NWAS Annual Report & Accounts 2019/20

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Foreword

It would be difficult to ever talk about 2019/20 without mentioning the challenge NHS trusts faced in the final quarter in the form of COVID-19.

NWAS was no different to health organisations around the country, and indeed the world, when it came to having to adapt to and manage the impact of the virus, introducing new ways of working and caring for our patients and our staff. As we end the financial year, we are still in the midst of the pandemic and we, in this, our introduction to the 2019/20 NWAS Annual Report and Accounts, would first of all like to pay tribute to the thousands of NHS staff who have worked tirelessly to care for the people affected by this terrible disease. We also remember those who sadly lost their lives, including our own colleagues here in the North West. It has been a tragic end to the year.

Looking back over 2019/20, we know that despite the pandemic, there are many things to be proud of and we are pleased to present this report to showcase some of our highlights. This was our first year as Chief Executive and Chairman of the trust and we both have been humbled by the support we have received.

The trust's ambition is to be the best ambulance service in the UK by providing the right care, at the right time and in the right place; every time. To achieve this we will continue to innovate, push boundaries and challenge. We develop and work alongside our partners to improve patient care far beyond our arrival. We constantly strive to improve and provide a safe, healthy working environment for our staff. Most importantly, we continue to learn.

In late February 2020, the Care Quality Commission (CQC) carried out unannounced inspections to our Emergency Operations Centre (EOCs) and urgent and emergency care services however the official outcome has not yet been published. The CQC were also expected to undertake a Well-Led Inspection late March 2020 however, this was postponed as a result of COVID-19.

This year, we launched the largest ever review of our rotas since the trust formed in 2006, following an in depth analysis of our activity, resources and performance. The project – Building Better Rotas, allowed staff to assist with the design and selection of the rotas based on the data from the review. The first of these was launched in Greater Manchester, with other areas and service lines following over the next few months. We are confident that these will go a long way in improving our response times and provide our staff with a better work/life balance.

Following an OFSTED inspection which took place in November, we were thrilled to announce that we received an overall effectiveness rating as good. The inspection lasted four days and covered quality of education, behaviour and attitudes, personal development, leadership and management and the overall apprenticeship programmes.

Last winter a group of six hospitals came together to break new ground in one of the most challenging areas facing the health service - reducing patient waiting times in hospital emergency departments. Working alongside NWAS teams, the participating hospitals managed to reduce the delays experienced by patients brought in by ambulance. This year, we launched phase two of the collaborative and were joined by two other hospital trusts. The aim of this work is to reduce ambulance handover times at every hospital throughout the North West to 26 minutes by March 2021.

Senior Leaders from health and social care organisations from across the region attended the launch event of NWAS' five year strategy and integrated plan. Guests were introduced to eight new priorities; urgent and emergency care, quality, digital, business and commercial development, workforce, stakeholder relationships, infrastructure and environment. To be the best ambulance service in the UK, we need to support our committed, highly skilled workforce and engage our staff to fulfill their potential. Our workforce strategy sets out how we will develop, engage and empower staff to deliver services in the most effective and efficient way to help shape our future.

2019 saw the close of Transforming Patient Care - a two year programme to improve outcomes for patients by introducing initiatives to help us deliver the right care, at the right time, in the right place; every time. These included introducing more clinicians into our Emergency Operations Centres (EOCs) and expanding our clinical hub, trialling new roles such as the urgent care practitioners, and focused engagement work with healthcare professionals to encourage appropriate use of the ambulance service. With a focus on treating more people on scene (see and treat) or on the telephone (hear and treat) where appropriate, the programme reduced the number of people we took to hospital, helping them to avoid an unnecessary trip to A&E, and helping us to keep our emergency resources free.

In October, we launched the Mental Health and Dementia Strategic Plan which sets out our aims and recommendations for the next three years. The plan includes 17 recommendations and a range of actions, which collectively aim to shape and transform mental health and dementia care within the organisation. All of these have been based on extensive scoping and appraisal of care provision between January 2019 and July 2019 including feedback from our staff, our patients and partners within mental health organisations across the North West region.

All three NWAS areas held Long Service awards with recipients totting up an incredible 6,650 years between them! The awards included the presentation of the Queen's Medal, which are awarded to members of the NHS Ambulance Service in the United Kingdom, Isle of Man and Channel Islands for distinguished service, and those who have served 25, 30, 35, 40 and 45 years. We are incredibly proud of all of them and the number of years served.

Our Merseyside EOC and Clinical Hub teams were the last groups to leave our former Cheshire and Mersey regional office and move into their new accommodation. The move went smoothly and was so well planned that staff started to answer emergency calls ahead of schedule. We're glad to report that everyone has settled in well and they are enjoying their new, modern working environment.

We must of course, pay tribute to our many volunteers, who play a vital role in helping us to care for our patients. To mark 20 years of community first responders (CFRs) in the North West, we held a full day celebration event in October to say a big thank you for the invaluable service they provide. NWAS currently has 1,029 active CFRs across the region. The celebration event included a conference where speakers took to the stage to show their appreciation of CFRs and speak about the past, present and future of the volunteer role. In the evening, the room was transformed into a glitzy awards ceremony, hosted ITV Granada's Paul Crone, where 'remarkable responders' from across the region were recognised for exemplary service.

We were also pleased to recognise the contribution of our volunteer car drivers (VCDs) with the announcement of the increase in their mileage expenses –– these are members of the public who support our patient transport service by taking patients to and from pre-planned health appointments. NWAS currently has more than 300 VCDs throughout the region.

Recognising how important the views and feedback from our patients is, we launched our Patient and Public Panel to ensure that the voices of patients/the public are heard and acted upon - something we have identified as being vital in terms of influencing service plans and delivering an improved patient experience. The infrastructure of the panel is based on varying levels of involvement and participation, and on what volunteers are able to offer, and aims to support the patient involvement and engagement needs of the trust. Since its launch, we have more than 50 confirmed members from throughout the North West

A second series of BBC's Ambulance filmed in Greater Manchester was broadcast on BBC One in the Autumn. Each episode followed the service making tough decisions and touching many lives during the busy winter months. Important and heart wrenching issues were brought to the forefront in the series and this allowed us to share further information with the public via social media. Following one episode, we promoted the use of a Recommended Summary Plan for Emergency Care and Treatment (ReSPECT) form, which summarises treatments to be considered and those that would not be wanted, or would not work for the patient in an emergency. The form can include recommendations of when transfer to hospital would be desirable or not, as well as whether the patient wishes for CPR to be attempted or not.

We hope to continue with many of the initiatives that we have had to put on hold during the COVID-19 pandemic and that next year, we have many more proud moments to report.

Peter White
Chairman

Daren Mochrie QAM, MBA, Dip IMC RCSEd, MCPara
Chief Executive

Performance Report

The trust's Performance Report has been prepared under direction issued by the Department of Health Group Accounting Manual 2019/20 in accordance with Chapter 4A of Part 15 of the Companies Act 2006.

The Accountable Officer is responsible for preparing the Annual Report and Accounts and considers taken as a whole they are fair, balanced and understandable.

Daren Mochrie QAM, MBA, Dip IMC RCSEd, MCPara
Chief Executive

Date: 17 June 2020

Overview

The purpose of the overview section is to provide:

- A statement from the Chief Executive Officer providing an overview of the performance of the trust during 2019/20.
- Information on the purpose and activities of the trust during 2019/20.
- A statement of the purpose and activities of the trust, including a brief description of the business model and environment, organisational structure, objectives and strategies.
- Details of the key issues and risks that could affect the trust in delivering its objectives.
- An explanation of the adoption of the going concern basis where this might be called into doubt; and
- A performance summary of the trust

Chief Executive Statement

In 2019/20 the trust answered a total of 1,306,927 emergency calls resulting in 1,176,960 unique incidents. Of these incidents, 1,079,556 were responded to by NWAS clinicians with 27.2% resolved at the scene and 64% transported for further care. 97,404 (8.3 per cent) unique incidents were resolved over the phone. People with immediately life-threatening illnesses or injuries (category one) accounted for 10.1% of incidents.

Our Transforming Patient Care programme, which is due to conclude, has helped to ensure we do more ‘see and treat’ and ‘hear and treat’ of patients by introducing initiatives that helped us achieve our ambition. We know being taken to hospital is not always in the best interest of the patient and we are pleased to say that conveyance to hospital is down despite an increase in incidents. We increased the number of incidents resolved over the phone by 2.2% compared to last year, which meant an additional 26,027 more incidents than in 2018/19 did not result in hospital conveyance.

Work to improve response times has progressed in 2019/20 with a comprehensive review of staff rotas and changes in our fleet. In summer there was an announcement by the health minister for £6 million of additional funding for emergency ambulances in the North West which will help with this.

A substantial factor in our response times is the handover process at emergency hospitals in the region. In 2018/19 we launched a hospital improvement programme ‘Every Minute Matters’ to focus on this challenge and this has continued into 2019/20. The work undertaken, we hope, will achieve our aim of reducing ambulance handover times at every hospital throughout the North West to 26 minutes by March 2021.

The structure of the ‘Every Minute Matters’ project is also being used to improve the avoidable aborted journeys figure for our Patient Transport Service (PTS), resulting in improvements of 15% in of all unplanned activity in Lancashire, 13% in Cumbria, 14% in

Merseyside. By working with our NHS colleagues to ensure the effective cancellation of journeys, we can then be available for more patients when they need us.

We are particularly grateful to our PTS colleagues this year who have gone above and beyond their usual roles as they assist our emergency crews with the response to COVID-19.

NWAS increased the number of ambulances available by converting 80 non-emergency patient transport vehicles and adding the equipment needed to respond to emergencies.

To staff these additional vehicles, student paramedics and apprentice emergency medical technicians became fully operational and 150 of the patient transport service (PTS) employees volunteered to receive additional training and work alongside emergency service clinicians to provide a safe and effective service.

Delivering NHS 111 in the North West was challenging with demand for the service on the increase, particularly as the service was promoted as the primary source of advice during the COVID-19 pandemic, but changes implemented previous to that resulted in improvements across all performance measures.

As the threat of COVID-19 increased, so too did the number of calls to NHS111, with the service seeing an increase of over 100% on some days in March and April. While the immediate surge has slowed, we are still currently dealing with an increase of calls and, as a result, have recruited 150 additional NHS 111 clinicians, health and service advisors at the Liverpool and Greater Manchester contact centres.

The Care Quality Commission (CQC) carried out unannounced inspections to our Emergency Operations Centre (EOCs) and urgent and emergency care services in late February 2020 and the official outcome has not yet been published. The CQC were also expected to undertake a Well-Led Inspection late March 2020 however, this was postponed as a result of COVID-19.

History of the Trust

The North West Ambulance Service NHS Trust (NWAS) was established on 1 July 2006 following the merger of the Cumbria, Greater Manchester, Lancashire and Mersey Regional ambulance trusts. One of the largest ambulance trusts in England, NWAS provides services to a population of around seven million people across a geographical area of approximately 5,400 square miles. During 2019/20, the trust received 1,306,927 million emergency calls and despite the increased call volume, took less patients to hospital though the growth of Hear and Treat and See and Treat. Approximately, one million patient journeys are undertaken by our non-emergency service for patients travelling to hospitals and other healthcare centres for treatment.

The trust employs just over 6,300 staff who operate from over 100 sites across the region and provides services for patients in a combination of rural and urban communities, in coastal resorts, affluent areas and in some of the most deprived inner city areas in the country. We also provide services to a significant transient population of tourists, students and commuters.

The North West region is one of the most culturally diverse areas in England, with over 50 different languages spoken by members of the community. Consequently, the trust places considerable emphasis on equality and diversity and public engagement activities to ensure that our services are accessible to all members of the community.

Trust Vision and Aims

The trust's ambition is to be the best ambulance service in the UK by providing the right care, at the right time and in the right place, every time for people who access our services. In order to realise this vision we have created our trust strategy and supporting five year integrated business plan.

The key underpinning strategies are the:

- Right Care (Quality)
- Urgent and Emergency Care
- Finance
- Workforce
- Fleet
- Estate
- Digital
- Communications and engagement

To realise its vision, the trust has adopted the NHS Culture of Caring values, customised to reflect our staff's language and interpretation.

Our Services:

Our core services are delivered through four distinct service lines. These are:

- **Paramedic Emergency Service (PES)** – through solo responders, double crewed ambulance response and volunteer community responders we provide a pre-hospital care emergency response to 999 and urgent calls.
- **Patient Transport Service (PTS)** – PTS provides essential transport for non-emergency patients in Cumbria, Lancashire, Merseyside and Greater Manchester who are unable to make their own way to or from hospitals, outpatient clinics and other treatment centres.
- **Resilience** – services associated with the trust's statutory responsibilities under the Civil Contingencies Act 2004.
- **111** – The trust delivers the 111 and urgent integrated care service for the North West region.

Core service delivery is supported by a number of support service functions:

- Finance
- Human Resources and Organisational Development
- Quality Improvement and Innovation
- Information Management and Technology
- Training and Development
- Fleet and Facilities Management
- Communications
- Corporate Affairs
- Programme Management Office
- Transformation

Our PES service delivery is organised around three geographical areas - Cheshire and Merseyside, Cumbria and Lancashire and Greater Manchester, thus ensuring that our services reflect local community needs. Strategic capacity and support services are provided centrally from the trust's headquarters in Bolton with managers/teams based in each area to provide local support.

Key Risks to Delivering Objectives

The trust identified nine strategic risks (ie. those risks identified on the Board Assurance Framework) aligned to the Strategic Goals during 2019/20. The Board Assurance Framework and Annual planning cycle processes have recorded, following proactive management and continuous review, robust control measures that ensure these risks are mitigated to an acceptable level by the trust. The following list denotes the strategic risks identified in the year that have been mitigated:

1. If we do not meet and maintain the expected level of quality and safety standards, this may impact on the trust's compliance with regulatory requirements
2. If the Trust does not maintain efficient financial control systems then financial performance will not be sustained and efficiencies will not be achieved leading to failure to achieve its strategic objective
3. If the trust does not deliver the Urgent and Emergency Care Strategy and national performance standards, then patient care could be compromised resulting in reputational damage to the trust. If the trust is not fully engaged with the wider health sector then the delivery of national agendas could be impacted.
4. If the Workforce Strategy is not delivered, then the trust may not have sufficient skilled, committed and engaged staff and leaders to deliver its strategic objectives.
5. If the trust does not deliver the benefits of the Estates Strategy then the trust will not maximise its estate to support operational performance leading to failure to create efficiencies and achieves its strategic objectives.

6. If the trust does not establish effective partnerships within the regional health economy and integrated care systems then it may not be able to influence the future development of local services leading to unintended consequences on the sustainability of the trust and its ability to deliver urgent and emergency care.
7. If the trust does not maintain and improve its digital systems through implementation of the digital strategy, it may fail to deliver secure IT systems and digital transformation leading to reputational risk or missed opportunity.
8. If the Board experiences significant leadership changes it may not provide sufficient strategic focus and leadership to support delivery of its vision and Corporate Strategy.
9. If the UK Government leaves the EU without a deal then availability of key medicines, equipment and resources may be challenged resulting in inflated costs, disruption to supplies and loss of workforce. The 'no deal' withdrawal may impact on our ability to share, process and access data.

During Q4 a new risk appeared around the COVID-19 Pandemic and was deemed sufficiently serious enough to be escalated onto the BAF:

- If the COVID-19 pandemic continues for an extended period, then the Trust will be unable to deliver its strategic objectives during 2020/21

Going Concern

The Board of Directors has reviewed the trust's financial position throughout 2019/20 and has confirmed that it is appropriate that the Annual Accounts for the year are prepared on a going concern basis. Going concern is one of the fundamental underpinning accounting concepts for the preparation of financial statements where organisations are usually viewed as continuing in operation for the foreseeable future. Detailed guidance in respect of going concern is set out in International Accounting Standard (ISA1) and the interpretation for the Public Sector context is set out in the Financial Reporting Manual (FREM) and the Department of Health and Social Care Group Accounting Manual (GAM) 2019/20. The trust's Letter of Representation for 2019/20 to KPMG LLP as external auditors refers to NWAS preparing its accounts on a going concern basis.

Performance Summary

In 2019/20, the delivery of the Ambulance Response Programme (ARP) standards proved challenging for the trust throughout the year and some of the standards were not met. Despite this, the Trust did make significant improvements in all the standards through wholesale changes to its fleet profile and dispatch methodology.

The fundamental underpinning principle of ARP is to use the right resource at the right time in the right place, all in line with the trust's strategic aim. This required the trust to undertake a significant scale of change by reviewing all shift patterns to ensure resources were operating at the right time in the right place. This roster review is expected to be completed by the end of Q2 in 2020/21.

PERFORMANCE AGAINST STANDARDS 2019/20

PERIOD	CAT1 MEAN	CAT 1 90th	CAT 2 MEAN	CAT 2 90th	CAT 3 90th	CAT 4 90th
Standard	**7 mins**	**15mins**	**18 mins**	**40 mins**	**120 mins**	**180 mins**
Q1	07:18	12:22	22:06	46:55	2:28:37	2:54:11
Q2	07:21	12:26	23:17	49:36	2:53:11	3:19:04
Q3	07:29	12:39	29:36	1:04:47	3:52:14	3:27:48
Q4	07:23	12:33	28:42	1:03:09	4:18:19	3:32:18
YTD	07:23	12:30	26:00	56:27	3:15:32	3:18:06

The emergency call volume rose by 5.4% against a predicted 4.9%. Despite the increase in call volume, the trust continues to take less patients to hospital, delivering safe care closer to home. Delivering more safe care closer to home has been achieved by further growth in Hear and Treat and See and Treat.

During 2019/20, the trust continued to work with its key stakeholders to reduce the hospital handover times currently exceeding the national standard of 30 minutes. In addition, the quality improvement programme, Every Minute Matters supported the trust to reduce hospital handover and work in 2020/21 will focus on further reduction, in order to increase the amount of available resources.

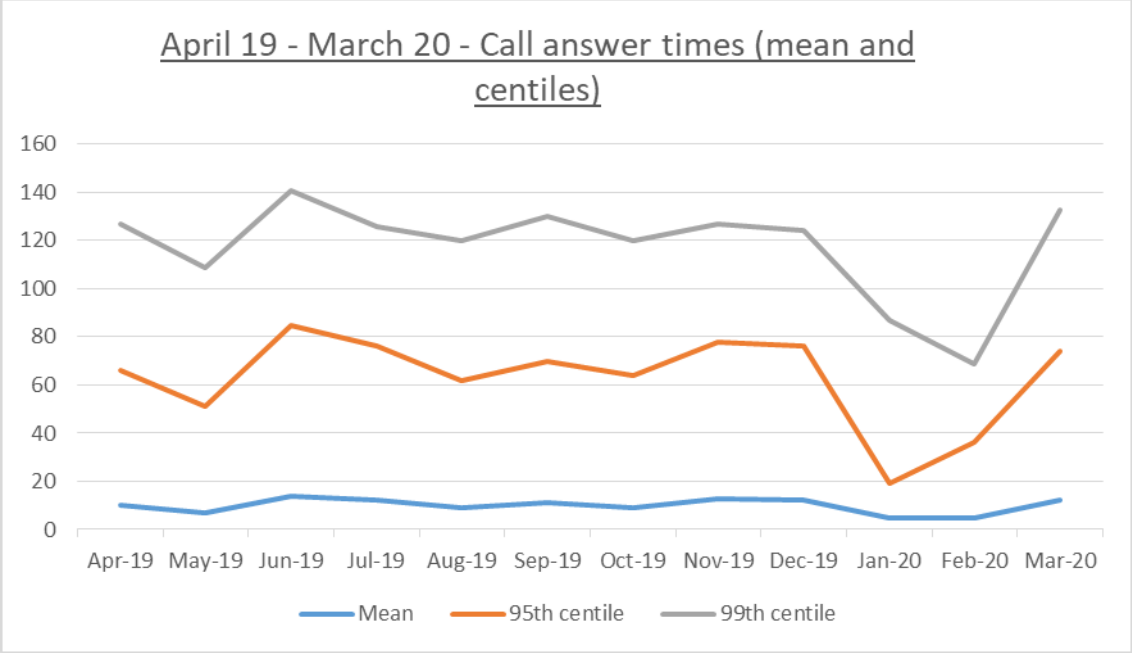
Emergency Operations Centres (EOC) including Clinical HUB

As well as being vital to the delivery of ARP response standards, the EOC are required to deliver timely call answering, swift allocation of resources and to deliver the best levels of hear and treat. Across these three key metrics the EOC team has delivered improvements.

Call volume has been variable throughout the year with a peak within Q3. The peaks in demand has led to a deterioration in call answering performance. However when compared with previous years, the performance within these months has significantly

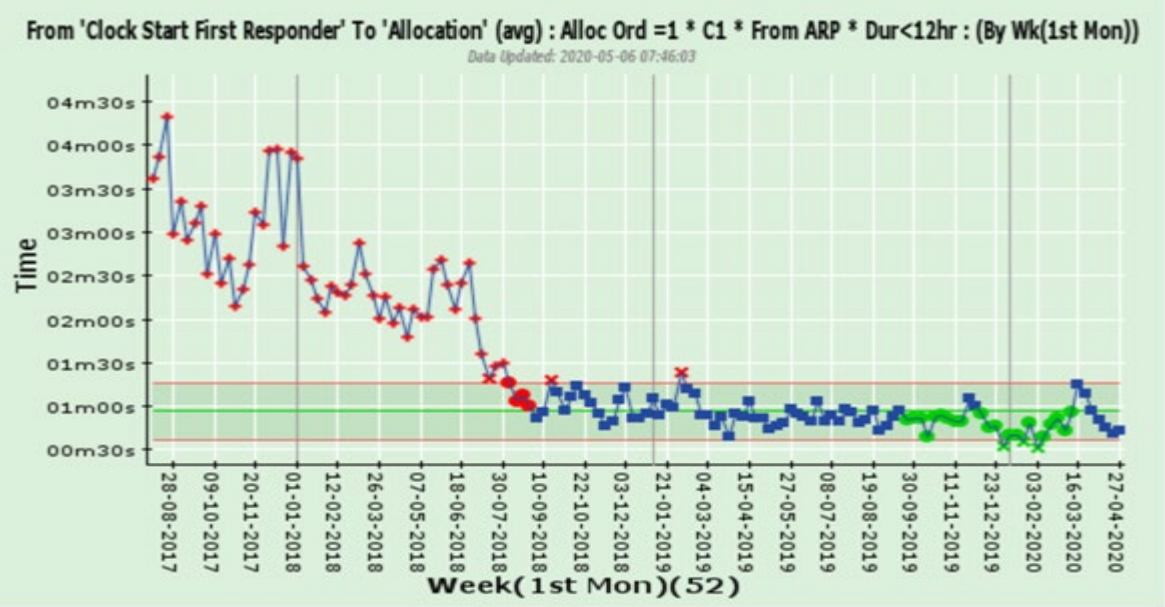
improved. In addition improvements in call pick up have been made with improvements to all performance measures.

