaluation of the Trust's assets. Further information on these values are included within the relevant notes to the accounts.

Provision discount rates used are the employee benefit rates as supplied by HM Treasury and every 1% increase in this rate would give an approximate £250k gain to the Trust.

The downward property revaluation for the year was £140k, the total value of land and buildings at 31st March 2020 was £20,227k.

This demonstrates that the valuation has a large impact on the carrying value for the Trust, greater movements last year resulted in a £536k upward revaluation.

The year-end valuation report from the District Valuer reflects the current uncertainties on financial markets due to Covid-19 ".....the valuation is therefore reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. Consequently, less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case."

Further impacts of Covid-19 on small to medium businesses has also resulted in the Trust increasing the provision for doubtful debts in the year.

Note 2 Operating Segments

NEAS has not identified any operating segments as all services relate to the delivery of healthcare. In addition, segmental reporting is not currently provided to the chief operating decision maker, the Trust Board.

Statutory reporting of the Trust's financial position is provided to NHS Improvement monthly and the Board and Finance Committee receive information consistent to evaluate our current financial performance against the measure within these returns.

The key measures within the NHS Improvement returns look at the in year financial performance against plan and also the ability to service debts as well as the Trust's liquidity. There is also a measure of spend on agency staff.

After combining these measures the Trust has achieved the highest rating for a Foundation Trust in 2019-20.

Note 3 Operating income from patient care activities (Group)

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

	Group		Trust	
Note 3.1 Income from patient care activities (by nature)	**2019/20**	**2018/19**	**2019/20**	**2018/19**
	£000	**£000**	**£000**	**£000**
A & E income	83,525	79,469	83,525	79,469
Patient transport services income	27,365	25,886	27,365	25,886
Other income	28,096	21,354	28,096	21,354
Agenda for Change pay award central funding*		1,706		1,706
Additional pension contribution central funding**	4,221		4,144	
Total income from activities	**143,207**	**128,415**	**143,130**	**128,415**

*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.

	Group		Trust	
Note 3.2 Income from patient care activities (by source)	**2019/20**	**2018/19**	**2019/20**	**2018/19**
Income from patient care activities received from:	**£000**	**£000**	**£000**	**£000**
NHS England	5,964	197	5,887	197
Clinical commissioning groups	135,112	124,407	135,112	124,407
Department of Health and Social Care	-	1,736	0	1,736
Other NHS providers	1,219	1,159	1,219	1,159
NHS other	-	-	0	0
Local authorities	84	129	84	129
Non-NHS: private patients	9	-	9	0
Non-NHS: overseas patients (chargeable to patient)	-	-	0	0
Injury cost recovery scheme	278	317	278	317
Non NHS: other	541	470	541	470
Total income from activities	**143,207**	**128,415**	**143,130**	**128,415**
Of which:				
Related to continuing operations	143,207	128,415	143,130	128,415

Note 3.3 Other operating income (Group)

	Group					
	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	184	-	**184**	289	-	**289**
Education and training	1,831	-	**1,831**	1,528	-	**1,528**
Non-patient care services to other bodies	891		**891**	729		**729**
Provider sustainability fund (PSF)	1,077		**1,077**	3,125		**3,125**
Financial recovery fund (FRF)	554		**554**			
Rental revenue from operating leases		95	**95**		99	**99**
Other income	657	-	**657**	355	-	**355**
Total other operating income	**5,194**	**95**	**5,289**	**6,026**	**99**	**6,125**
Of which:						
Related to continuing operations			**5,289**			**6,125**

	Trust					
	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	184		184	289	-	289
Education and training	1,831		1,831	1,528	-	1,528
Non-patient care services to other bodies	891		891	729		729
Provider sustainability fund (PSF)	1,077		1,077	3,125		3,125
Financial recovery fund (FRF)	554		554			-
Rental revenue from operating leases	130	95	225	130	99	229
Other income	1,720		1,720	1,790	-	1,790
Total other operating income	**6,387**	**95**	**6,482**	**7,591**	**99**	**7,690**
Of which:						
Related to continuing operations			**6,482**			**7,690**

Note 4 Additional information on contract revenue (IFRS 15) recognised in the period

Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end £55K (£189K 2018/19)

Note 4.1 Income from activities arising from commissioner requested services

Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. A&E income is classified as a Commissioner Requested Service and totals £83.5m (£79.5m in 18/19). All other income is non-Commissioner Requested Services.