EOC: EMERGENCY CALLS AND CALL ANSWER TIMES



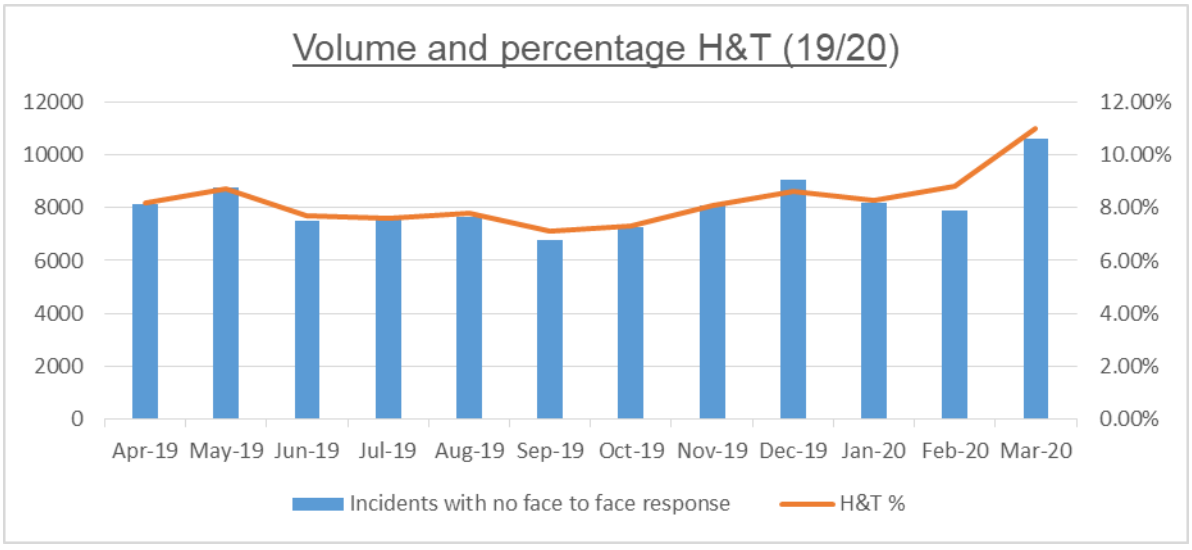
Call answering performance is a key enabler to the delivery of Category 1 response standards. In addition, timely and effective allocation of resources is vital. Since ARP commenced in August 2017, the EOC has focused on improving C1 allocation times. This has been achieved through technical enhancements and the review and implementation of new dispatch practice. The EOC, on average now allocate a resource to a C1 incident in around 60 seconds. This continues to be a focus and with enhancements in data through the implementation of Lightfoot the team remain confident in continuing this improvement. Lightfoot was introduced approximately 12 months ago and is utilised across PES and EOC and is a system the produces detailed performance and trend data via Statistical Process Control (SPC).

C1 AVERAGE ALLOCATION TIMES



The Clinical HUB Team continue to expand on the services provided to patients and the NWAS team. This includes managing crew call backs and advice. The volume of enquiries has grown throughout the last year. The primary deliverable for the Clinical HUB team is hear and treat (H&T). H&T has continued to improve throughout the year, with the number of incidents with no face to face response (H&T) peaking at over 10k in March 2020.

PERCENTAGE OF INCIDENTS WHERE OUTCOME IS HEAR AND TREAT % (AQI)



Patient Transport Service (PTS)

Activity

Overall activity during month 12 (financial year) was 23% below contract baseline, whilst the cumulative position was 3% below baseline. The year-end position has been significantly impacted by the reduction in elective and outpatient activity throughout month 12 resultant from the NHS response to the COVID-19 pandemic.

NORTH WEST AMBULANCE PTS ACTIVITY SUMMARY (MONTHS)									
Contract	Current Month 01/03/2020 - 31/03/2020					Year to Date 01/07/2019 - 31/03/2020			
	Annual Baseline	Current Month Baseline	Current Month Activity	Current Month Activity Variance	Current Month Activity Variance %	Year to Date Baseline	Year to Date Activity	Year to Date Activity Variance	Year to Date Activity Variance %
Cumbria	168,290	14,024	9,770	(4,254)	(30%)	126,218	116,514	(9,704)	(8%)
Greater Manchester	526,588	43,882	37,051	(6,831)	(16%)	394,941	401,568	6,627	2%
Lancashire	589,181	49,098	32,120	(16,978)	(35%)	441,886	384,499	(57,387)	(13%)
Merseyside	300,123	25,010	22,664	(2,346)	(9%)	225,092	246,144	21,052	9%
Grand Total	1,584,182	132,015	101,605	(30,410)	(23%)	1,188,137	1,148,725	(39,412)	(3%)

Income

The overall actual year-end income financial variance was £447k. Notwithstanding the significant reductions in activity, the trust will recover income at levels forecasted at month 10.

Contract	Current Month 01/03/2020 - 31/03/2020					Year to Date 01/07/2019 - 31/03/2020					
	Annual Contract Value	Current Month Contract Value	Current Month Activity Cost	Current Month Financial Variance	Financial Impact	Year to Date Contract Value	Year to Date Activity Cost	Year to Date Financial Variance	Year to Date Financial Impact	Financial Impact Projection (31st March)	Financial Impact Projection (30th June)
Cumbria	£6,450,766	£537,564	£392,966	(£144,597)	(£144,597)	£4,838,075	£4,747,904	(£90,170)	(£90,170)	£90,170	£120,227
Greater Manchester	£14,007,116	£1,167,260	£957,948	(£209,311)	(£125,587)	£10,505,337	£10,539,028	£33,691	£20,215	£20,215	£26,953
Lancashire	£12,122,169	£1,010,181	£780,333	(£229,848)	(£114,924)	£9,091,626	£9,260,076	£168,450	£84,225	£84,225	£112,300
Merseyside	£7,720,143	£643,345	£614,531	(£28,814)	(£14,407)	£5,790,107	£6,656,069	£865,962	£432,981	£432,981	£577,308
Grand Total	£40,300,193	£3,358,349	£2,745,779	(£612,571)	(£399,515)	£30,225,145	£31,203,077	£977,932	£447,250	£447,250	£596,333

Performance

In response to the COVID-19 pandemic, during month 12 the NHS suspended PTS eligibility criteria and KPIs to enable PTS providers to support increases in the provision of urgent and emergency ambulance capacity, and to ensure maintenance of services to essential patient groups (those travelling for dialysis, cancer treatment and discharges/ transfer).

PTS Quality Standards

NWAS Quality Standards																					
				Cumbria					Greater Manchester					Lancashire					Merseyside				
	Area	Metric	Target	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
General	Booking Systems	Online booking system availability	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Telephone booking system availability	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Call Answering	99%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
		Call Answering	75%	78%	77%	78%	81%	76%	78%	75%	77%	81%	77%	77%	77%	78%	81%	78%	78%	77%	77%	81%	79%
		Call Handling - Average Waiting Time	1 minute	17 seconds	19 seconds	20 seconds	15 seconds	22 seconds	22 seconds	26 seconds	24 seconds	20 seconds	25 seconds	21 seconds	24 seconds	23 seconds	18 seconds	27 seconds	19 seconds	21 seconds	21 seconds	16 seconds	22 seconds
	Planned	Missed Collection	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
	Planned	Misidentification of Patients	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Unplanned	Confirmation of Booking	95%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
	Eligibility	Application of eligibility criteria	98%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Planned	Travel time	Travel time	80%	95%	94%	95%	96%	97%	93%	93%	93%	94%	97%	96%	95%	95%	96%	97%	96%	95%	96%	96%	97%
	Arrival at treatment centre	On time arrival	90%	90%	88%	89%	90%	90%	73%	71%	73%	73%	78%	87%	87%	88%	87%	88%	80%	79%	78%	79%	85%
	Collection from Treatment Centre	Timeliness of departure	80%	87%	85%	87%	86%	95%	62%	59%	61%	63%	84%	73%	73%	75%	74%	90%	82%	78%	79%	81%	92%
			90%	95%	95%	96%	96%	99%	83%	80%	83%	84%	95%	90%	89%	91%	90%	98%	93%	91%	93%	94%	98%
Unplanned	Travel time	Travel Time	80%	92%	90%	91%	93%	95%	90%	91%	91%	91%	95%	92%	92%	94%	95%	96%	97%	96%	97%	97%	97%
	Collection from Discharge Centre	Less than 60 minute wait	80%	80%	80%	82%	82%	86%	71%	68%	69%	67%	82%	72%	74%	74%	70%	80%	74%	70%	75%	70%	79%
		On the day pick up within 90 minutes	90%	89%	90%	88%	91%	91%	82%	79%	78%	80%	90%	82%	85%	81%	81%	88%	86%	81%	81%	81%	89%
EPS	Travel Time	Travel Time	85%	97%	97%	97%	95%	95%	95%	95%	95%	96%	94%	95%	95%	96%	96%	97%	95%	96%	96%	96%	97%
	Arrival at treatment centre	On time arrival	90%	91%	90%	91%	89%	90%	79%	77%	76%	77%	77%	88%	88%	88%	89%	90%	81%	82%	83%	82%	85%
	Collection from treatment centre	Timeliness of departure	85%	94%	94%	93%	94%	87%	78%	78%	77%	79%	69%	87%	86%	89%	88%	79%	88%	89%	89%	89%	81%
			90%	99%	99%	99%	99%	95%	91%	91%	91%	93%	88%	97%	96%	97%	97%	93%	97%	97%	97%	98%	93%

Managing Performance

In December 2018, a 'deep dive' was concluded into activity and variation in performance outputs across all contracts. The report of the exercise (the 2018 deep dive report) was submitted to the NWAS Contracting Group in February 2019 and a summary of the report was provided to Performance Committee in March 2019.

Developing the recommendations made in the Deep Dive report, a strategic workshop was held in June 2019, hosted by NHS Blackpool CCG (Lead Commissioner). This included representation from each county with the exception of Greater Manchester. The trust was represented by the director of finance, deputy director of finance, PTS head of service and the business and contracts manager. The workshop agreed outcomes that are intended to support PTS with regard to the challenges it faces.

The briefing was supported by a Standard Operating Procedure (SOP) provided by the trust describing how to optimise the use of PTS and was submitted to the Quality and Performance Committee in October 2019. The briefing supports the findings of the Deep Dive report and sets out the direction of travel with respect to the key areas of focus.

The briefings confirmed that Commissioners acknowledge the current KPIs for PTS are very stringent. The call handling KPI for example is set at 'within 20 seconds' whereas NHS111 is set at 'within 60 seconds'. Further, the current contract performance against KPIs is underperforming with Greater Manchester and Lancashire underperforming against more KPIs than other contract areas. There have been many years where some of these KPIs have not been reached and it is thought that some of these are too inflexible. Currently the 'arrival at appointment' doesn't include any scope for 'late' arrivals which in many cases would mean the KPI is reached if this was included.

Furthermore, CQUIN schemes were agreed at a NWAS level to include three schemes which are intended to support management of performance within PTS and the wider trust as follows:

- Winter preparedness;
- Public health benefits; and
- Future modelling (linked to the trust's Urgent and Emergency Care Strategy).

Commitment was given to the development of a regionally focussed improvement programme for reducing avoidable aborted journeys in acute hospitals, similar to the Every Minute Matters Programme, with support from PTS but with a clear focus on strategically important acute trusts' committing to improvement trajectories on aborted journeys.

System Efficiency – Managing Aborted Journeys

PTS has developed monthly hospital level reports that match each element of the agreed focus (abort reduction/transfer of unplanned activity to planned/use of online booking facility). These have been shared with each acute/group, local/lead commissioners, NHS Blackpool CCG and the Greater Manchester Combined Authority (GMCA). Reports have been used to identify local baselines and trajectories for improvement against aborted journeys, with examples given of potential efficiency benefits as ambulance lost hours are returned to support greater volume or more responsive discharge.

Engagement, to support analysis of information, sharing of good practice and learning alongside tracking of activities and improvement is embedded, supported through existing and new meeting arrangements within local governance structures.

PTS continue to work collaboratively with trusts and CCGs within the Lancashire and South Cumbria Network (STP) to manage aborted journey levels. University Hospitals Morecambe Bay (UHMB) developed a standard operating procedure (SOP) for transport that is used by all staff. This has reduced variation in practice and reduced aborted journey levels, improving already high levels of NWAS responsiveness against collection KPIs at a local level. This process has been shared with trusts across the North West as an example of good practice in line with Quality Improvement methodology and has been developed as a shared document for use across the STP. Patient communications have also been developed by the group for widespread distribution across the STP footprint.

Aborted journeys in the Unplanned Specification in Lancashire have improved from 15% of all unplanned activity in January 2019, to 13% in January 2020.

Aborted journeys in the Unplanned Specification for Cumbria have improved from 13% of all unplanned activity in January 2019, to 7% in January 2020.

North Mersey A&E Delivery Board have committed to managing aborted journeys as part of their priority workplan. PTS is engaged with Liverpool University Foundation Trust (Royal Liverpool and Aintree hospitals) in joint working against that plan. Hospital level reports are shared with Aintree, Royal Liverpool, Whiston and Southport to support improvement activities. Mid Mersey's Urgent Care Operational Group (UCOG) are working to coordinate a similar plan for that area.

Aborted journeys in the Unplanned Specification for Merseyside have improved from 21% of all unplanned activity in January 2019, to 14% in January 2020.

In Greater Manchester, Wythenshawe Hospital completed two tests of change that have reduced their overall aborted journey level against the same period last year. An

additional step in the cancellation of outpatient appointments asked if transport was booked and if so, was subsequently cancelled as well, reducing the number of outpatient aborted journeys in the month following the change. Additionally coordination in the use of own providers for specific short distance journeys reduced aborted discharge/transfer journeys.

Volunteer Car Drivers

During 2019/20, Volunteer Car Drivers undertook circa 230,000 PTS journeys covering over five million miles. Our volunteer drivers play an important role in transporting patients to and from their appointments and compliments received from service users highlight that our drivers offer a friendly and reassuring role to patients who greatly value this service.

Over the year, a number of changes have taken place in relation to the PTS volunteer car drivers. Regular volunteer car driver forums have now been formally established for all areas with driver representatives. As a result of these forums a number of changes have been made which have improved conditions for volunteers. These include;

- Heart start sessions have been held in conjunction with NWAS Community First Responders which provided training for volunteer car drivers in how to deal with an unconscious patient, how to give CPR when someone goes into cardiac arrest, use of defibrillators, Identifying a heart attack, choking and bleeding.
- Changes to the induction course have taken place to include sessions on environmental assessments, moving and handling, safeguarding and resuscitation.
- Mersey Tunnel fast tags have been provided to volunteers which negates the need for volunteers to pay up front each time they cross the Mersey Tunnel, whilst also reducing queueing time to pay at the booth.
- Volunteers can now access their patient journey information through an electronic portal which they can access at their own convenience. This system is also used for volunteers to submit their pick up and drop off information.
- High visibility jackets designed specifically for the volunteer car drivers have been provided to ensure safety whilst transporting patients when light is poor.
- A parking account has been set up on behalf of all drivers at a main acute hospital which means drivers no longer have to pay up front for parking charges.
- A volunteer survey has also been distributed to volunteers, from which an action plan will be developed to look into the issues raised.
- Volunteer reimbursement has been increased by 2p per mile – taking effect on 1 April 2020.
- A bulletin has also been produced to highlight some of the key developments for drivers. The first edition includes:

- Performance which exceeds 90% within 60 minutes prior to their appointment for routine patients and 86% within 45 minutes for renal dialysis and oncology patients.
- Information on the heart start courses
- Engagement information undertaken by the Assurance Department
- Volunteer nominations for the NWAS Star Awards
- Flu vaccination information
- Information on the Mental Health and Dementia Strategic plan.

NHS 111 Service

NWAS provides the NHS 111 service in the North West and a good start was made to the 2019/20 financial year, however due to contractual financial constraints, and the COVID-19 outbreak, performance against all of the national standards was not achieved.

This year, the NHS 111 service received more than 2.3 million calls and answered just under 1.7 million; compared to last year when NWAS 111 received just under two million calls, and answered 1.56 million.

The service performance standards for the past two financial years are shown by quarter in the table below:

Description	Target	Year	Q1	Q2	Q3	Q4	Total
Calls abandoned	**<5%**	2018/19	6.96%	9.25%	7.99%	5.8%	7.5%
		2019/20	**2.9%**	**6.59%**	**13.3%**	**21.57%**	**11.09%**
Calls answered in 60 seconds	**95%**	2018/19	74.51%	68.11%	73.43%	77.63%	73.42%
		2019/20	**86.74%**	**76.38%**	**66.9%**	**60.44%**	**72.62%**
Calls warm transferred	**75%**	2018/19	22.41%	24.15%	27.64%	36.03%	27.56%
		2019/20	**37.17%**	**37.36%**	**33.3%**	**21.62%**	**32.36%**
Call backs within 10 minutes	**75%**	2018/19	40.85%	40.31%	45.3%	52.51%	44.74%
		2019/20	**47.25%**	**28.12%**	**24.33%**	**16.36%**	**29.01%**

The performance table demonstrates when the service was performing well during Q4 2018/19 into Q1 2019/20, however during this time 111 incurred a significant budget overspend against the contract value.

2019/20 has seen numerous challenges for NWAS 111. The year commenced on a high with the removal of the Commissioner's Performance Notice, as the service had demonstrated improved and sustained performance in Q3 and Q4 of 2018/19. It became apparent that the performance improvement required continued call support from a sub-contract with Conduit; this though incurred additional expenditure above our contracted funding and was terminated.

During Q2 and Q3 there was much correspondence and representation with Commissioners identifying the underfunding of the 111 contract, which was further corroborated by an external review undertaken by Operational Research in Health Limited (ORH). The review identified a need for additional staffing in order to achieve the national performance KPIs. Collaboration between NWAS and the Commissioners to

develop an integrated urgent care specification commenced in Q2, however due to 999 contract negotiations and the onset of the COVID-19 was not finalised.

Q4 brought COVID-19 and the significant additional call demand to 111. On some days over 100% additional call volumes were being made to the service. Early in the outbreak the team made some process changes which enabled NWAS to manage calls clinically safely, however as the pandemic progressed significant recruitment was needed. 100 first year student paramedics were trained to take COVID-19 calls, while training has commenced and will run over the next six months for 136 more health advisors.

FINANCIAL REVIEW 2019/20

This section of the Annual Report outlines the financial performance of the trust for the financial year ended 31 March 2020 and the results outlined in this section relate to the full 12 month period of 1 April 2019 to 31 March 2020. A copy of the full statutory audited accounts is included in this Annual Report together with a glossary of terms to assist the reader in interpreting the accounts.

Financial Duties Review

NHS trusts have a number of financial duties.

Break Even – taking one financial year with another

NHS trusts have a statutory duty to break even taking one financial year with another and NWAS has continued to meet this duty in 2019/20. NHS trusts that merge part way through a financial year are not measured against year on year break even duty as the performance summary relates to the financial performance of predecessor bodies. For North West Ambulance Service NHS Trust, measurement against the break-even duty commenced from 1 April 2007. The cumulative performance against this target for 2019/20 is a surplus of £35.780m.

It should be noted that included within Operating Expenses in 2019/20 and 2018/19 are fixed asset impairments of £2.504m and £1.024m respectively. These impairments have arisen as a result of a downturn in land and building asset values and have been confirmed by an independent valuation. The Department of Health and Social Care considers financial performance against the break-even duty to be assessed net of impairments.

Break Even – each and every year

NHS trusts have a regulatory duty to break even in each and every financial year. In 2019/20 the trust returned a surplus of £2.982m (equivalent to 0.8% of turnover) and therefore achieved this regulatory duty.

External Financing Limit

NHS trusts have a regulatory duty not to exceed the External Financing Limit (EFL) set by the Department of Health and Social Care. The EFL is the method by which the Treasury, through the NHS Executive, controls public expenditure in NHS trusts. The majority of the cash spent by the trust is generated through its service level agreements for NHS patient care. The EFL determines how much more (or less) cash than it generates through income agreements can be spent in a single financial year.

Each year NHS trusts are allocated EFLs as part of NHS financial planning processes. The trust's EFL for 2019/20 was £13.316m. It should be noted that trusts are allowed to undershoot the EFL but not exceed it. NWAS achieved this duty with an under-shoot of £26.999m in 2019/20.

Capital Resourcing Limit

NHS trusts have a regulatory duty to contain capital expenditure on an accruals basis, within an approved Capital Resource Limit (CRL). The CRL is part of the resource accounting and budgeting arrangements in the NHS and its purpose is to ensure that the resources allocated by the Government for capital spending are used for capital rather than to support revenue budgets. The CRL is accruals based in contrast to the EFL which is cash based. The CRL controls the amount of capital expenditure that an NHS body may incur in the financial year.

The trust had a CRL of £16.903m for 2019/20 and had a charge against the CRL of £16.720m - an underspending of £0.183m and therefore achievement of the duty. Trusts are allowed to underspend against CRL but not overspend.