Note 5.1 Operating expenses

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Purchase of healthcare from NHS and DHSC bodies	571	260	571	260
Purchase of healthcare from non-NHS and non-DHSC bodies	5,290	3,548	5,290	3,548
Staff and executive directors costs	107,763	94,273	105,320	91,751
Remuneration of non-executive directors	144	138	131	138
Supplies and services - clinical (excluding drugs costs)	1,847	1,626	1,591	1,475
Supplies and services - general	1,880	1,830	1,825	1,797
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	454	287	454	287
Consultancy costs	42	20	42	20
Establishment	3,579	5,785	3,286	5,677
Premises	2,225	2,233	2,216	2,205
Transport (including patient travel)	10,923	10,148	15,037	14,215
Depreciation on property, plant and equipment	6,413	6,199	6,370	6,162
Amortisation on intangible assets	542	299	542	299
Net impairments	355	648	355	648
Movement in credit loss allowance: contract receivables / contract assets	169	162	169	162
Movement in credit loss allowance: all other receivables and investments	27	(33)	27	(33)
Change in provisions discount rate(s)	213	(53)	213	(53)
Audit fees payable to the external auditor				
audit services- statutory audit	56	51	42	52
other auditor remuneration (external auditor only)	4	7	4	7
Internal audit costs	95	93	95	93
Clinical negligence	587	572	587	572
Legal fees	420	101	420	101
Insurance	96	102	96	47
Research and development	374	175	374	175
Education and training	2,188	2,324	2,174	2,305
Rentals under operating leases	994	802	988	802
Early retirements	7	66	7	66
Redundancy	-	199	0	199
Hospitality	6	10	6	10
Losses, ex gratia & special payments	361	24	361	24
Other services, eg external payroll	253	264	253	257
Other	22	12	34	12
Total	**147,900**	**132,172**	**148,880**	**133,280**
Of which:				
All expenditure related to continuing operations	147,900	132,172		

Note 5.2 Other auditor remuneration (Group)

Other auditor remuneration payments made to the external auditor in 2019/20 £4K (2018/19 £7K) were in regard to the audit of the Quality Report. The audit fees for the Trust includes VAT.

Note 5.3 Limitation on auditor's liability (Group)

There is no limitation on auditor's liability for external audit work carried out for the financial years 2019/20 or 2018/19.

Note 6 Impairment of assets

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
Net impairments charged to operating surplus / deficit resulting from:				
Changes in market price	260	154	260	154
Other	95	494	95	494
Total net impairments charged to operating surplus / deficit	**355**	**648**	**355**	**648**
Impairments charged to the revaluation reserve	-	-	-	-
Total net impairments	**355**	**648**	**355**	**648**

Note 7 Employee benefits

	Group		Trust	
	2019/20 Total £000	2018/19 Total £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	85,498	78,501	83,661	76,377
Social security costs	8,140	7,348	7,961	7,165
Apprenticeship levy	400	358	400	358
Employer's contributions to NHS pensions	14,061	9,101	13,808	8,886
Pension cost - other	55	-	46	0
Termination benefits	32	199	0	199
Temporary staff (including agency)	1,718	750	1,585	750
Total gross staff costs	**109,904**	**96,257**	**107,461**	**93,735**
Recoveries in respect of seconded staff	(233)	(213)	(233)	(213)
Total staff costs	**109,671**	**96,044**	**107,228**	**93,522**
Of which				
Costs capitalised as part of assets	224	146	224	146

Note 7.1 Retirements due to ill-health (Group)

During 2019/20 there were 2 early retirements from the Trust agreed on the grounds of ill-health (3 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £32k (£127k in 2018/19).

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

Note 8 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 also offers an additional defined contribution workplace pension scheme, the National Employment Savings Scheme (NEST) scheme for those employees not eligible or wanting to join the Trust's NHS Pension Scheme.

Note 9 Operating leases (Group)

Note 9.1 North East Ambulance Service NHS Foundation Trust as a lessor

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

Revenue is received from customers who share the use of Trust radio mast sites.

	2019/20 £000	2018/19 £000
Operating lease revenue		
Minimum lease receipts	95	99
Total	**95**	**99**

The Trust has an additional operating lease arrangement with its subsidiary to provide accommodation to deliver it's fleet services. This is not recognisd in the group figure above but is agreed at £11k per month. The lease is for 5 years.

	31 March 2020 £000	31 March 2019 £000
Future minimum lease receipts due:		
- not later than one year;	95	93
- later than one year and not later than five years;	380	372
- later than five years.	-	1
Total	**475**	**466**

Note 9.2 North East Ambulance Service NHS Foundation Trust as a lessee

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

North East Ambulance Service has 3 main operating lease liabilities, namely land, buildings and vehicles. Land and buildings include ambulance stations and office buildings. Vehicle leasing includes some Emergency Care vehicles, though some are purchased outright.

The future lease payments for land relate to seven finance leases which are disclosed in Note 25.

Contingent rent relates to land and buildings only and reflects increases in rent that were unknown at the inception of the lease, including finance lease rental increases.