Capital Cost Absorption (CCA) Duty

NHS trusts have a duty to absorb the cost of capital at a rate of 3.5%. The financial regime of NHS Trusts recognises that there is a cost associated with the maintenance of the capital value of the organisation. The trust is required to absorb the cost of capital at a rate of 3.5% of average relevant net assets. This was achieved for 2019/20 and is the dividend paid on public dividend capital.

Apply the Better Payment Practice Code

This regulatory duty requires NHS trusts to pay all supplier invoices within 30 days. The trust achieved this duty in all categories in 2019/20 and performance is summarised below:

1 April 2019 – 31 March 2020	Performance
Non-NHS Creditors % paid within target - Numbers	96.74%
Non-NHS Creditors % paid within target - Value	97.64%
NHS Creditors % paid within target - Numbers	95.77%
NHS Creditors % paid within target - Value	95.63%

Overall performance by the trust against the Better Payment Practice Code has been consistently met since NWAS was established.

In summary, for the 2019/20 financial year the trust achieved all of the statutory and regulatory financial duties.

In 2019/20 the trust's income was £370.6m and was generated from the following activities:

Income from Activities	2019/20
	£m
PES Income	286.1
PTS Income	44.4
111	21.6
Other Income	18.5
Total Income	**370.6**

Financial Environment

Our financial performance for 2019/20 was a surplus of £2.871m and included £2.708m Provider Sustainability Fund (PSF) funding awarded to NWAS in the financial year. Without the non-recurrent PSF the trust's underlying year end performance was a £0.163m surplus.

For 2019/20, the financial year started with the trust agreeing with NHS Improvement to accept a Control Target for the year of breakeven which if achieved meant the trust would receive £2.708m in PSF.

The trust has remained on target throughout the financial year and has therefore earned the core PSF on a quarterly basis.

It should be noted that the PSF earned had to be used to show the equivalent improvement in financial performance in 2019/20, therefore, for NWAS, a surplus of at least £2.708m. The benefit to NWAS is that this increases the trust's cash position which can be used to fund capital investment in future years.

Our achievement of the financial duties continues the trust's track record of strong financial performance and demonstrates sound financial management. Achieving the duties has been challenging, particularly in the context of the current financial environment and pressure to deliver operational performance whilst maintaining service quality.

During 2019/20 we were required to deliver in-year efficiency savings with a total value of £9.808m which was fully delivered in year. We put in place a detailed cost improvement programme (CIP) which comprised a variety of schemes to deliver the savings target. Progress against the plan has been subject to regular review by a CIP Steering Group and is monitored throughout the year by the Resources Committee and the Board of Directors.

NWAS' cash balance remains strong and was £43.4m as at 31 March 2020. The trust holds its cash within the Government Banking Service (GBS).

Our financial focus continues to be about resilience and sustainability, and as such, the trust continued to operate under a block contract agreement for PES and 111 services. The 2019/20 PES contract was refreshed in March 2019 following a review of both demand and investment required to support a trajectory to improve the trust's performance against the national standards.

The 2019/20 capital programme for NWAS continued to invest significant capital resources to procure ambulance vehicles and equipment; enhance our digital infrastructure; investment in digital developments and to maintain and improve the quality of our estate.

The impact of the COVID-19 pandemic was felt by the trust at the very end of 2019/20 and additional costs were incurred at the end of the financial year in responding to COVID-19. In relation to the 2019/20 accounts this equated to £0.875m of additional expenditure with corresponding income from NHSE/I.

WORKFORCE

Delivering the trust's overarching aim of delivering the right care, in the right place, at the right time, every time, requires us to have sufficient, highly motivated, trained and supported staff. As a trust we are focused on developing roles, careers and supporting education and development to support the transformation set out in the trust strategy. Workforce is established as a key priority in the strategy, engaging and empowering our leaders and staff to develop, adapt and embrace new ways of delivering the right care.

Workforce Strategy

The trust's Workforce Strategy underpins the workforce priority set out above. It was first approved in 2018 and is reviewed annually to ensure that it remains focused on supporting the trust to deliver its people priorities. The review towards the end of 2019/20 made changes to reflect emerging external influences such as the GP contract reform and the national People Plan. New goals within the strategy were also reflected including planned work to develop just culture principles; the work supporting our Outstanding Culture project and the review of partnership arrangements.

The Strategy reflects three main themes: Develop, Engage and Empower and six overall key priorities:

- Recruitment and retention
- Developing potential
- Wellbeing
- Inclusion
- Leadership
- Innovation and Improvement

The key priorities are supported by a range of measures and key improvement goals, reflected in more detail in a three year implementation plan. Regular updates on progress are provided to the Resources Committee and good progress on all key improvement goals was demonstrated during 2019/20.

A full review of achievements in implementing the first year of the strategy was due to be undertaken along with the review of the implementation plan, however, due to the impact of COVID-19, this review has been delayed but will commence during Q1 of 2020/21.

Health and Wellbeing

The trust continues to develop the health and wellbeing offering to staff and there has been a particular focus on mental health support for staff and work to address bullying and harassment. This work has included:

- Expansion of the peer support networks within PTS, 111 and EOC.
- Across the organisation we currently have 100 blue light champions and 213 TRiM Assessors.
- Commencement of work to develop a mental health framework for staff throughout employee lifecycle.
- Launch of use of therapy dogs to support staff.
- Launch of a 'Rising to Resilience' video which featured staff members who were willing to share their mental health experiences to support staff recognising the importance of mental health awareness.
- Joint review of the Dignity and Work policy to improve accessibility.
- Launch of 'Is It Banter?' training to challenge acceptable language in the workplace.
- Development of the 'Treat Me Right' campaign – this was ready to launch in Q4 but has been delayed as a result of the COVID-19 pandemic.

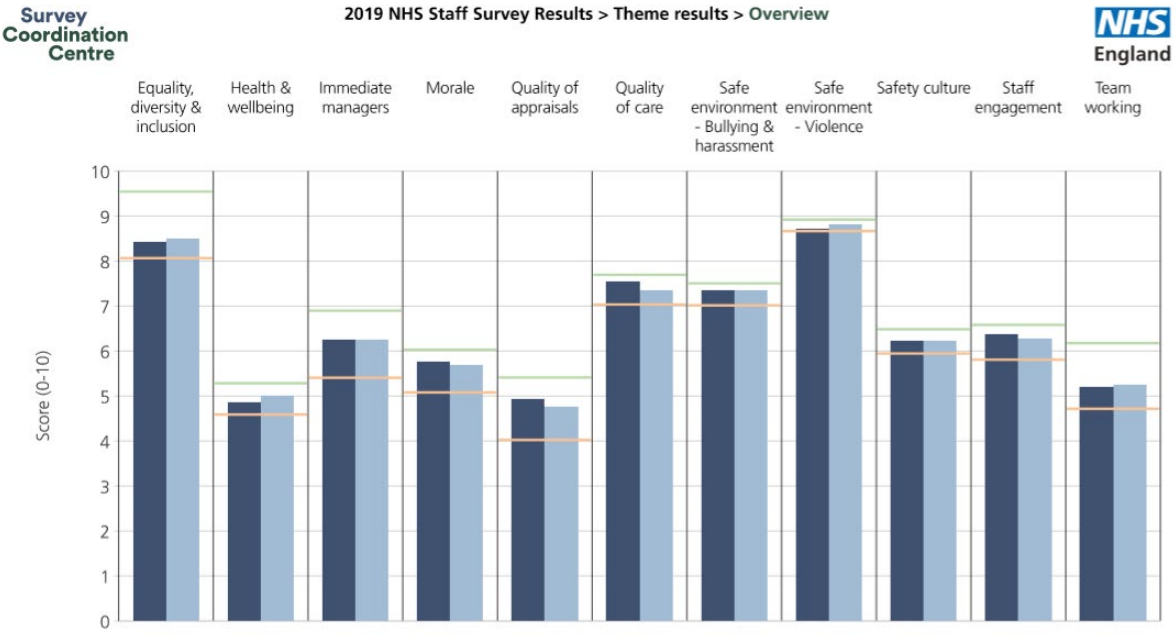
Flu vaccination campaign

The total number of staff vaccinated within the 2019/20 flu campaign was 4,187 Healthcare Workers (HCW) with direct patient contact and 411 who are not involved with direct patient contact. The vaccinations represent 67.3% of frontline staff receiving the flu vaccination which was the best campaign the trust has experienced to date.

WORKFORCE ENGAGEMENT

Staff Survey Result 2019

The NHS staff survey is carried out annually in the autumn. NWAS chooses to survey all its staff, rather than the minimum sample required, in order to obtain feedback on numerous key topics such as their job, health, wellbeing and safety, management, personal development and the organisation. The final response rate for the 2019 Staff Survey was 45% which is comparable with the same number of staff that responded last year. Engagement still remains a priority and both the response and results figures illustrate stability.



	Equality, diversity & inclusion	Health & wellbeing	Immediate managers	Morale	Quality of appraisals	Quality of care	Safe environment - Bullying & harassment	Safe environment - Violence	Safety culture	Staff engagement	Team working
Best	9.5	5.3	6.9	6.0	5.4	7.7	7.5	8.9	6.5	6.6	6.2
Your org	8.4	4.9	6.3	5.8	4.9	7.6	7.4	8.7	6.2	6.4	5.2
Average	8.5	5.0	6.3	5.7	4.8	7.4	7.4	8.8	6.2	6.3	5.3
Worst	8.1	4.6	5.4	5.1	4.0	7.0	7.0	8.7	5.9	5.8	4.7
Responses	2,688	2,707	2,708	2,653	2,291	2,447	2,674	2,671	2,672	2,750	2,718

The responses have been analysed and used to inform the review of the workforce strategy and to set regional improvement goals. In addition, the results are broken down to area and service line level and are used to inform local goals. The work undertaken by local management teams in 2019/20 could in many cases be correlated to improved results in the 2019 survey.

Partnership Working

The trust continues to work in partnership with four recognised trade unions, which are GMB, Unison, Unite and RCN. The trust meets every month with staff side representatives through the Trust Policy Group to discuss the development and revision of workforce policies and procedures. Trade union also attend Health and Wellbeing meetings and are also heavily involved in Health and Safety groups. Each service line has its consultative mechanism which focuses on staff and patient experience and the management of change.

During 2019/20, the trust commissioned ACAS to assist in reviewing the partnership agreement and arrangements with the trade unions. The aim of the review is to build constructive inter-TU relationships and management, agree a set of behavioural standards and ways of working, including informal dispute resolution process, in readiness for review of the partnership agreement and working together on future challenges.

The ACAS review was due to be completed by March 2020 however, due to the impact of COVID-19, this has not been possible. By March 2020, 50% of the work has been undertaken and completion is scheduled for end of Q2.

EQUALITY, DIVERSITY AND INCLUSION

Inclusion is a key priority in the Workforce Strategy. The trust also uses the Equality Delivery System (EDS) to assess and measure progress against a range of patient and workforce related equality indicators. The trust completed its three year assessment cycle in March 2020 and also reviewed its published equality objectives. Progress against the EDS was assessed by both internal and external stakeholders with positive progress being demonstrated against a number of goals.

Positive progress was also seen against three of the four equality objectives. Measurable improvements were seen in BAME staff representation and the level of representation of women in operational management and leadership positions. In relation to improvements of staff experiencing bullying, harassment and violence, the national staff survey results show a clear improvement in the position over the last four years. Furthermore, the objective to appropriately manage patients presenting with dementia showed considerable progress and innovation in support of patients.

The trust was also pleased to have been able to demonstrate good progress in delivering improvements in its Workforce Race Equality Standard position (WRES) where seven out of the nine metrics either improved or remained in a positive position demonstrating equality of experience.

Other key areas of work over the last year include:

- NWAS published the Workforce Disability Equality Standard metrics and accompanying action plan during summer 2019.
- The Organisational Development Directorate was shortlisted for the award of Equality and Inclusion within the Public Sector by Personnel Today in November 2019.
- Two NWAS staff have been accepted onto the RECAP programme in Greater Manchester, to explore race equality within the workplace.
- The NWAS LGBT Network successfully launched the Rainbow Badge Scheme in February 2020.
- The Paramedic Pre-Degree Experience Programme entered its third year and the trust has worked with DWP and other community partners to promote a range of roles available, as well as recruit to the pre-employment programmes and apprenticeships.
- The Armed Forces Network continues to develop and has been recognised externally through being shortlisted for a Health Services Journal Award for supporting reservists.
- Completion of the first cohort of the Empowering Women programme December 2019
- Continuing to develop the Race and Disability forums to ensure a continuing strong voice is heard from our staff.

RESOURCING

During 2019/20 the trust's recruitment plan had two distinct facets; to deliver the growth impact of the agreed contracts and secondly to reflect the ORH recommendation to implement improvements in paramedic skill mix. The agreed target for 2019/20 was to increase the paramedic skill mix from an April 2019 position of 58.5% to 61% and this was met by March 2020. Alongside the plan to increase frontline resources, there has been a focus on closing the vacancy gap within 111 and PTS.

The trust started the year with a 5.29% over establishment of paramedics and to reach the paramedic skill mix and the workforce growth the trust had a target to recruit 183 paramedics. The trust has recruited 132 paramedics from the North West Universities as well as 87 paramedics from outside of the North West from either other ambulance services or graduates from universities outside of the North West. The trust commenced 181 paramedics pre-Christmas, with 38 paramedics commencing during Q4. In addition the trust has 68 internal progression staff who have progressed to an NQP paramedic during Q3.

For EOC, the plans for this year have also included the trust's first EMD apprentice course. During 2019/20 the trust recruited 87 EMDs and eight EMD apprentices and this has enabled the EOC to reach a position of being over established. This has provided

the capacity to support winter pressures and help to maintain establishment until the end of the financial year taking account of anticipated turnover.

The PTS workforce plan for 2019/20 has focused on recruiting to meet establishment levels.

The trust has continued to feel the effects of the national shortage of nurses and this has impacted on the ability to close the vacancy gap for clinicians operating in 111. Work has continued to seek to attract nurses to these roles and we have seen a slight improvement in the vacancy gap. Within our Clinical Hub we have recruited to mental health practitioner vacancies and have successfully closed the gap of specialist practitioner vacancies.

The following table summarises the numbers of frontline staff recruited during 2019/20:

Staff group	Numbers recruited
UCS/EMT1/Apprentice EMT1	
External	79
Internal Progression	32
Bank	32
Paramedics	
External	206
Internal progression	90
Bank	31
PTS	
Permanent	82
Bank	50
EOC	
Permanent	144
Internal Progression	10
Bank	26
111	
Permanent	153
Bank	19

COVID-19 resourcing response

To support the trust's resources levels during the response to COVID-19 there has been a comprehensive recruitment campaign focussing on:

- Recruiting ex-NWAS staff to front line EMT, paramedic and senior operational management positions on bank contracts
- Recruiting 303 student paramedics to work within 111, EOC and as urgent care assistants
- Utilising support offered nationally for nursing, medical and AHP support from existing practitioners and returners to practice
- Upskilling 155 PTS staff and 12 UCS staff to support the paramedic emergency service

WORKFORCE DEVELOPMENT

Apprenticeships

During 2019/20 NWAS had more than 400 apprentices in a variety of roles including emergency medical technicians (EMT1), fleet, learning and development and IT. Over 150 apprentices EMT1s have now undertaken their end point assessment and have now qualified. In November 2019, the first cohort commenced on the Emergency Services Contact Handler apprenticeship.

In November 2019, the trust received its first full inspection from OFSTED looking at the internal apprenticeship. The trust received a 'GOOD' rating with two areas of outstanding practice in personal development and attitudes and behaviours. The inspection team were particularly complimentary about how proud, passionate and committed staff are at NWAS when speaking about their roles.

NWAS' delivery of internal apprenticeship programmes has been impacted by COVID-19 and with End Point Assessment (EPAs) planned for March 2020 having to be cancelled due to social distancing rules, and further EPAs being cancelled due to lockdown measures.

Widening Participation

The Widening Participation work continues to support equality of access to employment opportunities for disengaged/disadvantaged groups. During 2019/20 NWAS has actively supported the following:

- Placements for 29 healthcare cadets.
- Working with Job Centre Plus, 27 long term unemployed completed pre-employment programmes in our Patient Transport Service (PTS) and Emergency Operations Centre (EOC), with 15 individuals offered employment across these two services, three in other roles across NWAS and two secured jobs elsewhere.
- Bespoke work experience opportunities for learners within areas such as IT and corporate environments.
- Placements for 23 pharmacy students.
- Eight young people supported to obtain vital work exposure within the Fleet Mechanic environment to gain sector specific skills and knowledge, whilst working towards their Level 2 Vehicle Maintenance qualification.
- Retained the Fair Train Gold award. Fair Train's Work Experience Quality Standard is a national accreditation which recognises those organisations offering high quality work experience opportunities to their learners, and managing risk effectively. It also acts as a framework for development to help organisations to plan, run and evaluate high quality work experience programmes.

Clinical Staff Development

In 2019/20, the trust continued to offer staff access to further modules of study (non-mandatory) with over 400 staff applying to undertake degree and master modules.

Supporting Staff Progression

The trust continues to provide programmes to support the career development of staff:

- In January/February 2020, 165 existing EMT1 staff have commenced on a Higher Education programme in Paramedic practice and will qualify as paramedics in 2020/21.

- The EMT1 bridging programme has proven a successful vehicle whereby staff gain the qualification which will support their aspirations to develop and become paramedics. 249 EMT1s are currently on this programme.

Ambulance Improvement Programme – Paramedic Upskilling

The NHS England and NHS Improvement Joint Ambulance Improvement Programme Board set out the requirements of a paramedic upskilling plan to be developed and delivered over the two years from 1 April 2018 to 31 March 2020. For 2019/20, the programme included the following;

- Mentorship
- End of Life Care
- Dementia

The targets set for 2019/20 were met as follows:

	Measure	Target	Actual
30 September 2019	Training planned	100%	100%
	Training completed	80%	91%
31 March 2020	Training completed	100%	

For the end of February 2020, the completion rate was 95%.

Due to the COVID-19 pandemic, all mandatory training was cancelled, impacting on the completion of this programme.

Appraisal compliance

Appraisal compliance rates have remained stable around 84% for 2019/20 with rates rising to 87% for February 2020. The impact of the COVID-19 saw a reduction in appraisal compliance, however for the end of March 2020, appraisal compliance was at 85%.

Mandatory Training

The trust has moved to using the national Skills for Health mandatory training modules. This means that the mandatory training completed is nationally recognised and transferable within the NHS and it provides assurance that content is effectively mapped to the national requirements.

For PES and PTS the mandatory training cycle runs from January to December each year. In previous years, the trust has shown classroom training against a trajectory building up from zero to 95% completion at the end of the year. 96% of PES staff and 98% of PTS staff completed their classroom training in 2019.

For contact centres and corporate staff, the mandatory training cycle runs from April to March each year. 94% of EOC staff and 85% of 111 staff completed their mandatory training in 2019/20. 111 activity was impacted significantly by COVID-19 demand through February and March 2020 affecting their overall compliance rates.

The 2020 mandatory training programmes for PES and PTS commenced in January 2020, but were paused in March 2020 due to COVID-19 resource utilisation planning.

The 2020/21 mandatory training programmes for contact centre and corporate staff were due to commence in April 2020, the start of these has however been deferred due to COVID-19 related activity.

PERFORMANCE ANALYSIS (Optional to omit)

In response to COVID 19, changes to the Annual Reporting requirement have been made and this section became ‘optional to omit’.

The Accountability Report

The Trust's Accountability Report has been prepared to meet key accountability requirements to Parliament and is based on matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2013 No 1981.

Daren Mochrie QAM, MBA, Dip IMC RCSEd, MCPara **Date: 17 June 2020**
Chief Executive

Corporate Governance Report

Directors Report

Membership of the Board of Directors for the reporting period was:

Peter White Chairman	Daren Mochrie Chief Executive (from 1 April 2019)
Richard Groome Non-Executive Director	Michael Forrest Deputy Chief Executive
Michael O'Connor Non-Executive Director and Senior Independent Director	Carolyn Wood Director of Finance (From 1 April 2019)
David Rawsthorn Non-Executive Director	Ged Blezard Director of Operations
David Hanley Non-Executive Director (from 28 May 2019)	Dr Chris Grant Medical Director (from 1 July 2019)
Alison Chambers Non-Executive Director (from 1 August 2019)	Salman Desai Director of Strategy and Planning
Clare Wade Associate Non-Executive Director (from 1 June 2019)	Maxine Power Director of Quality, Innovation and Improvement
Prof Roderick Thomson Association Non-Executive Director (from 1 September 2019)	Angela Wetton Director of Corporate Affairs
Dr Maria Ahmed Non-Executive Director (left 31 July 2019)	Lisa Ward Interim Director of Organisational Development

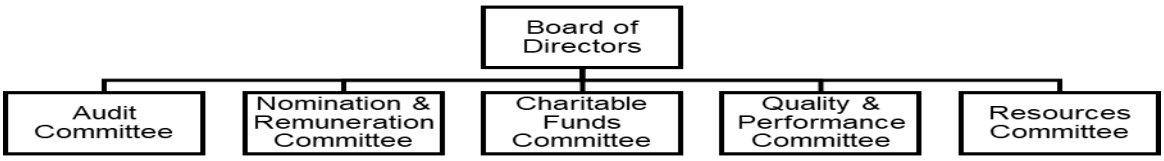
Attendance of Board of Directors Meetings and Committees during 2019/20:

Board Member	Term of Appointment	Board of Directors	Audit Committee	Nominations & Remuneration Committee	Charitable Funds Committee	Quality Committee	Performance Committee	Quality & Performance Committee	Workforce Committee	Finance, Investment and Planning Committee	Resources Committee
				Attendance (actual/max)							
		Non-Executive Directors									
Peter White (Chairman)	1/2/19 – 1/2/23	8/9		8/8					1/1		
Michael O'Connor	1/04/20 – 31/03/21	8/9	4/4	3/8						1/1	4/5
Richard Groome	06/08/19 – 05/08/21	6/9	2/2	6/8	1/1	1/2		7/8	1/1		2/5
David Rawsthorn	25/3/19 – 24/03/21	9/9	5/5	8/8	1/1	2/2				1/1	5/5
Maria Ahmed	1/4/18 – 31/3/20 Resigned 31/7/19	1/4		0/1		2/2		1/2			
David Hanley	28/5/19 – 27/5/21	7/7	1/3	6/8	1/1			8/8			
Alison Chambers	1/8/19 – 31/7/21	5/5		4/6				6/6			
Rod Thomson	1/9/19 – 31/8/21	5/5	2/2	5/6				6/6			
Clare Wade	1/6/19 – 31/5.21	4/5		3/6							5/5
		Executive Directors									
Daren Mochrie	Commenced 1/4/19	9/9									
Michael Forrest		8/9						5/8			
Ged Blezard		9/9			1/1	2/2		5/6	1/1	1/1	2/5
Chris Grant	Commenced 1/7/19	9/9				2/2		7/8			
Salman Desai		8/9			1/1	1/2		6/8		1/1	3/5
Angela Wetton		7/9			1/1						
Maxine Power		6/9				2/2		7/8		1/1	3/5
Lisa Ward		9/9			1/1				1/1	1/1	5/5
Carolyn Wood	Commenced 1/4/19	9/9			1/1	2/2		6/8	1/1	1/1	4/5

Committees

A number of assurance committees reported to the Board of Directors during April and May 2019 these committees were as follows:

In May 2019, the Board of Directors approved a revised Committee structure following review of the governance arrangements by the Chief Executive and Chairman. The rationale for the revised Committee structure was to 1) create efficiencies relating to the preparation of reports, 2) the time spent by Executive Directors and Non-Executive Directors attending meetings and 3) to strengthen the triangulation of issues by merging elements together. In addition, the Board moved from monthly Board meetings to bi-monthly and the revised Committee structure is as follows:



The Terms of Reference for the Audit Committee are based on the model terms of reference incorporated in the HFMA Audit Committee Handbook. The Committee completed its annual self-assessment during March 2020, all responses were collated by Mersey Internal Audit Agency (MIAA) in readiness for the annual self-assessment session scheduled for 20 March 2020 however due to COVID-19 was cancelled. The outcomes were reported to the Audit Committee on 22nd May 2020. The self-assessment was based on the HFMA Audit Committee handbook which provides two checklists to aid facilitation of the self-assessment. The first is designed to test the committee processes and the second to test its effectiveness.

Members of the Audit Committee during 2019/20 were David Rawsthorn (Chair), Richard Groome, David Hanley, Michael O'Connor and Roderick Thomson. The Chair of the Committee has the relevant financial experience. The Chair of the Audit Committee presented the Annual Report of the Audit Committee to the Board of Directors on 17 June 2020 to provide a summary of the activities undertaken by the Committee and how the Terms of Reference and key priorities were met during 2019/20. The Trust's External Audit service is provided by KPMG LLP (UK) and the cost for audit of the 2019/20 financial statements was £64,937. KPMG have not provided the Trust with any non-audit services during the reporting period. KPMG also audit the Trust's Charitable Fund and the fee is £3,700.

Following the tender of external audit services and recommendation by the Auditor Panel, the Board agreed to appoint Mazars LLP as the Trust's auditors from 1 April 2020.

In October 2019, the Audit Committee received an update relating to the trust's compliance with the FT Code. The FT Code is based on the UK Code of Governance to reflect latest and best practice application of good corporate governance and provides a tried and tested framework for the leadership and direction of board led organisations in the UK. Whilst the trust is not a foundation trust, it takes full account of the NHS Foundation Trust Code of Governance published by Monitor (now NHS Improvement) for trust boards. A summary of the trust's corporate governance arrangements against the FT Code was provided to the committee for assurance and the trust was able to declare compliance with all relevant clauses with the exception of three clauses (A.1.10; D.1.4 and D.2.2).

Each committee has formal terms of reference which are approved by the Board of Directors and set out the powers and functions of the committees. These terms of reference are subject to annual review by the relevant committee with outcomes subsequently reported to the board of directors for approval. This annual review process incorporates a review of committee effectiveness which includes; an assessment of how functions have been discharged during the reporting period, evaluation of committee member attendance and identification of any committee development needs.

Register of Interests

The trust maintains a Register of Interest for the Board of Directors and is subject to bi-monthly review by the board. Where details of company directorships have been declared and where those companies are likely to do business or are possibly seeking to do business with the NHS, Board members declare their interest and withdraw from any decision-making process. During 2019/20, there were no identified breaches in respect of any declarations made by the Board of Directors.

As far as the executive directors are aware, there is no information relevant to the auditors for the purposes of their audit report. The executive directors have taken all of the steps they ought to have taken to ensure they are aware of any relevant audit information and to establish that the auditors are aware of that information.

The board considers that its non-executive directors are independent in character and judgement insofar as:

- No non-executive director has a third party business relationship with the trust
- No non-executive director has an income from the trust other than remuneration for their non-executive position
- No non-executive director financially relies on the income earned in their role or is either a supplier or customer of the trust

- No non-executive director has a personal connection to any senior trust managers, and,
- No non-executive director has been on the board for more than nine years.

The Board of Directors Register of Interest is available to view here.

Fit and Proper Persons Requirements: Directors and Non-Executive Directors

In line with the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014, the trust is required to ensure that all individuals appointed to or holding the role of executive director (or equivalent) or non-executive director meet the requirements of the Fit and Proper Persons Test (Regulation 5).

In July 2019, the board of directors received the Chairman's Annual Declaration confirming that all existing executive and non-executive directors met the requirements of Fit and Proper Persons Test which was informed by:

- Pre-employment checks for all new appointments undertaken in line with the NHS Employment Standards and including the following:
  - Proof of identity
  - Disclosure and Barring Service check undertaken at a level relevant for the post
  - Occupational Health clearance
  - Evidence of the right to work in the UK
  - Proof of qualifications, where appropriate
  - Checks with relevant regulators, where appropriate
  - Appropriate references, covering at least the last three years of employment, including details of gaps in service.
- Additional checks for all directors on the following appropriate registers:
  - Disqualified directors
  - Bankruptcy and insolvency
- Confirmation from the chair of appointment panels of compliance with the checks process
- A review of checks by NHSI in circumstances of the reappointment of non-executive directors to ensure that they remain 'fit and proper'
- Assessment of the Ongoing Independence of Non-Executive Directors carried out by the director of corporate affairs
- Annual and on-going declarations of interest for all board members
- Annual Fit and Proper Persons Test self-declarations completed by all executive and non-executive directors.
- If there have been any individual concerns raised regarding directors during the previous year, the outcome of any investigations is reviewed to provide continuing assurance that directors remain 'fit and proper'.
- Audit outcomes of the Fit and Proper Persons process and record keeping, which in July 2019 confirmed high assurance.
- The retention of checks data on personal files

Information Governance

Data is a vital asset, both in terms of the clinical management of individual patients and the efficient management of services and resources. It plays a key part in clinical governance, service planning and performance management. Information governance (IG) and data protection is concerned with the way NHS organisations handle information about patients/clients and employees, in particular personal and special category information.

Data protection gives organisations and individuals assurance that personal information is dealt with legally, securely, efficiently and effectively in order to deliver the best possible care. The programme of work associated with IG in 2019/20 has been progressed through the trust's Information Management Group and from assertions set out in Data Security and Protection Toolkit. The trust appointed an interim data protection officer in July 2019 to ensure mandatory compliance with GDPR.

Due to the current pandemic caused by COVID-19, the final submission deadline for the Data Security and Protection Toolkit (DSPT) was moved from 31 March 2020 to 30 September 2020. There are 116 mandatory assertions listed in the 2019/20 DSPT which is an increase from the 100 set out in 2018/19. The trust has completed 115 of those assertions, which is a substantial increase to the 72 assertions that was submitted in 2018/19. The assertion which the trust has not met is the training assertion 95% of staff have to complete data and security awareness training. The training assertion is challenging for a lot of organisations to achieve. In March, the trust reported 76% of staff completion of the data security and awareness training. The trust has agreed to submit the DSPT once the improvement plan for the final assertion, 3.2 Staff completion of annual data and security awareness training, has been agreed.

The trust received "Substantial Assurance" from Mersey Internal Audit Agency for the mandatory audit on the sample of assertions within the DSPT.

The trust uses the Datix Incident Report Form to capture data breaches reported by all levels of staff. During 2019/20 a total of 172 breaches were reported. Of these, nine were externally reported on the DSPT. Seven of these breaches were reported as a complaint to the data protection officer. All externally reported breaches met the criteria for notification to the Information Commissioners Office (ICO). One of these met the criteria for Department of Health and Social Care and NHS England notification.

The data protection officer also received five complaints from data subjects and the ICO regarding the trust process for handling subject access requests. Three of the recorded complaints are closed and two are still ongoing. The breaches reported to the ICO required full root cause analysis investigations by investigating officers of the trust.

During January 2019, a consensual audit was carried out by the ICO, the final audit report was received in March 2019 with 27 recommendations. Of these the trust accepted 18 recommendations and was given a “reasonable” assurance rating.

The follow up audit was carried out in November 2019 to provide the ICO with a level of assurance that the agreed recommendations were appropriately implemented to mitigate the identified risks. It was recorded that the trust responded to these recommendations positively, agreeing to formally document procedures and implement further compliance measures.

To summarise; out of the 27 recommendation 18 were accepted by the trust and 17 were rated as high priority, of these nine recommendations have been completed, four have not started and four are in progress. In these instances, there remains the residual risk of non-compliance with data protection legislation.

The main improvements include the Data Protection and Security Policy has been updated to include direct links to privacy notices, the Clinical Records Policy and links to several procedures and to where they can be found on the intranet.

The Data Security Training Presentation was reviewed and now includes the rights of individuals including the right to make a subject access request and how staff is able to recognise a request.

A Removable Media Policy has been published and disseminated to staff via the Cyber Information Bulletin on the intranet.

The trust workbook completion rates has increased within PES and PTS programmes and a process has been implemented to gain assurance that volunteer drivers are completing their induction training as required.

It was noted that there are still some main risks outstanding such as a permanent information security manager is still to be recruited and a training needs analysis is required for volunteer staff and first responders. Since the audit has been completed the privacy notice has been updated to include information about how to submit a request and what identification would be required.

The ICO audit concluded that; “The trust has made meaningful progress to complete most of the actions agreed in the original audit.” And the ICO “recognise that meaningful progress is being made to mitigate the risk of non-compliance.”

Modern Slavery Act 2015 – Transparency in Supply Chains

The Modern Slavery Bill was introduced into Parliament on 10 June 2014 and passed into UK law on 26 March 2015. The Modern Slavery Act is an Act to make provision about slavery, servitude and forced or compulsory labour and about human trafficking, including the provision for the protection of victims.

A person commits an offence if:

- The person holds another person in slavery or servitude and the circumstances are such that the person knows or ought to know that the other person is held in slavery or servitude
- The person requires another person to perform forced or compulsory labour and the circumstance are such that the person knows or ought to know that the other person is being required to perform forced or compulsory labour

Larger organisations must publicly report steps they have taken to ensure their operations and supply chains are trafficking and slavery free.

This disclosure duty, contained in the Modern Slavery Act 2015, applies to companies and partnerships supplying goods or services (wherever incorporated or formed) with global turnovers of £36 million and above, providing they carry on business in the UK.

The trust has previously produced a Modern Slavery statutory statement for:

- Year ending March 2017;
- Year ending March 2018; and
- Year ending March 2019.

Organisational Structure

North West Ambulance Service NHS Trust serves an approximate population of 7 million covering an area of 5,500 square miles and employs over 6,300 staff. The trust receives 1.1 million emergency calls per year, which is 16% of the national (999) activity. To meet this demand the Trust has three emergency control centres and approximately 700 emergency vehicles.

The trust also provides urgent care and patient transport services across the region and manages the NHS non-emergency helpline, 111, regionally.

The trust has an overall annual budget of around £340 million.

The trust is fully aware of the responsibilities it bears towards patients, employees and the local community and as such, has a strict set of ethical values that we use as guidance with regard to our commercial activities. We therefore expect that all suppliers to the Trust adhere to the same ethical principles.

The trust has a non-pay budget of £92m of which over £80m per annum is spent on goods and services. Over 80% of the £80m is spent with the trust's top 250 suppliers.

Our Supply Chain

It is important to ensure that suppliers to the trust have in place robust systems to ensure that their own staff, and organisations within their own supply chain are fully compliant with the requirements of the Modern Slavery Act 2015.

In compliance with the consolidation of offences relating to trafficking and slavery within the Modern Slavery Act 2015, the trust continues to monitor its supply chains with a view to confirming that such behaviour is not taking place.

The following actions in terms of Modern Slavery and Code of Conduct have been embedded within procurement processes:-

- The trust has developed a Modern Slavery Statement and a Supplier Code of Conduct.
- NHS Procurement Template Documents – ensure that Modern Slavery is considered in procurement exercises.
- NHS Terms and Conditions – requires suppliers to comply with all relevant Law and Guidance and to use Good Industry Practice to ensure that there is no slavery or human trafficking in its supply chains.
- All current trust suppliers have been contacted to provide evidence of compliance with the Act and have been issued with the “Supplier Code of Conduct”. In addition, suppliers have been made aware of how to inform the trust if they become aware of any breaches to the act within their own supply chain. The same process has been adopted for new suppliers.
- When we write to new suppliers for information to enable them to be set up on our systems, we ask them for certain information and this has been expanded to cover a Modern Slavery Declaration.
- We have a Modern Slavery section in our “Procurement Manual” which is an internal guidance document that’s should raise awareness for all staff.
- The senior procurement team has completed the “Ethical Procurement and Supply Certificate” that is a recognised qualification of the Chartered Institute of Procurement and Supply.

Safeguarding

- The Safeguarding Vulnerable Persons Policy was reviewed in May 2019 and makes reference to modern slavery.
- The Safeguarding Team have added Modern Day Slavery to the level 3 training and the induction training for the trust.
- The safeguarding crib sheets has a modern day slavery tick box option for staff who are raising concerns if they feel that the patient is a victim of modern day slavery.
- It has been made very clear to staff during training that modern day slavery is a crime and so if a patient is at risk of MDS or is believed to be a victim then the police should be contacted.

Recruitment

The trust has a robust recruitment policy and follows all the NHS Employment checks standards including right to work and identity checks. The checks standards are rigorously applied to all prospective employees and bank workers, whether in paid or unpaid employment. Agency staff are sourced through agencies listed on the Procurement Framework.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ending 31 March 2020.

External Compliance

The trust's functions are organised to ensure effective compliance with the external requirements placed upon it by bodies such as the Department of Health and Social Care, the Care Quality Commission, NHS England and NHS Improvement (NHSE/I) and NHS Resolution. The trust aims to comply with, and meet, all statutory, legislative and regulatory requirements placed upon it as an employer, an ambulance service and an NHS trust. These include:

- National targets for ambulance response times
- Statutory and regulatory financial duties
- Care Quality Commission registration requirements
- NHS Model Employer standards
- Civil Contingencies Act 2004
- NHS Constitution

Statement of the chief executive's responsibilities as the accountable officer of the North West Ambulance Service NHS Trust

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

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance
- value for money is achieved from the resources available to the trust
- the expenditure and income of the trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them
- effective and sound financial management systems are in place and
- annual statutory accounts are prepared in a format directed by the Secretary of State to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, other items of comprehensive income and cash flows for the year.

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

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

Signed.....D J Mochin.....Chief Executive

Date.....17th June 20

Statement of directors' responsibilities in respect of the accounts

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

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

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

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

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

By order of the Board

17th JUNE 20.....Date.....D J Mochin.....Chief Executive

17 JUNE '20.....Date.....Chappell.....Finance Director

Annual Governance Statement

Scope of responsibility

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of North West Ambulance Service NHS Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in North West Ambulance Service NHS 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 Trust. The Director of Corporate Affairs is designated as the Executive Lead for risk management 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, supported by the Senior Risk and Assurance Manager.

The Board of Directors receive a quarterly risk management report containing the Board Assurance Framework (BAF) and the Corporate Risk Register (CRR), both of which are subject to monthly scrutiny at the Executive Management Team meetings. Additionally the strategic risks on the Board Assurance Framework are mapped to an appropriate Non-Executive Director-chaired Board Committee, and are reviewed at every meeting of the Committee.

Executive Directors of the Trust have the responsibility for oversight of risk management within their own Directorates. The directorate and service risk registers are scrutinised by the Senior Management Teams at their meetings.

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 dynamic and 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 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.

Risk management is incorporated in the Trust's induction and statutory and mandatory training programme. During 2019/20 a dedicated training course for investigating officers was delivered to improve the standard of investigations.

Over the past four years several Board Development sessions on risk management; risk appetite and Board Assurance Frameworks have been held with the Board and during 2019/20, a further two sessions were held, one in July 2019 which focused on Assurance Frameworks; Strategic Risk v Operational Risk and Risk Appetite Statements and the most recent session was held in February 2020 and focused on the 2020/21 Strategic Risks for the Trust and revisited Risk Appetite Statements. These sessions provide the Board with an additional opportunity to discuss and debate the strategic risks, controls and assurances prior to the approval of the document.

The Risk Management Strategy, policies and procedures and responsibilities are on the Trust's intranet site, available to all staff.

The Corporate Affairs and Quality Directorates have 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 – both corporate and clinical.

All adverse events are recorded and investigated by the Trust utilising the Datix system.

Those of a serious nature are considered and signed off via the Review of Serious Events Group (ROSE), chaired by the Medical Director. The outcomes of such incidents inform future training plans, policies and wider learning for the Trust.

The 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 Trust endeavours to establish a positive risk culture within the organisation, where unsafe practice (clinical, financial, etc.) is not tolerated and 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 Trust therefore has a comprehensive Risk Management Strategy and Policy. The 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 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 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 the Board agreed that it will not accept risks that materially provide a negative impact on patient safety; however, the Board had a greater appetite to pursue innovation and challenge current working practices and reputational risk in terms of its willingness to take opportunities where positive gains can be anticipated, within the constraints of the regulatory environment.

The Risk Management Policy describes how risks are identified, recorded and managed via the electronic Datix system and how they are quantified, using a standard risk scoring matrix. This allows standardisation of risk assessment across the Trust, utilising a common currency. The policy also requires action plans to be determined and implemented for those risks that are inadequately controlled.

The risk and control framework

Board Assurance Framework

The arrangements in place to manage the organisation's risk include the Trust's Board Assurance Framework (BAF). The BAF provides the Trust with a method for effective management of the principal strategic risks to meeting its corporate goals or objectives and links to the Trust's mission, vision and strategic aims. It provides a structure for evidence to support the Annual Governance Statement and as a result, simplifies Board reporting and the prioritisation of action plans.

The Board Assurance Framework includes the following key elements:

- Strategic objectives of the 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 risks which link to the main strategic risk, including scores;
- Risks to achieving the goals;
- Key controls in place to manage the risks;
- Assurances from the key controls;
- Evidence of the controls and assurance;
- Any gaps in control;
- Any gaps in assurance; and
- Plans to address gaps in control and assurances.

The Executive Management Team promotes effective risk management and leadership whilst overseeing and monitoring the Board Assurance Framework.

The Board Assurance Framework is approved by the Board at the beginning of the financial year and managed through delegation to its Committees.

The Board reviewed the Board Assurance Framework on a quarterly basis throughout the year and as always the plan was to approve final version at the end of the year in March 2019, however, due to the initial impact of Covid-19, there was a slight delay and the final position whilst agreed at the Executive Leadership Committee in April 2020, was not approved until the Board Meeting held on 27 May 2020.

Quality Governance is overseen via the Trust's Quality & Performance Committee which monitors the delivery of the Trust's Quality Strategy (Right Care Strategy) and compliance with CQC and other regulatory requirements. The Quality & Performance Committee has been supported by the Executive-led Clinical Effectiveness Management Group, Safety Management Group and Review of Serious Events meeting.

Risk Management is embedded within the organisation in a number of ways. All departments within Directorates maintain up-to-date risk registers via the Datix System and risk is a key agenda item on all meeting agendas. Risks are escalated via departmental and directorate risk registers to the Corporate Risk Register in line with the Risk Management Policy and Escalation Framework.

Any business cases must include a full risk assessment and Equality Impact Assessment prior to formal approval.

All efficiency schemes have processes in place to identify and mitigate risks to quality. The Cost Improvement Steering Group was chaired by the Chief Executive Officer and provides additional focus, leadership and assurance on the identification and safe delivery of cost improvements / transformational schemes.

Management and operational structures are in place to manage the risks that the Trust faces. All of 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. At the end of 2019/20 the Board Committees completed reviews of their effectiveness and the exercises concluded that whilst the Board Committees are fulfilling their duties, there are areas for development which will require change to terms of reference or working practices which will be implemented during 2020/21 to further strengthen the Board and Committee functions. These changes will include ensuring the committees carry out regular 'deep dives' into key areas of risk during the year, driven by gaps in assurance highlighted on the Board Assurance Framework and a drive for improved quality of assurance reports.

During 2019/20 the Trust followed up the committee effectiveness review recommendations from 2018/19 and merged the Quality and Performance committees and the Finance, Investment & Planning and Workforce Committees which became known as the Resources Committee. These changes were made to allow more effective triangulation and consideration of information and also increase the scrutiny of Workforce plans.

There were three Committees of the Board that oversaw risk management (both clinical and non-clinical) and these were:

- 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 & Performance Committee;
- Resources Committee

All of the Committees were chaired by a Non-Executive Director of the Trust.

Clinical Risk is monitored via the Trust's Clinical Effectiveness Management Group and Quality & Performance Committee.

Clinical risk, whilst being everyone's responsibility, is managed on a day-to-day basis by operational staff and monitored by the Quality Directorate. Clinical risk is reported through the Patient Safety Management System, Datix, 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. In the former, the evidence base is largely taken from papers published in the UK and for the latter the evidence base is the Joint Royal Colleges Ambulance Liaison Committee's latest Clinical Guidelines.

The Quality & Performance Committee is authorised by the Board to provide assurance on all aspects of quality, safety and operational performance relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients. Reporting into the Quality & Performance Committee are three management groups : Safety Management Group; Clinical Effectiveness Management Group and the Non-Clinical Learning Forum.