There were no sub-lets of lease arrangements in 2019/20 or 2018/19

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	958	752
Contingent rents	36	50
Total	**994**	**802**

	31 March 2020 £000	31 March 2019 £000
Future minimum lease payments due:		
- not later than one year;	792	869
- later than one year and not later than five years;	695	927
- later than five years.	453	555
Total	**1,940**	**2,351**
	-	-

Note 10 Finance income (Group)

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	132	95
Total finance income	**132**	**95**

Note 11.1 Finance expenditure (Group)

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

	2019/20	2018/19
	£000	£000
Interest expense:		
Finance leases	113	142
Total interest expense	**113**	**142**
Unwinding of discount on provisions	9	9
Total finance costs	**122**	**151**

Note 11.2 The late payment of commercial debts (interest) Act 1998 / Public Contract Regulations 2015 (Group)

No payments were made in 2019/20 or 2018/19 for late payment of commercial debt.

Note 12 Other gains / (losses) (Group)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	125	-
Losses on disposal of assets	(23)	(40)
Total gains / (losses) on disposal of assets	**102**	**(40)**
Total other gains / (losses)	**102**	**(40)**

Note 13.1 Intangible assets - 2019/20

Group and Trust	Software licences £000
Valuation / gross cost at 1 April 2019 - brought forward	**481**
Transfers by absorption	
Additions	-
Reclassifications	39
Valuation / gross cost at 31 March 2020	**520**
Amortisation at 1 April 2019 - brought forward	**170**
Provided during the year	113
Amortisation at 31 March 2020	**283**
Net book value at 31 March 2020	**237**
Net book value at 1 April 2019	**311**

Note 13.2 Intangible assets - 2018/19

Group and Trust	Software licences £000
Valuation / gross cost at 1 April 2018 - brought forward	**1,683**
Prior Period Adjustment	**(1,218)**
Valuation / gross cost at 1 April 2018 - restated	**465**
Additions	266
Disposals / derecognition	(250)
Valuation / gross cost at 31 March 2019	**481**
Amortisation at 1 April 2018 - brought forward	**930**
Prior Period Adjustment	**(816)**
Amortisation at 1 April 2018 - restated	**114**
Provided during the year	56
Disposals / derecognition	-
Amortisation at 31 March 2019	**170**
Net book value at 31 March 2019	**311**
Net book value at 1 April 2018	**351**

The note has been restated from 2018/19 to reflect a re-categorisation of Sof classifications

Note 14.1 Property, plant and equipment - 2019/20

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**3,113**	**18,621**	**3,181**	**10,573**	**32,430**	**7,192**	**75,110**
Additions	-	1,343	1,384	1,167	5,670	275	**9,839**
Impairments	-	(235)	-	-	-	-	**(235)**
Revaluations	-	(769)	-	-	-	-	**(769)**
Reclassifications	-	20	(3,159)	578	2,277	93	**(191)**
Disposals / derecognition	-	-	-	(1,664)	(5,496)	(176)	**(7,336)**
Valuation/gross cost at 31 March 2020	**3,113**	**18,980**	**1,406**	**10,654**	**34,881**	**7,384**	**76,418**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**1,639**	**-**	**5,763**	**20,372**	**5,330**	**33,104**
Provided during the year	-	1,016	-	1,097	3,593	707	**6,413**
Impairments	-	441	-	-	-	-	**441**
Reversals of impairments	-	(321)	-	-	-	-	**(321)**
Revaluations	-	(909)	-	-	-	-	**(909)**
Disposals / derecognition	-	-	-	(1,664)	(5,461)	(176)	**(7,301)**
Accumulated depreciation at 31 March 2020	**-**	**1,866**	**-**	**5,196**	**18,504**	**5,861**	**31,427**
Net book value at 31 March 2020	**3,113**	**17,114**	**1,406**	**5,458**	**16,377**	**1,523**	**44,991**
Net book value at 1 April 2019	**3,113**	**16,982**	**3,181**	**4,810**	**12,058**	**1,862**	**42,006**

Note 14.2 Property, plant and equipment - 2018/19

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**3,104**	**19,168**	**1,934**	**9,685**	**32,611**	**7,497**	**73,999**
Additions	-	795	3,125	1,031	304	940	**6,195**
Impairments	-	(1,020)	-	(378)	(55)	-	**(1,453)**
Revaluations	9	(322)	-	-	-	-	**(313)**
Reclassifications	-	-	(1,878)	266	1,557	55	**-**
Disposals / derecognition	-	-	-	(31)	(1,987)	(1,300)	**(3,318)**
Valuation/gross cost at 31 March 2019	**3,113**	**18,621**	**3,181**	**10,573**	**32,430**	**7,192**	**75,110**
Accumulated depreciation at 1 April 2018 - as previously stated	**-**	**1,869**	**-**	**5,159**	**18,842**	**5,854**	**31,724**
Provided during the year	-	991	-	1,013	3,420	775	**6,199**
Impairments	-	(208)	-	(378)	(55)	-	**(641)**
Reversals of impairments	(9)	(155)	-	-	-	-	**(164)**
Revaluations	9	(858)	-	-	-	-	**(849)**
Disposals / derecognition	-	-	-	(31)	(1,835)	(1,299)	**(3,165)**
Accumulated depreciation at 31 March 2019	**-**	**1,639**	**-**	**5,763**	**20,372**	**5,330**	**33,104**
Net book value at 31 March 2019	**3,113**	**16,982**	**3,181**	**4,810**	**12,058**	**1,862**	**42,006**
Net book value at 1 April 2018	**3,104**	**17,299**	**1,934**	**4,526**	**13,769**	**1,643**	**42,275**