The Audit Committee reviewed the establishment and maintenance of an effective system of governance, risk management and internal control, across the whole of the organisation's activities. This included activities that were both clinical and non-clinical.

Strategic Risks 2019/20

The Trust identified nine strategic risks (i.e. those risks identified on the Board Assurance Framework) aligned to the Strategic Goals during 2019/20. The Board Assurance Framework and Annual planning cycle processes have recorded, following proactive management and continuous review, robust control measures that ensure these risks are mitigated to an acceptable level by the Trust. The following list denotes the Strategic Risks identified in the year that have been mitigated:

1. If we do not meet and maintain the expected level of quality and safety standards, this may impact on the Trust's compliance with regulatory requirements
2. If the Trust does not maintain efficient financial control systems then financial performance will not be sustained and efficiencies will not be achieved leading to failure to achieve its strategic objective
3. If the Trust does not deliver the Urgent & Emergency Care Strategy and national performance standards, then patient care could be compromised resulting in reputational damage to the Trust. If the Trust is not fully engaged with the wider health sector then the delivery of national agendas could be impacted.
4. If the Workforce Strategy is not delivered, then the Trust may not have sufficient skilled, committed and engaged staff and leaders to deliver its strategic objectives
5. If the Trust does not deliver the benefits of the Estates Strategy then the Trust will not maximise its estate to support operational performance leading to failure to create efficiencies and achieves its strategic objectives
6. If the Trust does not establish effective partnerships within the regional health economy and integrated care systems then it may be able to influence the future development of local services leading to unintended consequences on the sustainability of the Trust and its ability to deliver Urgent and Emergency Care
7. If the Trust does not maintain and improve its digital systems through implementation of the digital strategy, it may fail to deliver secure IT systems and digital transformation leading to reputational risk or missed opportunity
8. If the Board experiences significant leadership changes it may not provide sufficient strategic focus and leadership to support delivery of its vision and Corporate Strategy
9. If the UK Government leaves the EU without a deal then availability of key medicines, equipment and resources may be challenged resulting in inflated costs, disruption to supplies and loss of workforce. The 'no deal' withdrawal may impact on our ability to share, process and access data

During Q4 a new risk appeared around the Covid-19 Pandemic and was deemed sufficiently serious enough to be escalated onto the BAF:

- If the COVID-19 pandemic continues for an extended period, then the Trust will be unable to deliver its strategic objectives during 2020/21

Future Strategic Risks 2020/21

The key risks for the Trust as it moves into the new financial year remain focused around the quality of patient care and safety; financial sustainability and transformation of services to meet the needs of patients and operational performance. However, all of these risks are now in the context of the ongoing situation with the Covid-19 pandemic and the changes currently in place until at least the end of Q1. The following list denotes the risks identified for 2020/21:

1. If we do not deliver appropriate safe, effective and patient-centred care, this may impact on the Trusts' compliance with regulatory requirements for quality and safety
2. If we do not have effective financial management, this may impact on the Trusts' financial position

3. If we do not meet national and local operational performance standards through transition to an integrated service model within the funding envelope, this may impact on providing timely patient care
4. If we do not have sufficient staff and do not engage, empower and support our workforce to develop, adapt and embrace new ways of developing right care, this may impact on the delivery of the Trusts' objectives
5. If we do not review our estate and fleet to reflect the needs of the future service model and commit to reduce emission, this may impact on the Trusts' infrastructure and achieving environmental efficiencies
6. If we do not build and strengthen stakeholder relationships across systems, localities and neighbourhoods, this may impact on the Trusts' ability to achieve our vision to be the best ambulance service in the UK
7. If we do not improve and maintain our digital systems, this may impact on the delivery of secure IT systems and digital transformation
8. If we do not develop skills, capabilities and capacity to explore business opportunities for current and new contracts, services or products, this may impact on the Trusts' ability to complete and gain business and commercial opportunities that will generate income and protect our core services
9. If the organisation experiences further change at Board level during 2020/21, this may impact on relationships and ability to deliver the Trusts' strategic objectives
10. If the organisation does not establish and maintain effective relationships with internal and external stakeholders, this may impact on perception of the Trust and our ability to be the best ambulance service in the UK
11. If the COVID-19 pandemic continues for an extended period, then the Trust will be unable to deliver its strategic objectives during 2020/21

The governance framework of the organisation

Whilst the Trust is not obliged to comply with the FT Code of Governance, the Trust Board constantly reviews its governance arrangements to ensure alignment where applicable. The Board recognises its accountabilities and provides leadership within a framework of prudent and effective controls which enables risk to be assessed and managed throughout the organisation.

The Board sets the strategic aims for the organisation and ensures that resources are in place to meet its objectives. It receives reports at each meeting held in public on the principal strategic risks through a combination of risk management reports and/or Chairs' Assurance Reports from the Board sub-committees.

The Trust Board currently meets at least six times per annum and currently consists of:

- the Chairman plus 5 other Non-Executive Directors, including a Senior Independent Director
- the Chief Executive Officer and 4 other voting Executive Directors
- 3 non-voting Directors
- 2 non-voting Associate Non-Executive Directors

The Board of Directors has three key roles:

1. Formulating strategy for the organisation.
2. Ensuring accountability by: holding the organisation to account for the delivery of the strategy; by being accountable for ensuring the organisation operates effectively and with openness, transparency and candour and by seeking assurance that systems of control are robust and reliable.
3. Shaping a healthy culture for the board and the organisation

Quality is a central element of all Board meetings. The Integrated Performance Report, which continues to be developed, is aligned to the Single Oversight Framework with focus on key quality indicators.

Either a Staff or Patient story is used to open each meeting of the Board, to ensure that the focus on quality of patient care remains at the heart of all Board activity and decision making.

At each Board Meeting, the Board reviews reportable events which includes near misses, serious case reviews, claims and coroners' inquests. The Quality Committee also reviews these matters in more detail on a monthly basis, along with complaints and concerns, and learning is disseminated via the trust learning Forums which are held both locally in areas and also at a corporate level for both clinical and non-clinical issues. During the year no nationally defined 'Never Events' have occurred as a result of Trust care or services.

The Executive management team via the Executive Leadership Committee meets weekly and is accountable for the operational management of the Trust. The primary functions of the Executive management team include management of organisational governance; investment and disinvestment; performance delivery; horizon scanning; strategy and policy development, interpretation and implementation, and stakeholder and partner engagement.

Arrangements are in place through Board and committee review to confirm that the Trust discharges its statutory functions. The Trust is satisfied that it has been compliant with these functions during 2019/20.

Attendance levels at Board and Committee meetings throughout 2019/20 are detailed on page 40 of the Annual Report.

Whilst NHS trusts are exempt from the requirement to apply for and hold the licence, directions from the Secretary of State require NHSI to ensure that NHS trusts comply with conditions equivalent to the licence as it deems appropriate. This includes giving directions to an NHS trust where necessary to ensure compliance. In accordance with this the Trust is required to submit to NHSI a Corporate Governance Statement by and on behalf of the Board of Directors confirming compliance with FT4 (8) Condition of the Provider Licence as at the date of the statement and anticipated compliance with this Condition for the next financial year, specifying any risks to compliance with this Condition in the next financial year and any actions it proposes to take to manage such risks. The Statement was drafted and approved by the Board of Directors at its meeting on 29th May 2019 and published on the Trust's website within the prescribed timescales. The statement from the Board evidenced the current arrangements in place to mitigate the risks to compliance and concluded that there were no material risks. As mentioned elsewhere in this Annual Governance Statement

the effectiveness of the committees is reviewed at least annually and the trust's performance is considered at each Board Meeting with presentation of the Integrated Performance Report based upon the Single Oversight Framework.

Workforce

The Trust has an approved Workforce Strategy in place and a supporting three year implementation plan reinforced by a set of clear measures. Progress against implementation of the strategy is monitored on behalf of the Board of Directors through the Resources Committee with any key projects also overseen by the Corporate Programme Board. The Workforce Strategy is aligned with the overall Trust Strategy and also reflects the requirements of core delivery strategies such as the Right Care Strategy and the Urgent and Emergency Care Strategy. The Strategy is reviewed annually in order to ensure that it remains fit for purpose and to incorporate any key changes in the internal or external environment which have emerged over the previous year. This took place in March 2020 and the strategy was adjusted to incorporate the national People Plan developments, the emerging impact of the GP contract reform and internal drivers such as work around just culture.

The Trust's approach to workforce planning and deployment fully considers the best practice set out in Developing Workforce Safeguards, providing appropriate governance and monitoring at the strategic, tactical and operational levels. The Trust takes a robust approach to the development, management and oversight of its workforce plans. Each year the workforce element of the operational plan is submitted and approved at Trust Board and the plans are reviewed regularly by the Trust Board, Resources Committee and Executive Leadership Committee (ELC). Senior management teams receive monthly reports on workforce data through the integrated performance report, which demonstrates the position against planned establishment and more detailed assurance against the workforce and recruitment plans are received and challenged at Quality & Performance and Resources Committees. Ad hoc reports are also provided on specific risks associated with the workforce plan to EMT and Committees. The Resources Committee also receives an in depth analysis of workforce issues on at least an annual basis, which includes integrated analysis of resource usage and deployment in the context of performance and quality.

At a tactical level, agreed plans are actively monitored with service lines and Finance on a monthly basis so that developing trends can be identified and addressed. The planning process is dynamic and plans are reviewed monthly to allow the opportunity to discuss emerging issues that may impact on the plans and allow for flex to accommodate changes. The anticipated turnover rate is mapped throughout the plans to allow a forward view over the next twelve months to enable services lines to visualise the anticipated workforce position. These detailed one year plans sit within the context of a five year plan focused on ensuring appropriate Paramedic supply and which has informed regular engagement with HEE and HEI partners.

Operationally levels of deployment against plan are monitored on an hour by hour basis with overall reporting at ELC and Committee level. Managers work within the context of financial boundaries and governance processes, especially regarding the appropriate use of agency within the delegated ceiling and agency framework.

The Trust utilises the Model Ambulance dashboard metrics to gain an overview of clinical and non-clinical workforce composition including staff numbers, pay costs, skills mix ratios, and productivity in terms of clinical output. This in turn supports the Trusts to identify potential opportunities to improve efficiencies and productivity.

The risk framework is used effectively at the strategic, tactical and operational level to identify and manage workforce related risks. Strategic level risks during 2019/20 have reflected nursing vacancies in 111 and risks to Paramedic supply arising from GP contact reform. These have been mitigated and monitored closely at ELC, Committee and Board.

The Trust has successfully focused on a reduction in agency use over 2019/20 through improved workforce planning with a focus on prioritising alternative options above using agency staff. The Trust has previously utilised agency to support nursing roles within the 111 and Clinical Hub contact centres, as well as to support call taking across our call centres. Work over the past 12 months has seen a reduction in agency usage and the development of flexible working options such as home working and bank arrangements to reduce agency usage. This can be evidenced through the increased utilisation of bank working arrangements and overtime and is reflected in the fact that the trust's agency usage accounts for just 1% of all staffing costs.

The Trust has particularly focused in 2019/20 on delivering safe staffing within the Paramedic Emergency Service. This has combined the delivery of workforce growth arising from the Operational Research in Health (ORH) recommendations and subsequent contract settlement and also the development and delivery of a three year plan to improve paramedic skill mix. This has had to sit within the context of challenges to the Paramedic supply line arising from GP contract reform and the move from Paramedic to degree which impacts on available supply in 2020/21. Supply has been improved through longer term strategic plans to develop and support internal development routes to Paramedic, to increase external supply, to develop partnerships and to actively recruit. Risks and plans have been closely monitored through Resources and Quality and Performance Committees. Targets for 2019/20 staffing were delivered.

The Trust has continued to review the effectiveness of deployment at a tactical and operational level and has worked effectively with partners and staff to deliver a wholesale rota change. This was focused on balancing the demands of the services with staff worklife balance to deliver both more effective rosters but also to improve staff retention. The project has had an established governance structure to monitor progress and ensure the delivery of the project to time.

The Trust has developed new roles to support the improved utilisation of resources to improve the response to patients and reduce conveyance. These include the continued development of the use of clinicians in the EOC to support patient safety through clinical call and demand management and the development of a framework for rotational working into primary care. New roles have also been developed within the EOC to support the management of Healthcare Professional Calls; this development has supported the development and introduction of the call handler apprenticeship into EOC. This aims to address retention issues within the EOC, improvement the quality of call handling and provides a foundation for the long term strategic development of integrated call taking across

EOC and 111. These developments are implemented with clinical and strategic oversight to ensure that risks are managed and intended outcomes delivered safely and effectively.

The Trust is mindful that changes in workforce models and skills mix require a robust assessment of risk and quality to provide assurance that these changes within the workforce do not adversely impact on patient care. The Trust's Chief Nurse takes a role in assessing the impact of the workforce changes and how to ensure that our nursing staff have the appropriate educational support and development.

The Trust is proactive in its response to unplanned workforce challenges. In response to GP contract reform changes and the risks to paramedic supply the Trust has instigated a project aimed at developing a rotational working model. There has been extensive engagement with system partners, PCNs and Health Education England with the aim of developing a system based model which can mitigate risk. Within the nursing workforce, there have been challenges to attracting and retaining staff to work within our 111 contact centres. The Trust has continued to develop our response to this to increase attraction and improve retention. The Chief Nurse has also held events for existing nurses aimed at understanding their career aspirations and the needs of workforce.

The trust is fully compliant with the registration requirements of the Care Quality Commission. Ongoing compliance is monitored through the Quality & Performance Committee.

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

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.

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

The trust has undertaken risk assessments and has a sustainable green plan in place which takes account of UK Climate Projections 2018 (UKCP18).

The trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

Covid-19

During the latter part of Q4 2019/20 and into Q1 of 2020/21, the Trust was cognisant of national guidance issued around a variety of issues relating to the pandemic that was sweeping the country, including guidance on 'reducing the burden'.

Under leadership of the Chief Executive a command and control incident management structure was rapidly established in line with the organisation's role as a Category 1 Emergency Responder.

The Board of Directors remained agile and immediately moved to virtual meetings to allow appropriately swift decision making where required. By remaining agile, the Trust did not have cause to enact Emergency Powers as defined in the Board Standing Orders – all matters that are reserved to Board remained within the Board of Directors decision making.

The Quality & Performance Committee remained in place and continued to meet on a monthly basis throughout and alongside regular business also looked for assurance around the impact of any changes made to services as a result of Covid-19. The Safety Management Group and the Clinical Effectiveness Management Group also continued to function.

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

The Trust secures the economy, efficiency and effective use of resources through a variety of ways including:

- A well-established policy framework including Standing Orders, Standing Financial Instructions and Scheme of Delegation
- Established commissioning and planning processes
- An organisational structure which ensures accountability and challenge
- Effective Corporate functions supporting the planning and management of resources
- Detailed financial reporting to the Resources Committee including year–end forecasting and progress on the cost improvement programme

The Trust invests significant time in improving systems and controls to deliver a more embedded range of monitoring and control processes. The in-year use of resources is closely monitored by the Board of Directors and the following Board Committees:

- Audit Committee
- Nomination and Remuneration Committee
- Resources Committee
- Quality and Performance Committee

Day to day management of resources is monitored through the Executive Leadership Committee (ELC) meetings. ELC takes the lead in planning, delivery and taking actions for recovery to bring variances back to plan when needed. ELC throughout the year regularly reviews performance against clinical, performance, workforce and financial indicators.

The Trust employs a number of approaches to ensure best value for money (VFM) in delivering its services. Benchmarking is used to provide assurance and to inform and guide service redesign. This leads to improvements in the quality of services and patient experience as well as financial performance.

Our commitment to value for money and the effective use of resources has been strengthened in the year by the effective and focused use of the Trust's internal audit service and the Internal Audit Plan set in 2019/20. Through this process the Trust has gained an

independent and objective assurance to Audit Committee and the Board that the Trust's risk management, governance and internal control processes are operating effectively.

The Trust has a dedicated, qualified Local Counter Fraud Specialist (LCFS) supported as required by other LCFSs.

It should be noted that the Trust implemented additional expenditure monitoring and control measures in the latter part of 2019/20, to ensure financial control was maintained in response to the Covid19 pandemic.

NHS Improvement's Single Oversight Framework provides a framework for overseeing providers and one of the aspects is Finance and Use of Resources. There are 5 aspects and scoring is measured from '1' to '4', where '1' reflects the strongest performance. These scores are then weighted to give an overall Finance and Use of Resources score. During the 2019/20 reporting period the Trust achieved the highest attainable score of '1', see table below.

Financial Risk Rating Area	Metric	2019/20 Score
Financial sustainability	Capital Service Capacity	1
	Liquidity	1
Financial efficiency	I & E Margin	1
Financial controls	Distance from financial plan	1
	Agency Expenditure	1
Overall Scoring		**1**

Information governance

The programme of work associated with information governance during 2019/20 has been reported through the Trust's Information Management Group and onwards to the Resources Committee.

As per the 'reducing the burden' guidance from NHSEI during the current Covid-19 pandemic, the final submission date of the Data Security and Protection Toolkit has been moved from 31st March 2020 to the 30th September 2020 by NHS Digital.

The Trust's final self-assessment score for the Data Security and Protection Toolkit was 115 out of 116 completed mandatory assertions. The assertion which the Trust did not meet is the training assertion - 95% of staff have to complete data and security awareness training. The training assertion is challenging for a lot organisations to achieve. In March the Trust reported 76% of staff completion of the data security and awareness training.

For the year 19/20 the Trust has improved from 72/100 for the previous year to 115/116. The Trust has recruited an external consultant for Information Security and one of their areas of focus was monitoring the ICT assertions in the Toolkit .The Information Governance

Manager and the Information Security Consultant have been working together to ensure the mandatory standards are completed.

The Trust has received "Substantial Assurance" from Mersey Internal Audit for the mandatory audit on the sample of assertions within the Toolkit.

During 2019/20 a total of one hundred and seventy two (172) data breaches were reported via the Datix Incident Report Form. Of these, nine (9) were externally reported via the Data Security and Protection Toolkit Incident Reporting Tool. All of these breaches met the criteria for notification to the Information Commissioners Office (ICO) and one (1) met the criteria for Department of Health and Social Care and NHS England notification. Seven (7) of the reported data breaches were also received as a complaint by the Data Protection Officer. The Data Protection Officer also received five (5) complaints from data subjects and the ICO regarding the Trust process for handling subject access requests, three (3) of the recorded complaints are closed and two (2) remain ongoing.

The breaches reported to the ICO required full root cause analysis investigations by investigating officers of the Trust.

Annual Quality Account

The directors are required under the Health Act 2009 and the National Health Service (Quality Accounts) Regulations 2010 (as amended) to prepare Quality Accounts for each financial year.

The Trust's Quality Account for 2019/20 reports on key indicators of quality relating to patient safety, clinical effectiveness and patient experience. Once national guidance on the production of the Quality Accounts is received, the Trust's Quality and Performance Committee agree a plan for its production and approval.

The approval process includes a review by the Clinical Effectiveness Management Group, Executive Leadership Committee and the Quality and Performance Committee before presentation to the Board of Directors, for final approval.

The Trust's agreed plan to progress the Quality Account for 2019/20 ensures that appropriate stakeholder engagement takes place, that it presents a balanced view and that checks and balances are in place and have been carried out to ensure data accuracy.

During the year senior managers of the Trust have also engaged in a number of meetings with individual CCG governing bodies; Local Authority Scrutiny Committees and Healthwatch colleagues to allow for opportunities to consider performance, quality and safety issues, in greater depth.

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 trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the information provided in this annual report and other performance information available to me. My review is also informed by comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee; the Quality & Performance Committee and the Resources Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is informed in a number of ways:

- The Head of Internal Audit provides me with an independent 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.
- Executive Directors and senior managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance.
- The Board Assurance Framework itself provides me with evidence that the effectiveness of controls that manage the key risks to the organisation achieving its strategic objectives have been reviewed.
- The outcome of the developmental well-led review carried out by Deloitte during Q3 2019/20 did not identify any major or significant issues with the governance of the organisation. Recommendations for continued improvement have been formulated into a short action plan and although some items have been paused during the initial stages of the Covid-19 pandemic, there is nothing of significance.
- The outcome of the CQC inspection during Q2 of 2018/19 and the overall rating of 'Good' including the Well-Led rating of 'Good'. An inspection was carried out during Q4 of 2019/20, however, the official outcome has not yet been published, however, initial reports do not suggest any areas of significant concern around internal controls.

My review is also informed by:

- The NHS Data Security and Protection Toolkit
- Assessment against the NHS Counter Fraud Authority Standards for Providers
- Peer reviews within the ambulance service sector
- Internal Audit reports
- Clinical Audit findings
- External audit reports
- External consultancy reports on key aspects of Trust governance

The Trust Board seeks assurance that risk management systems and processes are identifying and managing risks to the organisation appropriately through the following:

- At least annually; a review of the effectiveness of the Trust's system of internal control

- The Trust Board ensures that the review covers all material controls, including financial, clinical, operational and compliance controls, and risk management systems
- A two yearly review of the Risk Management Policy
- A quarterly presentation of the Board Assurance Framework at Board meetings
- Monthly integrated performance reporting at Board Meetings outlining achievement against key performance, safety and quality and finance indicators
- Assurance reports at each meeting, providing information on progress against compliance with National Standards
- Assurance from internal and external audit reports that the Trust's risk management systems are being implemented

The follow-up of internal audit recommendations are regularly monitored by the Executive Leadership Committee, Internal Audit and the Audit Committee. The Trust has a comprehensive risk-based internal audit plan in place and this programme was delivered in full during 2019/20. The outcomes of the 2019/20 internal audit programme, reported via the Head of Internal Audit Opinion, which overall gave the Trust substantial assurance - there is a good system of internal control designed to meet the organisation's objectives, and that controls are generally being applied consistently. During the year the following audit assurance outcomes were reported:

- 3 audits were assessed as High Assurance
- 5 audits were assessed as Substantial Assurance
- 1 audit was assessed as Moderate Assurance
- 3 audits were assessed as Limited Assurance, and;
- 0 audits were assessed as No Assurance

The Trust's internal auditors have also supported the organisation in strengthening arrangements in respect of risk management and internal control. The 2019/20 Internal Audit programme of audit work has provided assurance across the organisation's critical business systems, namely Financial Systems, IM&T, Performance, Quality, Workforce, Governance and Risk and Legality. Recommendations made have resulted in actions taken to further strengthen systems and control in year.