Note 14.3 Property, plant and equipment financing - 2019/20

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned - purchased	3,113	15,812	1,406	3,502	16,377	1,523	**41,733**
Finance leased	-	1,302	-	1,956	-	-	**3,258**
NBV total at 31 March 2020	**3,113**	**17,114**	**1,406**	**5,458**	**16,377**	**1,523**	**44,991**

Note 14.4 Property, plant and equipment financing - 2018/19

Group	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	3,113	15,737	3,181	2,332	12,058	1,862	**38,283**
Finance leased	-	1,245	-	2,478	-	-	**3,723**
NBV total at 31 March 2019	**3,113**	**16,982**	**3,181**	**4,810**	**12,058**	**1,862**	**42,006**

Note 14.5 Property, plant and equipment - 2019/20

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**3,113**	**18,621**	**376**	**10,324**	**32,386**	**7,192**	**72,012**
Additions		1,343	1,275	1,696	7,893	275	**12,482**
Impairments		(235)					**(235)**
Revaluations		(769)		-	-	-	**(769)**
Reclassifications	-	20	(353)	49	-	93	**(191)**
Disposals / derecognition	-	-	(255)	(1,664)	(5,496)	(176)	**(7,591)**
Valuation/gross cost at 31 March 2020	**3,113**	**18,980**	**1,043**	**10,405**	**34,783**	**7,384**	**75,708**
Accumulated depreciation at 1 April 2019 - brought forward	**-**	**1,639**	**-**	**5,719**	**20,370**	**5,330**	**33,058**
Provided during the year		1,016		1,062	3,585	707	**6,370**
Impairments		441					**441**
Reversals of impairments		(321)					**(321)**
Revaluations		(909)					**(909)**
Disposals / derecognition				(1,664)	(5,461)	(176)	**(7,301)**
Accumulated depreciation at 31 March 2020	**-**	**1,866**	**-**	**5,117**	**18,494**	**5,861**	**31,338**
Net book value at 31 March 2020	**3,113**	**17,114**	**1,043**	**5,288**	**16,289**	**1,523**	**44,370**
Net book value at 1 April 2019	**3,113**	**16,982**	**376**	**4,605**	**12,016**	**1,862**	**38,954**

Note 14.6 Property, plant and equipment - 2018/19

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**3,104**	**19,168**	**377**	**9,058**	**32,556**	7,497	**71,760**
Additions		795	962	1,031	1,817	940	**5,545**
Impairments		(1,020)					**(1,020)**
Revaluations	9	(322)					**(313)**
Reclassifications			(321)	266		55	**-**
Disposals / derecognition			(642)	(31)	(1,987)	(1,300)	**(3,960)**
Valuation/gross cost at 31 March 2019	**3,113**	**18,621**	**376**	**10,324**	**32,386**	**7,192**	**72,012**
Accumulated depreciation at 1 April 2018 - as previously stated		**1,869**		**4,772**	**18,787**	**5,854**	**31,282**
Provided during the year		991		978	3,418	775	**6,162**
Impairments		(208)					**(208)**
Reversals of impairments	(9)	(155)					**(164)**
Revaluations	9	(858)					**(849)**
Disposals / derecognition				(31)	(1,835)	(1,299)	**(3,165)**
Accumulated depreciation at 31 March 2019	**-**	**1,639**	**-**	**5,719**	**20,370**	**5,330**	**33,058**
Net book value at 31 March 2019	**3,113**	**16,982**	**376**	**4,605**	**12,016**	**1,862**	**38,954**
Net book value at 1 April 2018	**3,104**	**17,299**	**377**	**4,286**	**13,769**	**1,643**	**40,478**

Note 14.7 Property, plant and equipment financing - 2019/20

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020							
Owned - purchased	3,113	15,812	1,043	2,181	7,739	1,523	**31,411**
Finance leased		1,302		3,107	8,550		**12,959**
NBV total at 31 March 2020	**3,113**	**17,114**	**1,043**	**5,288**	**16,289**	**1,523**	**44,370**

Note 14.8 Property, plant and equipment financing - 2018/19

Trust	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Total
	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019							
Owned - purchased	3,113	15,737	376	2,127	10,341	1,862	**33,556**
Finance leased		1,245		2,478	1,675		**5,398**
NBV total at 31 March 2019	**3,113**	**16,982**	**376**	**4,605**	**12,016**	**1,862**	**38,954**

Note 15 Revaluations of property, plant and equipment

Property assets including land and buildings were revalued as at 31 March 2020. The Valuation Office Agency (VOA) was commissioned to undertake a full on site property valuation with an effective date of 31 March 2020 for the Trust's owned property assets (as they were also valued by the VOA in March 2019).

These valuations are based upon fair values applying Depreciated replacement Cost (DRC) for specialised assets and Existing Use Values (EUV) for Non-Specialised Assets. Finance lease assets were valued on a Leasehold Interest Valuation method as at 31 March 2020. The revaluation undertaken by the VOA includes two leased properties with no designated end dates (namely Lanchester Road and TVJI) as in previous years.

No compensation has been received from third parties for assets impaired, lost or given up, that is included in the Trust's surplus. The amount of the downward revaluation for the year was £140k.

Note 16 Investment In Subsidiary Undertakings

	2019/20	2018/19
	£	£
Shares in Subsidiary Undertakings	100	100
Loans to Subsidiary Undertakings	13,512,741	6,948,632
Carrying value at 31 March	**13,512,841**	**6,948,732**

The loan value above can be split by:	£'000	£'000
Current	1,911	930
Non-current	11,601	6,019

The shares in the subsidiary company North East Ambulance Service Unified Solutions Limited comprises a 100% holding in the share capital consisting of 100 ordinary £1 shares.

The principal activity of North East Ambulance Service Unified Solutions Limited is to provide fleet repairs and maintenance services.

The loan relates to the transfer of assets to the subsidiary and also for initial liquidity purposes and is for a term of 8 years.

Note 17 Inventories

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Consumables	320	394	300	317
Energy	191	146	191	146
Total inventories	**511**	**540**	**491**	**463**
of which:				
Held at fair value less costs to sell	-	-		

Inventories recognised in expenses for the year were £3,745k (2018/19: £4,516k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 18.1 Receivables

	Group		Trust	
	2020	2019	2020	2019
	£000	£000	£000	£000
Current				
Contract receivables	6,208	5,908	5,726	5,854
Capital receivables	-	-		247
Allowance for impaired contract receivables / assets	(404)	(235)	(404)	(235)
Allowance for other impaired receivables	(47)	(20)	(47)	(20)
Prepayments (non-PFI)	2,117	1,070	2,096	1,070
PDC dividend receivable	18	30	18	30
VAT receivable	-	919	266	590
Other receivables	263	231	263	225
Total current receivables	**8,155**	**7,903**	**7,918**	**7,761**
Of which receivable from NHS and DHSC group bodies:				
Current	**4,941**	5,297		

Note 18.2 Allowances for credit losses - 2019/20

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2019 - brought forward	**235**	**20**	**235**	**20**
Changes in existing allowances	169	27	169	27
Allowances as at 31 Mar 2020	**404**	**47**	**404**	**47**

Note 18.3 Allowances for credit losses - 2018/19

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2018 - as previously stated	**-**	**126**		**126**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018	73	(73)	73	(73)
New allowances arising	162	(33)	162	(33)
Allowances as at 31 Mar 2019	**235**	**20**	**235**	**20**

Note 19 Non-current assets held for sale and assets in disposal groups

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**73**	**73**	**73**	**73**
NBV of non-current assets for sale and assets in disposal groups at 31 March	**73**	**73**	**73**	**73**

There is one site remaining to be sold. It is expected to be sold in 2020/21.

Note 20 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2019/20	2018/19	2019/20	2018/19
	£000	£000	£000	£000
At 1 April	**11,664**	**10,324**	**11,208**	**9,811**
Net change in year	133	1,340	(1,160)	1,397
At 31 March	**11,797**	**11,664**	**10,048**	**11,208**
Broken down into:				
Cash with the Government Banking Service	11,797	11,664	10,048	11,208
Total cash and cash equivalents as in SoFP	**11,797**	**11,664**	**10,048**	**11,208**
Total cash and cash equivalents as in SoCF	**11,797**	**11,664**	**10,048**	**11,208**

Note 21 Trade and other payables

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Current				
Trade payables	855	746	1,362	1,349
Capital payables	1,214	425	959	294
Accruals	6,765	5,233	6,371	5,468
Social security costs	1,246	1,132	1,219	1,104
VAT payables	18	0	0	0
Other taxes payable	856	777	840	758
Other payables	354	68	354	68
Total current trade and other payables	**11,308**	**8,381**	**11,105**	**9,041**
Non-current				
Capital payables	396	339	396	339
Total non-current trade and other payables	**396**	**339**	**396**	**339**
Of which payables from NHS and DHSC group bodies:				
Current	556	392		

Note 21.1 Early retirements in NHS payables above

There were no early retirements in 19/20 (none in 2018/19)