There has been effective utilisation of internal audit in respect of advice and guidance relating to the Trust's system and processes. There have also been flexibility and changes to the audit plan to reflect emerging risks and issues in 2019/20 where required which has added value. The provision of briefings, involvement through Mersey Internal Audit Agency learning events and information provided related to benchmarking and outcome reporting have also supported the organisation in strengthening arrangements.

During 2019/20, the Trust Clinical Audit department participated as provider of information to the national clinical audits and these are as follows:

- National Ambulance Clinical Quality Indicators, a national audit of the care of the patients who were assessed by ambulance clinicians as:
    - Suffering a pre-hospital cardiac arrest
    - Suffering a pre-hospital heart attack

    - Suffering a stroke
    - Suffering from sepsis
- Trauma Audit and Research Network (TARN) a national audit of the care of patients suffering acute trauma.
- Myocardial Ischaemia National Audit Project (MINAP) a national audit of the care of patients suffering a heart attack
- Out of Hospital Cardiac Arrest Outcomes Audit, a national audit as a result of an observational study sponsored by the University of Sheffield.
- Stroke Sentinel Stroke National Audit Programme, a national audit to improve the quality of stroke care by auditing stroke services against evidence based standards.

It should be noted participation in all clinical audit programmes was suspended during the COVID19 crisis with the resulting effect for the National Ambulance Clinical Quality Indicators: last data point published for 2019/20 is November 2019 (submitted March 2020).

Conclusion

Following my review and taking into account the contents of this report and the evidenced assurance seen at the Board Assurance Committees I confirm that no significant internal control issues have been identified.

Signed.....
Chief Executive

Date: 17 June 2020

Remuneration Report

The North West Ambulance Service NHS Trust has established a Nominations and Remuneration Committee that advises the Board of Directors with regard to the appropriate remuneration and terms of service of the Chief Executive and other Executive Directors including:

- All aspects of salary
- Provision of other benefits
- Arrangements for termination of employment and other contractual terms.

The members of the Committee are the Chair and Non- Executive Directors. The Chief Executive, other Directors and any other officers in attendance are not present for discussions about their own remuneration and terms of service.

Policy on Remuneration

The determination of salaries for senior managers for 2019/20 onwards is informed by national guidelines regarding Very Senior Managers pay which cover the Chief Executive, Executive Director and the majority of Director posts and where appropriate are approved by NHS England/Improvement. The remuneration for two director positions is determined using national job evaluation processes and Agenda for Change terms and conditions of employment.

Contracts of Employment

The Executive Management Team are employed on full time contracts. It should be noted that until 31 December 2019 the Medical Director was on a part time contract of 34 hours per week until increasing to full time from 1 January 2020. The period of notice required for these posts is six months.

Termination payments are governed by guidelines set by HM Treasury that allow for compensation to be paid in relation to the notice period given, together with any statutory redundancy settlement, if applicable. Any exceptions to this require the prior approval of NHS Improvement and the Treasury.

Performance Related Pay

The broad arrangements for annual salary uplifts and the performance bonus scheme are specified in The Pay Framework for Very Senior Managers in Strategic and Special Health Authorities, Primary Care Trusts and Ambulance Trusts (June 2013) and in the subsequent Guidance on pay for Very Senior Managers in NHS Trusts and Foundation Trusts (February 2017).
The nationally agreed salary uplift was applied to the salaries of Directors in 2019/20 subject to the qualifying criteria laid out by NHSI. This was a consolidated increase of 1.32% along with a non-consolidated lump sum payment of 0.77% paid in March 2020.

There is the option to apply a performance bonus to the top 25% of Directors based on comparative performance and this can be a maximum of 5% of salary paid on a non-consolidated basis for one year. The award can only be paid to Directors rated as Outstanding or Exceeding Expectations. The application of these arrangements locally are determined by the Nominations and Remuneration Committee, which has responsibility for determining the pay of the Chief Executive and Directors on VSM contracts, working within the terms of the VSM pay framework. Evaluation of performance is based on SMART objectives which are incorporated in the performance plans of Directors subject to the VSM pay framework. Performance in delivering these objectives at the year-end is reviewed via individual performance review meetings but would be signed off ultimately on a collective basis by the Nominations and Remuneration Committee.

The remuneration paid to senior managers during 2019/20 would include performance related pay for the previous year. It was agreed that an award of 3% should applied to two Executive Directors based on their performance during 2018/19.

Details of senior managers' remuneration and pensions are shown in the following tables.

Salaries and Allowances 2019/2020 (subject to audit)

Table 1: Single Total Figure Table

Name	Title	FROM 1ST APRIL 2019 TO 31ST MARCH 2020						FROM 1ST APRIL 2018 TO 31ST MARCH 2019					
		Salary (bands of £5,000) £000	Expense Payments (taxable) to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000	Salary (bands of £5000) £	Expense Payments (taxable) to nearest £100 £	Performance pay and bonuses (bands of £5,000) £000	Long term performance pay and bonuses (bands of £5,000) £000	All pension-related benefits (bands of £2,500) £000	TOTAL (bands of £5,000) £000
Peter White	Chair (from 1st April 2019), previously Non-Executive Director	35 - 40	0				35 - 40	10-15					10-15
Executive Directors													
Daren Mochrie	Chief Executive (from 1st April 2019)	185 - 190	5,900			25 - 27.5	215 - 220						
Michael Forrest	Deputy Chief Executive	135 - 140	11,500				145 - 150	135-140	10,400			0	145-150
Gerard Blezard	Director of Operations	105 - 110	4,300			15 - 17.5	125 - 130	105 - 110	5,100			0 - 2.5	110 - 115
Maxine Power	Director of Quality, Improvement and Innovation	110 - 115	10,600			15 - 17.5	135 - 140	110 - 115	9,200			12.5 - 15	130 - 135
Angela Wetton	Director of Corporate Affairs	90 - 95	9,800				100 - 105	85 - 90	8,900			0	95 - 100
Salman Desai	Director Strategy and Planning	120 - 125	4,500			12.5 - 15	135 - 140	110 - 115	4,800			50 - 52.5	165 - 170
Lisa Ward	Interim Director of Organisational Development (started 1/7/18)	95 - 100	5,100			12.5 - 15	115 - 120	70 - 75	4,600			67.5 - 70	145 - 150
Chris Grant	Medical Director (from 1st July 2019)	95 - 100	1,100			12.5 - 15	105 - 110						
Carolyn Wood	Director of Finance (from 1st April 2019)	120 - 125	0			15 - 17.5	135 - 140						
Non-Executive Directors													
Michael O'Connor	Non-Executive Director	5 - 10	0				5 - 10	5 - 10					5 - 10
Dr David Hanley	Non-Executive Director (from 28/5/19)	5 - 10	0				5 - 10						
Richard Groome	Non-Executive Director	5 - 10	0				5 - 10	0 - 5					0 - 5
Clare Wade	Associate Non-Executive Director (from 01/06/2019)	5 - 10	0				5 - 10						
David Rawsthorn	Non-Executive Director	5 - 10	0				5 - 10						
Prof Alison Chambers	Non-Executive Director (from 01/08/2019)	5 - 10	0				5 - 10						
Prof Rod Thomson	Associate Non-Executive Director (from 01/09/2019)	5 - 10	0				5 - 10						
Maria Ahmed	Non-Executive Director (till 31/07/2019)	0 - 5	0				0 - 5	0 - 5					0 - 5

Table 2: Pension Benefits (subject to audit)

Name	Title	Real increase in pension at pension age	Real increase in pension lump sum at pension age	Total accrued pension at pension age at 31 March 2020	Lump sum at pension age related to accrued pension at 31 March 2020	Cash Equivalent Transfer Value at 1 April 2020	Real Increase/ (Decrease) in Cash Equivalent Transfer Value	Cash Equivalent Transfer Value at 31 March 2019	Employers Contribution to Stakeholder Pension
		(bands of £2,500)	(bands of £2,500)	(bands of £5,000)	(bands of £5,000)				
		£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000
Daren Mochrie	Chief Executive (from 1st April 2019)	7.5 - 10	15 - 17.5	75 - 80	180 - 185	1,342	173	1,141	27
Gerard Blezard	Director of Operations	0 - 2.5	0	45 - 50	110 - 115	954	47	887	16
Maxine Power	Director of Quality, Improvement and Innovation	0 - 2.5	0	30 - 35	65 - 70	623	27	582	16
Salman Desai	Director Strategy and Planning	0 - 2.5	0	25 - 30	60 - 65	475	25	439	13
Lisa Ward	Interim Director of Organisational Development (started 1/7/18)	0 - 2.5	0 - 2.5	25 - 30	50 - 55	459	45	404	14
Chris Grant	Medical Director (from 1st July 2019)	7.5 - 10	7.5 - 10	50 - 55	65 - 70	702	125	564	14
Carolyn Wood	Director of Finance (from 1st April 2019)	2.5 - 5	2.5 - 5	35 - 40	85 - 90	678	66	598	16

Notes to accompany remuneration tables:

Auditable Content
Salaries and Allowances 2019/20
Pension Benefits
Staff Numbers and Costs
Exit Packages

Pay Multiples

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 / member in North West Ambulance Service NHS Trust in the financial year 2019-20 was £186k (2018-19, £144k). This was 6.11 times (2018-19, 4.80 times) the median remuneration of the workforce, which was £30.4k (2018-19, £29.9).

The movement during 2019/20 is due to the appointment of a substantive Chief Executive from 1 April 2020. During 2018/19, the position was filled by an interim Chief Executive.

The range of staff remuneration during 2019/20 was £15,000 - £20,000 to £185,000 - £190,000 (2018/19 £15,000 - £20,000 to £135,000- £140,000).

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

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

Real Increase in CETV – This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for Loss of Office

There were no such payments made during 2019/20.

Payments to Past Directors

There were no such payments made during 2019/20.

Staff Report

Executive Directors

During the year the Trust had seven Director positions for which VSM salaries are payable. One of these individuals were internal interim appointments to cover the Director of Organisational Development post.

For further details please see the Remuneration Report table.

Non-Executive Directors

During the year the Trust had the following Non-Executive Directors in place:

- Five Non-Executive Directors on Non-Executive pay bands
- Two Associate Non-Executive Directors on Non-Executive pay bands
- Chair of the Trust Board on Chair Pay band

Whilst Non-Executive Directors and the Trust Board Chairman are senior Managers of the organisation, they are not Trust staff and their terms and conditions are determined by NHSE/I. During 2019/20, one Non-Executive Director resigned from the Trust, two Non-Executive Directors were appointed by NHSE/I and two Non-Executive Directors had their terms renewed by NHSE/I. The Associate Non-Executive Directors are recruited by the Trust for a period of two years.

During 2019/20, NHS England and NHS Improvement introduced a pay restructure for Non-Executive Directors and Chairs with a staged increase between October 2019 and April 2021. This restructure also included the discretion for Trusts to award supplementary payments up to £2,000 per annum to individuals with designated extra responsibilities. The Trust has awarded supplementary payments to two Non-Executive Directors based on their additional responsibilities for the Trust.

For further details please see the Remuneration Report table.

Senior Manager by Band

The Trust's definition of a senior manager is the Chief Executive and Director posts. For a breakdown of salary bands, please refer to the Salaries and Allowances detailed within the Remuneration Report.

Staff Numbers and costs (subject to audit)

The breakdown of staff at 31 March 2020 is as follows:

Staff costs

	Permanent £000	Other £000	2019/20 Total £000	2018/19 Total £000
Salaries and wages	211,851	172	**212,023**	196,975
Social security costs	20,740	-	**20,740**	18,995
Apprenticeship levy	1,057	-	**1,057**	973
Employer's contributions to NHS pension scheme	37,439	-	**37,439**	24,268
Pension cost - other	-	-	**-**	-
Other post employment benefits	-	-	**-**	-
Other employment benefits	-	-	**-**	-
Termination benefits	-	-	**-**	101
Temporary staff	-	1,569	**1,569**	2,976
Total gross staff costs	**271,087**	**1,741**	**272,828**	**244,288**
Recoveries in respect of seconded staff	-	-	**-**	-
Total staff costs	**271,087**	**1,741**	**272,828**	**244,288**
Of which				
Costs capitalised as part of assets	69	10	**79**	-

Average number of employees (WTE basis)

	Permanent Number	Other Number	2019/20 Total Number	2018/19 Total Number
Medical and dental	3	-	**3**	2
Ambulance staff	5,390	-	**5,390**	5,173
Administration and estates	535	8	**543**	537
Healthcare assistants and other support staff	96	6	**102**	107
Nursing, midwifery and health visiting staff	77	19	**96**	82
Nursing, midwifery and health visiting learners	-	-	**-**	-
Scientific, therapeutic and technical staff	-	-	**-**	-
Healthcare science staff	-	-	**-**	-
Social care staff	-	-	**-**	-
Other	2	-	**2**	11
Total average numbers	**6,103**	**33**	**6,136**	**5,912**
Of which:				
Number of employees (WTE) engaged on capital projects	1	0	**1**	-

Staff Composition and Staff Policies

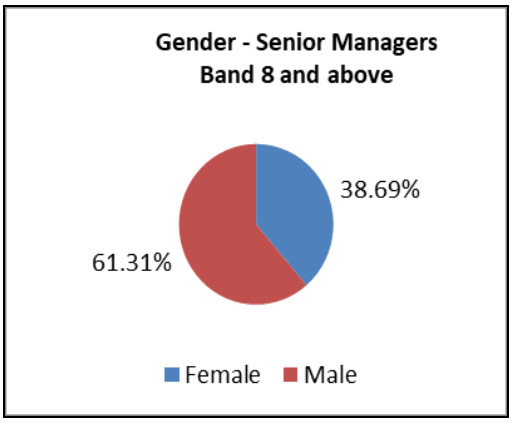
NWAS continues aiming towards having a workforce which is representative of the communities we serve across the North West and being an employer of choice for all.

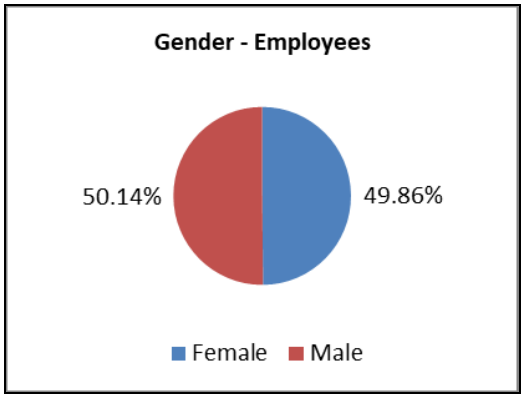
As required within the NHS contract, the Trust published the Workforce Race Equality Standard (WRES) data during the summer of 2019. The data continued to show an increase in the ethnic diversity of staff within the Trust. Recruitment remained on a positive track, with improvements also seen in the experiences of bullying and harassment and on staff views about fair equal progression.

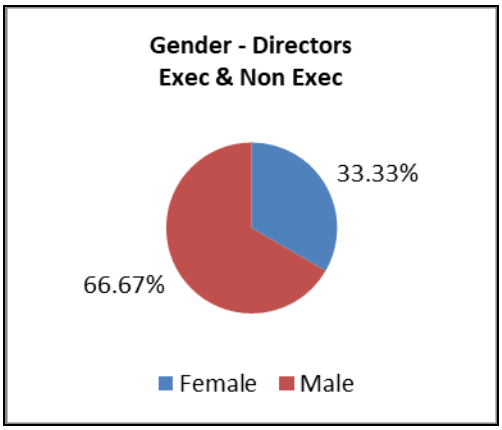
The next set of mandatory Gender Pay Gap reporting has been published, which relates to data up to end March 2020. The gap in the hourly rate of pay between male and female staff widened from of 7.9% to 8.85% using the average calculation and from 6.9% to 8.28% using the median calculation. The average hourly rate for male and for female staff increased during the same period. Representation within each of the quartiles showed an increase, with the top-earning quartile having been a key area of focus. Progression into the highest paid roles is also dependent on vacancies created through the year which require recruitment. Various actions have been outlined in the previous EDI Section.

The number of disabled staff within NWAS has increased by 30 individual staff to 252, which now represents 3.8% of the overall workforce by the end of March 2020. For the first time, the Trust was required to publish the Workforce Disability Equality Standard (WDES) data, in line with NHS contract commitments. As expected, the data did highlight some differences in staff experience between staff who have a disability and staff who do not. An action plan to address this had been developed and published. The Disability Forum continues to develop and has clear links to improving staff experience for the future.

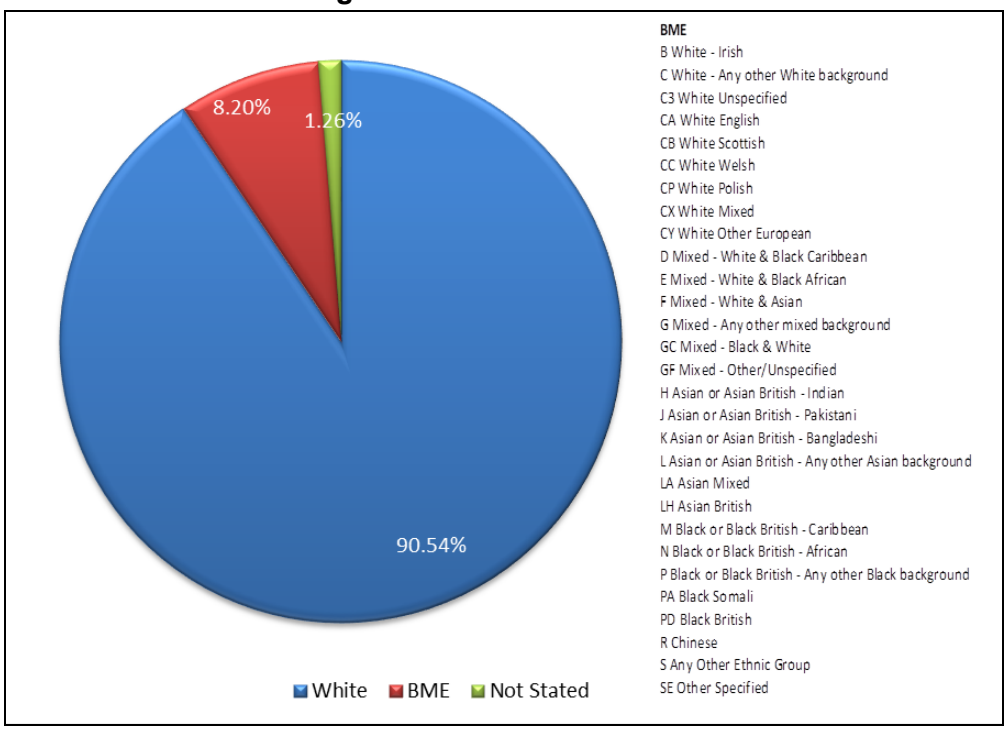
NWAS continues to review various other aspects of the workforce. There are regular inter-departmental meetings on race, gender and disability. NWAS has a proactive LGBT Network which has had input into training and induction programmes in the past year. The Armed Forces Network continues to develop and the true partnership working has been recognised externally through being shortlisted for a Health Services Journal Award for supporting Reservists.







BME Percentage of Staff as at 31st March 2020



Trade Union Facility Time

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations require public sector employers to publish information on how much time is spent by their union officials on paid 'trade union facility time' and is detailed for 2019/20 in the tables below:

Number of employees who were relevant union officials during the relevant period	
145	
Full time Equivalent employee number	
137.46	
Percentage of Time Spent on Facility Time	
Percentage of time	No of employees
0%	11
1-50%	119
51%-99%	4
100%	11
Percentage of Pay Bill Spent on Facility Time	
First Column	Figures
Provide the total cost of facility time	£436,720
Provide the total pay bill	£258,351,000
Provide the % of the total pay bill spent on facility time, calculated as: (total cost of facility time/ total pay bill x 100)	0.2%
Paid Trade Union Activities	
Time spent on paid trade union activities as a percentage of total paid facility time hours calculated as: (total hours spent on paid trade union activities by relevant union officials during the relevant period/ total paid facility time hours x 100)	

Sickness Absence Data

In response to COVID-19, changes to the Annual Reporting requirement have been made and this section became 'optional to omit'. NHS Sickness Absence Rates can be reviewed here.

Expenditure on Consultancy

The expenditure on consultancy costs during 2019/20 was £80k in year.

Ill Health Retirements

During 2019/20 there were 3 early retirements from the Trust agreed on the grounds of ill-health (7 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £249k (£504k in 2018/19).

Off-Payroll Engagements

There are no off-payroll engagements to disclose during 2019/20.

Table 1: Off-Payroll Engagements longer than 6 months

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

	Number
Number of existing engagements as of 31 March 2020	
Of which, the number that have existed:	
For less than one year at the time of reporting	0
For between one and two years at the time of reporting	0
For between 2 and 3 years at the time of reporting	0
For between 3 and 4 years at the time of reporting	0
For 4 or more years at the time of reporting	0

Table 2: New Off-Payroll Engagements

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and March 2020, for more than £245 per day and that last for longer than six months.

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020	0
Of which.	
No assessed as caught by IR35	0
No assessed as not caught by IR35	0
No engaged directly (via PSC contracted to department) and are on the departmental payroll	0
No of engagements reassessed for consistency/assurance during the year	0
No of engagements that saw a change to IR35 following the consistency review	0

Table 3: Off-payroll board Member/Senior Official Engagements

For any off-payroll engagements of board members, and/or senior officials with significant financial responsibility, between 1 April 2019 and 31 March 2020

Number of off-payroll engagements or board members, and/or senior officers with significant financial responsibility, during the financial year	0
Total no. of individuals on payroll and off-payroll that have been deemed “board members, and/or, senior officials with significant financial responsibility”, during the financial year. This figure should include both on payroll and off-payroll engagements.	0

Exit Packages (Subject to Audit)

There were no exit packages during 2019/20.

INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF DIRECTORS OF NORTH WEST AMBULANCE SERVICE NHS TRUST

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of North West Ambulance Service NHS Trust ("the Trust") for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Taxpayers Equity and Statement of Cash Flows, and the related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the Trust's affairs as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to NHS Trusts in England and included in the Department of Health and Social Care Group Accounting Manual 2019/20.

Basis for opinion

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

Going concern

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

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the Director's conclusions we considered the inherent risks to the Trust's operations and analysed how these risks might affect the Trust's financial resources, or ability to continue its operations over the going concern period. We have nothing to report in these respects.

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

Other information in the Annual Report

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

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

information included in the Annual Report for the financial year is consistent with the financial statements.

Annual Governance Statement

We are required to report to you if the Annual Governance Statement has not been prepared in accordance with the requirements of the Department of Health and Social Care Group Accounting Manual 2019/20. We have nothing to report in this respect.

Remuneration and Staff Report

In our opinion the parts of the Remuneration and Staff Report subject to audit have been properly prepared in accordance with the Department of Health and Social Care Group Accounting Manual 2019/20.

Directors' and Accountable Officer's responsibilities

As explained more fully in Statement of Accountable Officer's Responsibilities, the directors are responsible for the preparation of financial statements that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Trust without the transfer of its services to another public sector entity. As explained more fully in the statement of the Chief Executive's responsibilities, as the Accountable Officer of the Trust, the Accountable Officer is responsible for ensuring that annual statutory accounts are prepared in a format directed by the Secretary of State.

Auditor's responsibilities

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

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

REPORT ON OTHER LEGAL AND REGULATORY MATTERS

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

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

We have nothing to report in this respect.

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

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

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

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the specified criterion issued by the Comptroller and Auditor General (C&AG) in December 2019 and updated in April 2020 as to whether the Trust had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. We planned our work in accordance with the Code of Audit Practice and related guidance. Based on our risk assessment, we undertook such work as we considered necessary.

Statutory reporting matters

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

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

We have nothing to report in these respects.

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

This report is made solely to the Board of Directors of North West Ambulance Service NHS Trust, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the Board of the Trust, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of the Trust, as a body, for our audit work, for this report or for the opinions we have formed.

DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT

Due to work on the EARP Return not being completed by the 24th June 2020

We cannot formally conclude the audit and issue an audit certificate until we have issued our Events After The Reporting Period (EARP) return on 1 September 2020 to the National Audit Office in respect of the Trust's financial statements. We are satisfied that this work does not have a material effect on the financial statements or on our value for money conclusion.

Timothy Cutler
Statutory auditor, for and on behalf of KPMG LLP
Chartered Accountants
1 St Peter's Square
Manchester

24 June 2020

ANNUAL ACCOUNTS 2019/20

North West Ambulance Service NHS Trust

Annual accounts for the year ended 31 March 2020

Statement of Comprehensive Income

	Note	2019/20 £000	2018/19 £000
Operating income from patient care activities	3	360,007	328,699
Other operating income	4	10,575	13,088
Operating expenses	6	(368,907)	(336,636)
Operating surplus/(deficit) from continuing operations		**1,675**	**5,151**
Finance income	11	302	251
Finance expenses	12	(54)	11
PDC dividends payable		(1,542)	(1,324)
Net finance costs		**(1,294)**	**(1,062)**
Other gains / (losses)	13	77	185
Surplus / (deficit) for the year		**458**	**4,274**
Other comprehensive income			
Will not be reclassified to income and expenditure:			
Impairments	7	(894)	125
Revaluations	16	547	543
Total comprehensive income / (expense) for the period		**111**	**4,942**
Adjusted financial performance (control total basis):			
Surplus / (deficit) for the period		458	4,274
Remove net impairments not scoring to the Departmental expenditure limit		2,504	1,024
Remove I&E impact of capital grants and donations		20	21
Remove 2018/19 post audit PSF reallocation (2019/20 only)		(111)	
Adjusted financial performance surplus / (deficit)		**2,871**	**5,319**

Statement of Financial Position

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Intangible assets	14	1,681	1,781
Property, plant and equipment	15	91,985	90,635
Investment property	17	160	-
Receivables	19	1,355	1,396
Total non-current assets		**95,181**	**93,812**
Current assets			
Inventories	18	1,009	897
Receivables	19	11,219	12,407
Non-current assets for sale and assets in disposal groups	20	396	209
Cash and cash equivalents	21	43,368	40,962
Total current assets		**55,992**	**54,475**
Current liabilities			
Trade and other payables	22	(33,511)	(31,630)
Provisions	25	(4,571)	(5,493)
Other liabilities	23	(1,375)	(874)
Total current liabilities		**(39,457)**	**(37,997)**
Total assets less current liabilities		**111,717**	**110,290**
Non-current liabilities			
Borrowings	24	(78)	(78)
Provisions	25	(18,634)	(17,377)
Total non-current liabilities		**(18,712)**	**(17,455)**
Total assets employed		**93,005**	**92,835**
Financed by			
Public dividend capital		99,400	99,341
Revaluation reserve		2,638	3,349
Income and expenditure reserve		(9,033)	(9,855)
Total taxpayers' equity		**93,005**	**92,835**

The notes on pages 6 to 32 form part of these accounts.

Name Carolyn Wood
Position Director of Finance
Date 17th June 2020

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2019 - brought forward	**99,341**	**3,349**	**(9,855)**	**92,835**
Surplus/(deficit) for the year	-	-	458	**458**
Transfer from revaluation reserve to income and expenditure reserve for impairments arising from consumption of economic benefits	-	-	-	**-**
Other transfers between reserves	-	(329)	329	**-**
Impairments	-	(894)	-	**(894)**
Revaluations	-	547	-	**547**
Transfer to retained earnings on disposal of assets	-	(35)	35	**-**
Other recognised gains and losses	-	-	-	**-**
Public dividend capital received	59	-	-	**59**
Taxpayers' and others' equity at 31 March 2020	**99,400**	**2,638**	**(9,033)**	**93,005**

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

	Public dividend capital	Revaluation reserve	Income and expenditure reserve	Total
	£000	£000	£000	£000
Taxpayers' and others' equity at 1 April 2018 - brought forward	**92,720**	**2,945**	**(14,393)**	**81,272**
Surplus/(deficit) for the year	-	-	4,274	**4,274**
Other transfers between reserves	-	(264)	264	**-**
Impairments	-	125	-	**125**
Revaluations	-	543	-	**543**
Public dividend capital received	6,621	-	-	**6,621**
Taxpayers' and others' equity at 31 March 2019	**99,341**	**3,349**	**(9,855)**	**92,835**

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

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

Statement of Cash Flows

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Operating surplus / (deficit)		1,675	5,151
Non-cash income and expense:			
Depreciation and amortisation	6	12,275	10,363
Net impairments	7	2,504	1,024
(Increase) / decrease in receivables and other assets		1,190	506
(Increase) / decrease in inventories		(112)	(133)
Increase / (decrease) in payables and other liabilities		(1,203)	4,096
Increase / (decrease) in provisions		289	(569)
Net cash flows from / (used in) operating activities		**16,618**	**20,438**
Cash flows from investing activities			
Interest received		302	251
Purchase of intangible assets		(534)	(857)
Purchase of PPE and investment property		(12,994)	(26,976)
Sales of PPE and investment property		467	568
Net cash flows from / (used in) investing activities		**(12,759)**	**(27,014)**
Cash flows from financing activities			
Public dividend capital received		59	6,621
Capital element of finance lease rental payments		(1)	(1)
Interest paid on finance lease liabilities		(8)	(6)
PDC dividend (paid) / refunded		(1,503)	(1,283)
Net cash flows from / (used in) financing activities		**(1,453)**	**5,331**
Increase / (decrease) in cash and cash equivalents		**2,406**	**(1,245)**
Cash and cash equivalents at 1 April - restated		**40,962**	**42,207**
Cash and cash equivalents at 31 March	21.1	**43,368**	**40,962**

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

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

Accounting convention

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

Note 1.2 Going concern

The financial statements are prepared on a going concern basis which the directors believe to be appropriate for the following reasons.
In 2019/20 the Trust achieved a surplus of £2.87m and expects to breakeven in 2020/21.
In 2019/20 the Trust did not require any additional revenue support loans to support the cash position, and the Trust's expectation is that services will continue to be provided in the short term.
The Trust has not been informed by NHSI that there is any prospect of its dissolution within the next twelve months and it anticipates the continuation of the provision of services in the foreseeable future as evidenced by the inclusion of financial provision for those services in published documents and contracts for services with commissioners.
On the 2nd April 2020, the Department of Health and Social Care (DHSC) and NHS England and NHS Improvement announced reforms to the NHS cash regime for the 2020/21 financial year.
In 2020/21, in response to the Covid-19 pandemic, all detailed financial planning was suspended. In addition, the requirement for Trusts to agree contracts with its commissioners was removed. Instead, Trusts are receiving regular monthly 'block' payments together with top-up payments designed to ensure that there are sufficient funds available to adequately deal with the crisis. Currently the Trust is unclear what form of contracting and payment mechanism will replace this approach, which is currently confirmed only until the end of July 2020. DHSC has confirmed that temporary revenue support arrangements will continue, in order to support providers with demonstrable cash needs. At the point when contracting was abandoned for 2020-21 the Trust was not budgeting for any additional working capital support in the coming year. Current updated forecasts show that this is likely to continue to be the case although it is not clear what alternative assumption should be considered most likely.
Providers have been told by DHSC to continue to expect NHS funding to flow at similar levels to that previously provided where services are reasonably still expected to be commissioned. While mechanisms for contracting and payment are not definitively in place, it is clear that NHS services will continue to be funded, and government funding is in place for this.

Note 1.3 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.

Note 1 - Continued

Revenue from research contracts

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

NHS injury cost recovery scheme

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

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

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

Note 1.4 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 1.5 Expenditure on employee benefits

Short-term employee benefits

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

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the 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 - Continued

Note 1.6 Expenditure on other goods and services

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

Note 1.7 Discontinued operations

Discontinued operations occur where activities either cease without transfer to another entity, or transfer to an entity outside of the boundary of Whole of Government Accounts, such as private or voluntary sectors. Such activities are accounted for in accordance with IFRS 5. Activities that are transferred to other bodies within the boundary of Whole of Government Accounts are 'machinery of government changes' and treated as continuing operations.

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

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

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

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

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees. 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.

Note 1 - Continued

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.

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	17	66
Plant & machinery	4	25
Transport equipment	2	14
Information technology	1	15
Furniture & fittings	1	20

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

Note 1 - Continued

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	1	8

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.

1 **Note 1.11 Investment properties**

Investment properties are measured at fair value. Changes in fair value are recognised as gains or losses in income/expenditure.

Only those assets which are held solely to generate a commercial return are considered to be investment properties. Where an asset is held, in part, for support service delivery objectives, then it is considered to be an item of property, plant and equipment. Properties occupied by employees, whether or not they pay rent at market rates, are not classified as investment properties.

Note 1.12 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 1.13 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.

Note 1 - Continued

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. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

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

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

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

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

Derecognition

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

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

Note 1.14 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

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 1.15 Provisions

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

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

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

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

Note 1 - Continued

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

Non-clinical risk pooling

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

Note 1.16 Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the entity's control) are not recognised as assets.
Contingent liabilities are not recognised, but are disclosed in note 26, unless the probability of a transfer of economic benefits is remote.

Contingent liabilities are defined as:

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

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

Note 1.17 Public dividend capital

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

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 1.18 Value added tax

Most of the activities of the trust are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Note 1.19 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- Continued

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 1.21 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.22 Transfers of functions [to / from] other NHS bodies

For functions that have been transferred to the trust from another NHS body, the assets and liabilities transferred are recognised in the accounts as at the date of transfer. The assets and liabilities are not adjusted to fair value prior to recognition.

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

For functions that the trust has transferred to another NHS body, the assets and liabilities transferred are de-recognised from the accounts as at the date of transfer. The net [loss / gain] corresponding to the net [assets/ liabilities] transferred is recognised within [expenses / income], but not within operating activities. Any revaluation reserve balances attributable to assets de-recognised are transferred to the income and expenditure reserve.

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.

Note 1 - Continued

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. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2021 for existing finance leases.

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

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

Note 1.25 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:

IFRS 15 introduces a new model for the recognition of revenue from contracts with customers replacing the previous standards IAS 11, IAS 18 and related Interpretations. The core principle of IFRS 15 is that an entity recognises revenue when it satisfies performance obligations through the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled to in exchange for those goods or services.

Operating Lease Commitments

The Trust leases a number of its vehicles. As management has determined that the Trust has not obtained substantially all the risks and rewards of ownership the leases have been classified as operating leases and accounted for accordingly.

Segmental Reporting

Management has determined that it operates only in one segment, that of healthcare.

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:

Revaluation of Property, Plant and Equipment

The valuation exercise was carried out in January 2020 with a valuation date of 31 March 2020. In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 ('Red Book'), the valuer has declared a 'material valuation uncertainty' in the valuation report. This is on the basis of uncertainties in markets caused by COVID-19. The reason being is that market activity is being impacted in many sectors. As at the valuation date, valuers consider that they attach less weight to previous market evidence for comparison purposes, to inform opinions of value.

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

Provisions

The Trust has taken a prudent view on estimating potential risk associated with various staff related costs i.e. tribunals, injury benefits, Permanent Injury Benefits (PIB) and others. These are based upon most current information available from various bodies such as NHS Resolution (formally NHS Litigation Authority (NHSLA)), national census information, legal professionals etc.

Note 2 Operating Segments

The Trust has judged that it only operates as one business segment, that of healthcare.

98% (£364m) of the Trust's income in 2019/20 (2018-19 £332m, 98%) is received from NHS organisations such as Commissioners for NHS patient care services.

Note 3 Operating income from patient care activities

All income from patient care activities relates to contract income recognised in line with accounting policy 1.

Note 3.1 Income from patient care activities (by nature)

	2019/20	2018/19
	£000	£000
A & E income	275,542	253,950
Patient transport services income	43,067	41,338
Other income	30,063	29,927
Agenda for Change pay award central funding*		3,484
Additional pension contribution central funding**	11,335	
Total income from activities	**360,007**	**328,699**

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

**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.

Note 3.2 Income from patient care activities (by source)

	2019/20	2018/19
Income from patient care activities received from:	**£000**	**£000**
NHS England** (see note above)	12,267	116
Clinical commissioning groups	345,851	323,383
Department of Health and Social Care * (see note above)	-	3,484
Other NHS providers	453	118
Local authorities	23	10
Injury cost recovery scheme	1,001	1,155
Non NHS: other	412	433
Total income from activities	**360,007**	**328,699**
Of which:		
Related to continuing operations	360,007	328,699
Related to discontinued operations	-	-

Note 4 Other operating income	2019/20 Contract income	2018/19 Contract income
	£000	£000
Education and training	3,277	4,097
Non-patient care services to other bodies	918	549
Provider sustainability fund (PSF)	2,819	5,228
Charitable and other contributions to expenditure	1,129	328
Other income	2,432	2,886
Total other operating income	**10,575**	**13,088**
Of which:		
Related to continuing operations	**10,575**	**13,088**
Related to discontinued operations	**-**	**-**

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

	2019/20	2018/19
	£000	£000
Revenue recognised in the reporting period that was included in within contract liabilities at the previous period end	874	752
	874	**752**

Note 6.1 Operating expenses

	2019/20	2018/19
	£000	£000
Purchase of healthcare from non-NHS and non-DHSC bodies	1,943	2,081
Staff and executive directors costs	269,686	241,447
Remuneration of non-executive directors	95	65
Supplies and services - clinical (excluding drugs costs)	4,443	4,094
Supplies and services - general	2,774	3,077
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	1,771	1,703
Consultancy costs	80	187
Establishment	5,695	5,558
Premises	12,495	13,509
Transport (including patient travel)	39,385	38,309
Depreciation on property, plant and equipment	11,695	9,909
Amortisation on intangible assets	580	454
Net impairments	2,504	1,024
Movement in credit loss allowance: contract receivables / contract assets	34	(5)
Change in provisions discount rate(s)	1,543	(536)
Audit fees payable to the external auditor		
audit services- statutory audit	78	81
Internal audit costs	115	112
Clinical negligence	2,743	3,377
Legal fees	641	387
Insurance	2	2
Education and training	5,314	5,722
Rentals under operating leases	4,349	5,109
Hospitality	14	18
Losses, ex gratia & special payments	668	721
Other	260	231
Total	**368,907**	**336,636**
Of which:		
Related to continuing operations	368,907	336,636
Related to discontinued operations	-	-

Note 6.2 Other auditor remuneration

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

Note 7 Impairment of assets

	2019/20	2018/19
	£000	£000
Net impairments charged to operating surplus / deficit resulting from:		
Unforeseen obsolescence	288	163
Changes in market price	2,216	861
Total net impairments charged to operating surplus / deficit	**2,504**	**1,024**
Impairments charged to the revaluation reserve	894	(125)
Total net impairments	**3,399**	**899**

2009/10 was the first year of adoption for IFRS standards. From 2010/11 the new major adaption of IAS36 is that if an impairment arises from a clear consumption of economic value, this must be taken in full to the SOCE/revenue account, whatever the revaluation reserve on that asset.

The Standard's requirement to take impairments in all cases to reserves in the first instance does not apply.
Where impairments are posted to the revenue account and a revaluation reserve balance does exist, a transfer is to be made from Revaluation Reserve to the General Fund/I&E Reserve. That transfer will be the lower of the total impairment or the balance available on the Revaluation Reserve. In 2019/20 two types of assets that suffered an impairment are estates and vehicles. The 2019/20 impairment on estates is attributable to the revaluation of estates. The revaluation impairment is due to the price variation and not consumption of economic value.

In order to establish the correct estates value the Trust had its assets revalued as at 31 March 2020. Assets exluding those held for sale were revalued at £37.0m which is £1.868m less than the carrying value on the Statement of Finanical Position (SOFP). This created a decrease in revaluation reserve of £0.346m and an impairment of £1.522m charged to operating expenses.

A number of vehicles were part impaired due to major parts problems. The total value of the impairment incurred was £0.839m and £0.288m is shown as impairment due to unforeseen obsolescence relating to major part problems and £0.551m relates to changes in market price of the vehicle.

Note 8 Employee benefits

	2019/20	2018/19
	Total	Total
	£000	£000
Salaries and wages	212,023	196,975
Social security costs	20,740	18,995
Apprenticeship levy	1,057	973
Employer's contributions to NHS pensions	26,104	24,268
Pension cost - other*	11,335	-
Termination benefits	-	101
Temporary staff (including agency)	1,569	2,976
Total staff costs	**272,828**	**244,288**
Of which		
Costs capitalised as part of assets	79	-

* 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. Corresponding matching income is shown in note 3.1.

Note 8.1 Retirements due to ill-health

During 2019/20 there were 3 early retirements from the trust agreed on the grounds of ill-health (7 in the year ended 31 March 2019). The estimated additional pension liabilities of these ill-health retirements is £249k (£504k in 2018/19).

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

Note 9 Pension costs

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Details of the benefits payable and rules of the Schemes can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. Both are unfunded defined benefit schemes that cover NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State in England and Wales. They are not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, each scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in each scheme is taken as equal to the contributions payable to that scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 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.

Note 10 Operating leases

Note 10.1 North West Ambulance Service NHS Trust as a lessor

The Trust does not act as lessor for any leases.

Note 10.2 North West Ambulance Service NHS Trust as a lessee

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

The Trust is a lessee of two main types of assets such as buildings and vehicles. Buildings - various leased sites with private and other government organisations with average lease length of 10 years. Vehicles - various types of vehicles are leased by the trust where the main ones are Patient Transport vehicles and Rapid response vehicles. Leases for vehicles are between 4 to 5 years long.