Note 22 Other liabilities

	Group		Trust	
	2020 £000	2019 £000	2020 £000	2019 £000
Current				
Deferred income: contract liabilities	668	709	668	709
Total other current liabilities	**668**	**709**	**668**	**709**

Note 23 Borrowings

	Group		Trust	
	2020 £000	2019 £000	2020 £000	2019 £000
Current				
Obligations under finance leases	593	618	2,017	948
Total current borrowings	**593**	**618**	**2,017**	**948**
Non-current				
Obligations under finance leases	2,587	3,065	11,151	4,466
Total non-current borrowings	**2,587**	**3,065**	**11,151**	**4,466**

Note 24 Reconciliation of liabilities arising from financing activities

2019/20	Finance leases Group	Finance leases Trust
	£000	£000
Carrying value at 1 April 2019	**3,683**	**5,413**
Cash movements:		
Financing cash flows - payments and receipts of principal	(718)	(1,386)
Financing cash flows - payments of interest	(125)	(355)
Non-cash movements:		
Additions	194	9,136
Application of effective interest rate	146	359
Carrying value at 31 March 2020	**3,180**	**13,167**

2018/19	Finance leases Group	Finance leases Trust
	£000	£000
Carrying value at 1 April 2018	**3,379**	**3,632**
Cash movements:		
Financing cash flows - payments and receipts of principal	(628)	(864)
Financing cash flows - payments of interest	(134)	(198)
Non-cash movements:		
Additions	924	2,637
Application of effective interest rate	142	206
Carrying value at 31 March 2019	**3,683**	**5,413**

Note 25 Finance leases

Note 25.1 North East Ambulance Service NHS Foundation Trust as a lessor

There are no leases of this nature

Note 25.2 North East Ambulance Service NHS Foundation Trust as a lessee

Obligations under finance leases where the Trust is the lessee.

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
Gross lease liabilities	**3,903**	**4,228**	**15,510**	**6,189**
of which liabilities are due:				
- not later than one year;	736	728	2,579	1,088
- later than one year and not later than five years;	2,341	2,560	8,362	3,713
- later than five years.	826	940	4,569	1,388
Finance charges allocated to future periods	(723)	(545)	(2,343)	(776)
Net lease liabilities	**3,180**	**3,683**	**13,167**	**5,413**
of which payable:				
- not later than one year;	593	618	2,017	914
- later than one year and not later than five years;	1,928	2,249	6,986	3,303
- later than five years.	659	816	4,164	1,196

The Trust incurred additional finance leases obligations in the year due to vehicle leases with its subsidiary, NEASUS Ltd

Note 26.1 Provisions for liabilities and charges analysis (Group and Trust)

Group	Pensions: early departure costs	Pensions: injury benefits	Legal claims	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2019	**725**	**2,390**	**111**	**6**	**1,600**	**4,832**
Change in the discount rate	**25**	**188**	**-**	**-**	**-**	**213**
Arising during the year	**42**	**210**	**134**	**-**	**1,772**	**2,158**
Utilised during the year	(88)	(159)	(67)	(6)	(758)	**(1,078)**
Reversed unused	**(34)**	**(4)**	**(53)**	**-**	**(298)**	**(389)**
Unwinding of discount	**2**	**7**	**-**	**-**	**-**	**9**
At 31 March 2020	**672**	**2,632**	**125**	**-**	**2,316**	**5,745**
Expected timing of cash flows:						
- not later than one year;	86	160	125	-	**2,316**	**2,687**
- later than one year and not later than five years;	339	640	-	-	**-**	**979**
- later than five years.	247	1,832	-	-	**-**	**2,079**
Total	**672**	**2,632**	**125**	**-**	**2,316**	**5,745**

Legal claims are those recorded via NHS Resolution for employers liability claims. The "Other" class of provisions includes provisions for employee claims, banked annual leave and coroner's costs.

The Pensions - early departures provision balances are calculated by using an estimate of life expectancy based on the Office of National Statistics Life Tables. The future payments for early retirements and injury benefits are also discounted to take into account the time value of money using HM Treasury's recommended discount rate, this was amended to -0.5% during the year.

Note 26.2 Clinical negligence liabilities

At 31 March 2020, £8,774k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North East Ambulance Service NHS Foundation Trust (31 March 2019: £7,409k).

Note 27 Contingent assets and liabilities

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Value of contingent liabilities				
NHS Resolution legal claims	(108)	(87)	(108)	(87)
Gross value of contingent liabilities	**(108)**	**(87)**	**(108)**	**(87)**
Amounts recoverable against liabilities	-	-		
Net value of contingent liabilities	**(108)**	**(87)**	**(108)**	**(87)**

Note 28 Contractual capital commitments

	Group		Trust	
	31 March 2020 £000	31 March 2019 £000	31 March 2020 £000	31 March 2019 £000
Property, plant and equipment	1,050	4,817	167	359
Intangible assets	34	40	34	40
Total	**1,084**	**4,857**	**201**	**399**

Note 29 Financial instruments

Note 29.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the year in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Trust has with Clinical Commissioning Groups (CCG's) and the way those CCG's are financed, the Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. Trust treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure. 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.

Credit risk

Because the majority of the Trust's income comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2019 are in receivables from customers, as disclosed in the trade and other receivables note. The increase in the provision for the impairment of receivables is documented in Note 18.

Liquidity risk

The Trust's operating costs are incurred under contracts with CCG's, 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 29.2 Carrying values of financial assets (Group)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	6,020	**6,020**
Cash and cash equivalents	11,797	**11,797**
Total at 31 March 2020	**17,817**	**17,817**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	5,864	**5,864**
Cash and cash equivalents	11,664	**11,664**
Total at 31 March 2019	**17,528**	**17,528**

Note 29.3 Carrying values of financial assets (Trust)

Carrying values of financial assets as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	19,050	**19,050**
Cash and cash equivalents	10,048	**10,048**
Total at 31 March 2020	**29,098**	**29,098**

Carrying values of financial assets as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Trade and other receivables excluding non financial assets	13,026	**13,026**
Cash and cash equivalents	11,208	**11,208**
Total at 31 March 2019	**24,234**	**24,234**

The significant increase for the Trust receivables is in relation to the loan provided to the subsidiary, NEASUS Ltd.

Note 29.4 Carrying values of financial liabilities (Group)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	3,180	**3,180**
Trade and other payables excluding non financial liabilities	7,873	**7,873**
Total at 31 March 2020	**11,053**	**11,053**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	3,683	**3,683**
Trade and other payables excluding non financial liabilities	6,472	**6,472**
Total at 31 March 2019	**10,155**	**10,155**

Note 29.5 Carrying values of financial liabilities (Trust)

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	13,167	**13,167**
Trade and other payables excluding non financial liabilities	7,754	**7,754**
Total at 31 March 2020	**20,921**	**20,921**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	5,413	**5,413**
Trade and other payables excluding non financial liabilities	7,179	**7,179**
Total at 31 March 2019	**12,592**	**12,592**

Note 29.6 Maturity of financial liabilities

	Group		Trust	
	31 March 2020	31 March 2019	31 March 2020	31 March 2019
	£000	£000	£000	£000
In one year or less	8,466	7,091	9,772	8,034
In more than one year but not more than two years	667	673	2,003	980
In more than two years but not more than five years	1,261	1,575	4,982	2,322
In more than five years	659	816	4,164	1,256
Total	**11,053**	**10,155**	**20,921**	**12,592**

Note 30 Losses and special payments

	Group		Trust	
	2019/20		2018/19	
Group and trust	Total number of cases	Total value of cases	Total number of cases	Total value of cases
	Number	£000	Number	£000
Losses				
Cash losses	244	87	441	107
Fruitless payments	40	40	72	3
Bad debts and claims abandoned	-	-	-	-
Stores losses and damage to property	243	33	117	87
Total losses	**527**	**160**	**630**	**197**
Special payments				
Compensation under court order or legally binding arbitration award	-	-	-	-
Extra-contractual payments	-	-	-	-
Ex-gratia payments	7	32	18	67
Special severance payments	-	-	6	52
Extra-statutory and extra-regulatory payments	-	-	-	-
Total special payments	**7**	**32**	**24**	**119**
Total losses and special payments	**534**	**192**	**654**	**316**
Compensation payments received		-		-

Note 31 Related parties

The Department of Health and Social Care is a related party as it is the parent department for the Group. Other related categories include local Clinical Commissioning Groups and local provider NHS Trusts. Transactions have taken place with other public bodies, with material transactions taking place with HMRC and local authorities during the year.

The Foundation Trust also has its own registered charity. The Foundation Trust board is also charged with governance of the Charity.

The North East Ambulance Service Trust Fund is registered with the Charity Commission, Charity number 1078575. The balance of funds as at 31st March 2020 is £148k (31 March 2019 £154k). The Trust Fund accounts are not consolidated into the Foundation Trust accounts due to the immaterial value of these funds. As at 31st March 2020, there is £22k owed from the Trust to the Charity.

The shares in the subsidiary company North East Ambulance Service Unified Solutions Limited comprise a 100% holding in the share capital consisting of 100 ordinary £1 shares. This wholly owned subsidiary has had material transactions with the Trust during the year, in particular in reference to the loan and sale of vehicles and other assets.

Other related parties include:-

Chief Executive (01/04/19 02/06/19) was a Director at Association of Ambulance Chief Executives, AACE (Group spend £66k)

The former Director of Finance has declared an interest in one of the Trust's suppliers. The value of the transactions between the supplier and the Trust are £1.182m, however the Director has no influence over the payments.

Chairman is Chairman at Serco Ltd (Group spend £28K)

Non-Executive Director is Talent for Care Lead at Health Education England (Group income £1.327m)

Non-Executive Director is Chair & Non-Executive Director at Newcastle Gateshead Initiative (Group spend £32k)

The value of any transactions referenced above are not material to the Trust.

Note 32 Public Dividend Capital

The Trust is required to pay a dividend to the Department of Health equal to 3.5% of the average of opening and closing net relevant assets for the year. As set out in the Foundation Trust Annual Reporting Manual, the calculation of the dividend excludes the average cash held with the Government Banking Service.

The accrued income for PSF is excluded from the opening and closing reserve positions.

	2019/20 £000	
Opening Capital and Reserves (Total Assets Employed)	43,263	
Closing Capital and Reserves (Total Assets Employed)	45,902	
Average net assets	44,583	(A)
Average cash balance held in Government Banking Service Accounts	15,680	(B)
Average relevant net assets	28,903	(A-B)
Dividend (3.5% of average relevant net assets)	**1,012**	

The forecast Dividend payment as notified to the Department of Health was £1.030m. Therefore there is a receivable due to be paid to the Trust of £18k which will be deducted from the September 2020 dividend payment.
The above calculation is based on pre-audited accounts and is not adjusted for results in the audited accounts.

Note 33 Prior period adjustments

There have been no prior period adjustments

Note 34 Events after the reporting date

There were no events after the reporting period.

Glossary of Terms

Abbreviation	Definition	Abbreviation	Definition
AACE	Association of Ambulance Chief Executives	CPR	Cardio Pulmonary Resuscitation
A&E	Accident and Emergency	CQC	Care Quality Commission
AP	Advanced Practitioner	CQUIN	Commissioning for Quality and Innovation
AQI	Ambulance Quality Indicator	EOC	Emergency Operations Centre
ARP	Ambulance Response Programme	ePCR	Electronic Patient Care Record
ASHP	Air Source Heat Pump	EPRR	Emergency Preparedness Resilience and Response
BAF	Board Assurance Framework	GP	General Practitioner
BAME	Black, Asian and Minority Ethnic	GMP	Guaranteed Minimum Pension
CARE	Clinical Annual Record of Excellence	HART	Hazardous Area Response Team
CAS	Clinical Assessment Service	HR	Human Resources
CCaT	Clinical Care and Transport	ICP	Integrated Care Partnership
CCG	Clinical Commissioning Group	ICS	Integrated Care System
CCM	Clinical Care Manager	IUC	Integrated Urgent Care
CETV	Cash Equivalent Transfer Value	LCFS	Local Counter Fraud Specialist
CFR	Community First Responder	MIG	Medical Interoperability Gateway
CIP	Cost Improvement Programme	MSK	Musculoskeletal
CMP	Carbon Management Plan	NAA	Northern Ambulance Alliance
CPAD	Community Public Access Defibrillator	NEAS / Trust	North East Ambulance Service NHS Foundation Trust

Abbreviation	Definition
NEASUS	North East Ambulance Service Unified Solutions
NICE	National Institute of Clinical Excellence
NSECH	Northumbria Specialist Emergency Care Hospital
OHS	Occupational Health Service
PPE	Personal Protective Equipment
QI	Quality Improvement
QSIR	Quality, Service Improvement and Resdesign
ROSC	Return of Spontaneous Circulation
RRV	Rapid Response Vehicle
SDU	Sustainable Development Unit
SEQOHS	Safe, Effective, Quality Occupational Health Service
SI	Serious Incident
SMT	Senior Management Team
STEMI	Segment Elevation Myocardial Infarction
STF	Sustainability and Transformational Funding

ARABIC

الدعم متوفر للوصول إلى المستند "حساب الجودة" بعدة لغات عند الطلب. هاتف: 0191 430 2099، بريد إلكتروني: publicrelations@neas.nhs.uk ، فاكس: 0191 430 2086

BENGALI

অনুনরাধক্রনম ভাষার সহায়তায় এই নহিহির জনযঃ টিহ ঃ ০১৯১-৪৩০ ২০৯৯। ই-টমই ঃ publicrelations@neas.nhs.uk,ফাক্সঃ ০১৯১-৪৩০ ২০৮৬।

CZECH

Podpora pro přístup k tomuto ‚Účtu kvality' je k dispozici v celé řadě jazyků na požádání. Tel: 0191 430 2099, E-mail: publicrelations@neas.nhs.uk, Fax: 0191 430 2086

MANDARIN

依您的要求，我们可以各种语言提供您此份「质量报告」传单，请洽Tel: 0191 430 2099, Email: publicrelations@neas.nhs.uk, Fax: 0191 430 2086

POLISH

Dokument pod tytułem 'Rejestr jakości' jest dostępny w różnych językach - aby go otrzymać należy zadzwonić na numer: 0191 430 2099, wysłać telefaks na numer 0191 430 2086, lub wysłać email na adres: publicrelations@neas.nhs.uk

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