	2019/20 £000	2018/19 £000
Operating lease expense		
Minimum lease payments	4,349	5,109
Total	**4,349**	**5,109**

	2019/20 £000	2018/19 £000
Future minimum lease payments due:		
- not later than one year;	2,925	3,426
- later than one year and not later than five years;	7,196	6,685
- later than five years.	13,543	12,374
Total	**23,664**	**22,485**
Future minimum sublease payments to be received	-	-

Note 11 Finance income

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

	2019/20	2018/19
	£000	£000
Interest on bank accounts	302	251
Total finance income	**302**	**251**

Note 12.1 Finance expenditure

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

	2019/20	2018/19
	£000	£000
Finance leases	8	6
Unwinding of discount on provisions	46	(17)
Total finance costs	**54**	**(11)**

Note 13 Other gains / (losses)

	2019/20	2018/19
	£000	£000
Gains on disposal of assets	77	185
Total gains / (losses) on disposal of assets	**77**	**185**

Note 14.1 Intangible assets - 2019/20

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2019 - brought forward	**4,386**	**262**	**4,648**
Additions	**257**	**223**	**480**
Reclassifications	**378**	**(378)**	**-**
Valuation / gross cost at 31 March 2020	**5,021**	**107**	**5,128**
Amortisation at 1 April 2019 - brought forward	**2,867**	**-**	**2,867**
Provided during the year	580	-	**580**
Reclassifications			**-**
Amortisation at 31 March 2020	**3,447**	**-**	**3,447**
Net book value at 31 March 2020	**1,574**	**107**	**1,681**
Net book value at 1 April 2019	**1,519**	**262**	**1,781**

Note 14.2 Intangible assets - 2018/19

	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**3,500**	**314**	**3,814**
Additions	690	144	**834**
Reclassifications	196	(196)	**-**
Valuation / gross cost at 31 March 2019	**4,386**	**262**	**4,648**
Amortisation at 1 April 2018 - as previously stated	**2,413**	**-**	**2,413**
Provided during the year	454	-	**454**
Reclassifications	-	-	**-**
Amortisation at 31 March 2019	**2,867**	**-**	**2,867**
Net book value at 31 March 2019	**1,519**	**262**	**1,781**
Net book value at 1 April 2018	**1,087**	**314**	**1,401**

Note 15.1 Property, plant and equipment - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation/gross cost at 1 April 2019 - brought forward	**12,250**	**27,900**	**4,872**	**19,542**	**61,888**	**12,796**	**4,094**	**143,342**
Additions	-	1,754	13,719	110	381	581	88	**16,633**
Impairments	(238)	(802)	-	-	-	-	-	**(1,040)**
Reversals of impairments	-	146	-	-	-	-	-	**146**
Revaluations	(250)	(3,095)	-	-	-	-	-	**(3,345)**
Reclassifications	(23)	(137)	(10,252)	-	10,233	-	19	**(160)**
Transfers to / from assets held for sale	(212)	(452)	-	(695)	(9,382)	-	-	**(10,741)**
Disposals / derecognition	-	-	-	(10)	(198)	-	(14)	**(222)**
Valuation/gross cost at 31 March 2020	**11,527**	**25,314**	**8,339**	**18,947**	**62,922**	**13,377**	**4,187**	**144,613**
Accumulated depreciation at 1 April 2019 - brought forward	**3**	**428**	**-**	**10,640**	**31,255**	**8,512**	**1,869**	**52,707**
Transfers by absorption	-	-	-	-	-	-	-	**-**
Provided during the year	2	1,980	-	1,382	6,588	1,378	365	**11,695**
Impairments	298	2,676	-	2	840	-	-	**3,816**
Reversals of impairments	(48)	(1,304)	-	-	-	-	-	**(1,352)**
Revaluations	(253)	(3,639)	-	-	-	-	-	**(3,892)**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	-	(139)	-	(695)	(9,382)	-	-	**(10,216)**
Disposals / derecognition	-	-	-	(10)	(107)	-	(14)	**(131)**
Accumulated depreciation at 31 March 2020	**2**	**2**	**-**	**11,319**	**29,194**	**9,890**	**2,220**	**52,627**
Net book value at 31 March 2020	**11,525**	**25,311**	**8,339**	**7,628**	**33,728**	**3,487**	**1,967**	**91,985**
Net book value at 1 April 2019	**12,247**	**27,472**	**4,872**	**8,902**	**30,633**	**4,284**	**2,225**	**90,635**

Note 15.2 Property, plant and equipment - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valuation / gross cost at 1 April 2018 - as previously stated	**11,505**	**23,100**	**12,583**	**17,357**	**52,818**	**10,166**	**3,278**	**130,807**
Additions	-	706	16,255	2,498	38	1,135	176	**20,808**
Impairments	-	(31)	-	-	-	-	-	**(31)**
Reversals of impairments	-	156	-	-	-	-	-	**156**
Revaluations	174	(804)	(1,190)	-	-	-	-	**(1,820)**
Reclassifications	690	4,925	(22,776)	526	14,405	1,582	648	**-**
Transfers to / from assets held for sale	(119)	(152)	-	(761)	(4,805)	(87)	(8)	**(5,932)**
Disposals / derecognition	-	-	-	(78)	(568)	-	-	**(646)**
Valuation/gross cost at 31 March 2019	**12,250**	**27,900**	**4,872**	**19,542**	**61,888**	**12,796**	**4,094**	**143,342**
Accumulated depreciation at 1 April 2018 - as previously stated	**2**	**392**	**-**	**10,216**	**30,600**	**7,554**	**1,568**	**50,332**
Provided during the year	2	1,635	-	1,263	5,655	1,045	309	**9,909**
Impairments	-	534	1,190	-	261	-	-	**1,985**
Reversals of impairments	(90)	(871)	-	-	-	-	-	**(961)**
Revaluations	87	(1,260)	(1,190)	-	-	-	-	**(2,363)**
Reclassifications	-	-	-	-	-	-	-	**-**
Transfers to / from assets held for sale	2	(2)	-	(761)	(4,805)	(87)	(8)	**(5,661)**
Disposals / derecognition	-	-	-	(78)	(456)	-	-	**(534)**
Accumulated depreciation at 31 March 2019	**3**	**428**	**-**	**10,640**	**31,255**	**8,512**	**1,869**	**52,707**
Net book value at 31 March 2019	**12,247**	**27,472**	**4,872**	**8,902**	**30,633**	**4,284**	**2,225**	**90,635**
Net book value at 1 April 2018	**11,503**	**22,708**	**12,583**	**7,141**	**22,218**	**2,612**	**1,710**	**80,475**

Note 15.3 Property, plant and equipment financing - 2019/20

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2020								
Owned - purchased	11,420	25,311	8,339	7,620	33,713	3,487	1,967	**91,857**
Finance leased	105	-	-	-	-	-	-	**105**
Owned - donated	-	-	-	8	15	-	-	**23**
NBV total at 31 March 2020	**11,525**	**25,311**	**8,339**	**7,628**	**33,728**	**3,487**	**1,967**	**91,985**

Note 15.4 Property, plant and equipment financing - 2018/19

	Land	Buildings excluding dwellings	Assets under construction	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Net book value at 31 March 2019								
Owned - purchased	12,142	27,472	4,872	8,893	30,600	4,284	2,225	**90,488**
Finance leased	105	-	-	-	-	-	-	**105**
Owned - donated	-	-	-	9	33	-	-	**42**
NBV total at 31 March 2019	**12,247**	**27,472**	**4,872**	**8,902**	**30,633**	**4,284**	**2,225**	**90,635**

Note 16 Revaluations of property, plant and equipment

Historically the Trust has used the Capital Charges Estimates indices published by the Department of Health to revalue its assets. In 2008/09 these indices were discontinued and the Trust applied the % movement detailed in the updated forecast indices for assets issued by HM Treasury (ref: PES (2009) 02) which reflected the economic climate and negative pressure on prices. This was in line with guidance issued by the Department of Health.

Due to the fact that the last national revaluation exercise had an effective date of 1 April 2005 (so requiring that values at the preceding balance sheet date of 31 March 2005 reflected the new values), it meant that all NHS bodies must have completed a full property revaluation every 5 years by 31 March, and that the most recent full valuation must be, for specialised property, on a MEA basis.

This year the Trust formally fully revalued its land and building assets as at the 31st March 2020 as part of a 5 year full revaluation cycle, using an independent external valuer Deloitte LLP. The revaluation exercise was undertaken by the valuers who visited each of Trust's properties in order to establish the fair value of the Trust's estates as at the 31st March 2020. The basis of valuation for all assets under IFRS is Fair Value. Assets that are classified as (Property, Plant and Equipment) PPE and have been valued to Fair Value assuming a continuation of their existing use. This is synonymous with Existing Use Value in the Red Book. The valuation is fully compliant with the requirements of the RICS Valuation Standards - Global Standard 2020 including UK national supplement ("The Red Book"). The signatory to the valuation is Edwin Bray MRICS Partner at Deloitte LLP.

The outbreak of the Novel Coronavirus (COVID-19), declared by the World Health Organisation as a "Global Pandemic" on 11 March 2020, has impacted global financial markets. Travel restrictions have been implemented by many countries.

Market activity is being impacted in many sectors. As at the valuation date, valuers consider that they can attach less weight to previous market evidence for comparison purposes, to inform opinions of value. The current response to COVID-19 means that they had faced with an unprecedented set of circumstances on which to base a judgement. Valuations are, therefore, reported on the basis of 'material valuation uncertainty' as per VPS 3 and VPGA 10 of the RICS Red Book Global. With the valuer having declared this material valuation uncertainty, the valuer has continued to exercise professional judgement in providing the valuation and this remains the best information available to the Trust.

For illustration if the value of Trusts' buildings and land were to drop 10%, their value would have decreased by £3.7m and became £33.1m instead of current £36.8m, and as a result PDC that is calculated based on the value of Trust's assets would a have decreased by £64k.

All properties categorised as PPE have been split into land and buildings, and a remaining economic life provided. The componentisation elements of each building have been

- Structure;
- Windows and Doors;
- External Works;
- Roof; and
- Services, fixtures and fittings.

Where provided, they have relied on the site areas from North West Ambulance Service NHS Trust (NWAS).
Where no site area has been provided, they sought to ascertain Land Registry plans of the site from NWAS and then measured the site using Ordnance Survey plans in accordance with observed boundaries.

The properties were inspected internally. Where access was not possible, properties were inspected externally.

The estimated useful lives of the Trust's property, plant and equipment are as follows:

	Min Life (Years)	Max Life (Years)
Buildings [excluding dwellings]	17	66
Plant & Machinery	4	25
Transport Equipment	2	14
Information Technology	3	15
Furniture and Fittings	2	20

Note 17.1 Investment Property

	2019/20 £000	2018/19 £000
Carrying value at 1 April - brought forward	**0**	**0**
Reclassifications to/from PPE	160	-
Carrying value at 31 March	**160**	**-**

Note 17.2 Investment property income and expenses

	2019/20 £000	2018/19 £000
Direct operating expense arising from investment property which generated rental income in the period	(1)	-
Total investment property expenses	**(1)**	**-**
Investment property income	79	-

During the full assets revaluation undertaken on 2019/20 three mast sites were identified as investment properties as they are no longer required for operational use to communicate with crews. These mast sites are rented to communication companies to be used for provision of mobile network.

Note 18 Inventories

	31 March 2020	31 March 2019
	£000	£000
Drugs	70	141
Consumables	604	449
Energy	335	307
Total inventories	**1,009**	**897**

Inventories recognised in expenses for the year were £897k (2018/19: £764k). Write-down of inventories recognised as expenses for the year were £0k (2018/19: £0k).

Note 19.1 Receivables

	31 March 2020	31 March 2019
	£000	£000
Current		
Contract receivables	9,138	9,981
Allowance for impaired contract receivables / assets	(743)	(709)
Prepayments (non-PFI)	2,413	2,448
PDC dividend receivable	71	110
VAT receivable	43	251
Other receivables	297	326
Total current receivables	**11,219**	**12,407**
Non-current		
Contract receivables	1,355	1,396
Total non-current receivables	**1,355**	**1,396**
Of which receivable from NHS and DHSC group bodies:		
Current	5,908	8,216
Non-current	-	-

Note 19.2 Allowances for credit losses

	2019/20		2018/19	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables*
	£000	£000	£000	£000
Allowances as at 1 April - brought forward*	**709**	**-**	**-**	**792**
Impact of implementing IFRS 9 (and IFRS 15) on 1 April 2018			792	(792)
New allowances arising	743	-	709	-
Reversals of allowances	(709)	-	(714)	-
Utilisation of allowances (write offs)	-	-	(78)	-
Allowances as at 31 Mar 2020	**743**	**-**	**709**	**-**

*Following the application of IFRS 15 from 1 April 2018, the trust's entitlements to consideration for work performed under contracts with customers are shown separately as contract receivables and contract assets. This replaces the previous analysis into trade receivables and accrued income. IFRS 15 is applied without restatement therefore the comparative analysis of receivables has not been restated under IFRS 15.

Note 19.3 Exposure to credit risk

IFRS 9 and IFRS 15 are adopted without restatement therefore this analysis is prepared in line with the requirements of IFRS 7 prior to IFRS 9 adoption. As a result it differs in format to the current period disclosure.

Note 20.1 Non-current assets held for sale and assets in disposal groups

	2019/20	2018/19
	£000	£000
NBV of non-current assets for sale and assets in disposal groups at 1 April	**209**	**209**
Assets classified as available for sale in the year	525	271
Assets sold in year	(298)	(271)
Impairment of assets held for sale	(40)	-
NBV of non-current assets for sale and assets in disposal groups at 31 March	**396**	**209**

Two stations were declared as held for sale and sold in 2019/20 which are Nelson and Formby, which were sold for £365k.

In addition to disposals of vehicles that are fully depreciated some vehicles are written off due to being damaged as a result of an accident. In this case the insurance proceeds cover the net book value of vehicles. In 2019/20 there were 2 vehicles written off.

There are only two stations that are currently held for sale and these are Billinge and Barrow.

Note 21.1 Cash and cash equivalents movements

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

	2019/20	2018/19
	£000	£000
At 1 April	**40,962**	**42,207**
Net change in year	2,406	(1,245)
At 31 March	**43,368**	**40,962**
Broken down into:		
Cash at commercial banks and in hand	2	2
Cash with the Government Banking Service	43,366	40,960
Total cash and cash equivalents as in SoFP	**43,368**	**40,962**

Note 21.2 Third party assets held by the trust

The Trust dose not hold any third party assets.

Note 22.1 Trade and other payables

	31 March 2020	31 March 2019
	£000	£000
Current		
Trade payables	1,954	2,264
Capital payables	5,871	2,286
Accruals	16,377	18,586
Social security costs	3,307	3,108
Other taxes payable	2,287	2,003
Other payables	3,715	3,383
Total current trade and other payables	**33,511**	**31,630**
Of which payables from NHS and DHSC group bodies:		
Current	1,686	2,064

Note 22.2 Early retirements in NHS payables above

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

	31 March 2020		31 March 2019	
	£000	Number	£000	Number
- to buy out the liability for early retirements over 5 years	249		504	
- number of cases involved		3		7

Note 23 Other liabilities

	31 March 2020	31 March 2019
	£000	£000
Current		
Deferred income: contract liabilities	1,375	874
Total other current liabilities	**1,375**	**874**

Note 24.1 Borrowings

	31 March 2020	31 March 2019
	£000	£000
Obligations under finance leases	78	78
Total non-current borrowings	**78**	**78**

Note 24 Finance leases

Note 24.1 North West Ambulance Service NHS Trust as a lessor

The trust does not act as a lessor for any finance leases.

Note 24.2 North West Ambulance Service NHS Trust as a lessee

Obligations under finance leases where the trust is the lessee.

	2020	2019
	£000	£000
Gross lease liabilities	**479**	**487**
of which liabilities are due:		
- not later than one year;	8	8
- later than one year and not later than five years;	33	33
- later than five years.	438	446
Finance charges allocated to future periods	(401)	(409)
Net lease liabilities	**78**	**78**
of which payable:		
- later than one year and not later than five years;	2	2
- later than five years.	76	76

The Trust has one finance lease which was recognised in the accounts as finance lease in 2010/11. The lease term will be finishing in 2079 and the amount of liability is £78k.

Note 25.1 Provisions for liabilities and charges analysis

	Pensions: injury benefits	Legal claims	Equal Pay (including Agenda for Change)	Redundancy	Other	Total
	£000	£000	£000	£000	£000	£000
At 1 April 2019	**16,734**	**1,967**	**490**	**592**	**3,087**	**22,870**
Change in the discount rate	**1,520**	**23**	**-**	**-**	**-**	**1,543**
Arising during the year	**657**	**270**	**120**	**-**	**240**	**1,287**
Utilised during the year	(719)	(242)	-	-	(112)	**(1,073)**
Reversed unused	**(146)**	**(210)**	**(210)**	**-**	**(902)**	**(1,468)**
Unwinding of discount	**46**	**-**	**-**	**-**	**-**	**46**
At 31 March 2020	**18,092**	**1,808**	**400**	**592**	**2,313**	**23,205**
Expected timing of cash flows:						
- not later than one year;	839	427	400	592	**2,313**	**4,571**
- later than one year and not later than five years;	4,249	571	-	-	**-**	**4,820**
- later than five years.	13,004	810	-	-	**-**	**13,814**
Total	**18,092**	**1,808**	**400**	**592**	**2,313**	**23,205**

The provision relating to other staff pensions consists of £18,092k (2018/19 £16,734k) relating to claims for Personal Injury Benefits recharged by the NHS Pensions Agency. The amounts detailed are amounts that are paid annually to the individuals. The amounts are calculated by the pensions agency following assessment of the individuals claims. The provision includes a prudent assessment of known claims that may result in future liability.

Within legal claims £1,490k (2018/19 £1,575k) represents an amount payable quarterly to an individual. The remaining £320k (2018/19 £392k) relates to Employers Liability Claims recharged monthly by the NHS Litigation Authority as and when cases are successful for which the Trust pays up to the first £10k. In addition there is £228k (2018/19 £281k) included in contingent liabilities.

Equal Pay (Agenda for Change) provision relates to expected back-pay liability for Agenda for Change £400k (2018/19 £490k),which is based upon expected assimilation using national profiles for operational staff and the associated payscales published within the Agenda for Change Terms and Conditions. Once these staff have assimilated to Agenda for Change contracts the Trust is obliged to pay outstanding arrears (based on national profiles) have been included within provisions. All outstanding cases are proceeding using the agreed Agenda for Change procedures.

Note 25.2 Clinical negligence liabilities

At 31 March 2020, £18,945k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of North West Ambulance Service NHS Trust (31 March 2019: £19,221k).

Note 26 Contingent assets and liabilities

	31 March 2020	31 March 2019
	£000	£000
Value of contingent liabilities		
NHS Resolution legal claims	(228)	(281)
Gross value of contingent liabilities	**(228)**	**(281)**

Note 27 Contractual capital commitments

	31 March 2020	31 March 2019
	£000	£000
Property, plant and equipment	7,270	3,961
Intangible assets	-	31
Total	**7,270**	**3,992**

Note 28 Financial instruments

Note 28.1 Financial risk management

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

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

The Trust therefore has low exposure to interest rate fluctuations.

Credit risk
Because the majority of the Trust's revenue comes from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in the trade and other receivables note.

Liquidity Risk
The Trust's operating costs are incurred under contracts with CCGs, which are financed from resources voted annually by Parliament . The Trust funds it's capital expenditure from available cash funds . The Trust is not, therefore, exposed to significant liquidity risks.

Note 28.2 Carrying values of financial assets

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	10,047	**10,047**
Cash and cash equivalents	43,368	**43,368**
Total at 31 March 2020	**53,415**	**53,415**

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	10,994	**10,994**
Cash and cash equivalents	40,962	**40,962**
Total at 31 March 2019	**51,956**	**51,956**

Note 28.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2020	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	78	**78**
Trade and other payables excluding non financial liabilities	26,542	**26,542**
Total at 31 March 2020	**26,620**	**26,620**

Carrying values of financial liabilities as at 31 March 2019	Held at amortised cost	Total book value
	£000	£000
Obligations under finance leases	78	**78**
Trade and other payables excluding non financial liabilities	25,645	**25,645**
Total at 31 March 2019	**25,723**	**25,723**

Note 28.4 Maturity of financial liabilities

	2020	2019
	£000	£000
In one year or less	26,542	25,645
In more than one year but not more than two years	-	-
In more than two years but not more than five years	2	2
In more than five years	76	76
Total	**26,620**	**25,723**

Note 29 Losses and special payments

	2019/20		2018/19	
	Cases Number	Vlaue of £000	Cases Number	Vlaue of £000
Losses				
Bad debts and claims abandoned	53	35	36	34
Stores losses and damage to property	393	109	329	100
Total losses	**446**	**144**	**365**	**134**
Special payments				
arbitration award	26	114	34	172
Ex-gratia payments	86	711	83	716
Total special payments	**112**	**825**	**117**	**888**
Total losses and special payments	**558**	**969**	**482**	**1,022**
Compensation payments received		-		-

Note 30 Related parties

During the year none of the Department of Health Ministers, Trust Board of Director's or members of the key management staff, or parties related to any of them, has undertaken any material transactions with North West Ambulance Service NHS Trust.

The Department of Health is regarded as a related party. During the year 2019-20 Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. For example :

	Expenditure with Related Party	Income from Related Party	Amounts owed to Related Party	Amounts due from Related Party
	£000	£000	£000	£000
CCGs	5	350,205	89	4,788
NHS Foundation Trusts	1,881	793	167	938
NHS Trusts	191	206	-	92
NHS Resolution (formally Litigation Authority)	2,743	-	20	-
Department of Health and Social Care	596	17	30	-
Health Education england	-	1,493	-	-

Note 31 Better Payment Practice code

	2019/20 Number	2019/20 £000	2018/19 Number	2018/19 £000
Non-NHS Payables				
Total non-NHS trade invoices paid in the year	47,869	164,356	57,983	172,304
Total non-NHS trade invoices paid within target	46,310	160,469	55,600	164,448
Percentage of non-NHS trade invoices paid within target	96.7%	97.6%	95.9%	95.4%
NHS Payables				
Total NHS trade invoices paid in the year	544	3,181	665	5,761
Total NHS trade invoices paid within target	521	3,042	645	5,698
Percentage of NHS trade invoices paid within target	95.8%	95.6%	97.0%	98.9%

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

Note 32 External financing limit

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

	2019/20 £000	2018/19 £000
Cash flow financing	(2,348)	7,865
External financing requirement	**(2,348)**	**7,865**
External financing limit (EFL)	13,316	19,922
Under / (over) spend against EFL	**15,664**	**12,057**

Note 33 Capital Resource Limit

	2019/20 £000	2018/19 £000
Gross capital expenditure	17,113	21,642
Less: Disposals	(389)	(383)
Charge against Capital Resource Limit	**16,724**	**21,259**
Capital Resource Limit	16,903	21,307
Under / (over) spend against CRL	**179**	**48**

Note 34 Breakeven duty financial performance

	2019/20 £000
Adjusted financial performance surplus / (deficit) (control total basis)	2,871
Add back income for impact of 2018/19 post-accounts PSF reallocation	111
Breakeven duty financial performance surplus / (deficit)	**2,982**

Note 35 Breakeven duty rolling assessment

	1997/98 to 2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance		1,041	2,065	1,558	2,707	2,786
Breakeven duty cumulative position	3,678	4,719	6,784	8,342	11,049	13,835
Operating income		242,220	252,840	259,176	261,312	261,944
Cumulative breakeven position as a percentage of operating income		1.9%	2.7%	3.2%	4.2%	5.3%

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000	£000	£000
Breakeven duty in-year financial performance	513	135	6,965	6,031	5,319	2,982
Breakeven duty cumulative position	14,348	14,483	21,448	27,479	32,798	35,780
Operating income	266,952	282,429	316,422	327,731	341,787	370,582
Cumulative breakeven position as a percentage of operating income	5.4%	5.1%	6.8%	8.4%	9.6%	9.7%

The breakeven duty is stated in the National Health Service Act 2006 and it states that: each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account.

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

Appendix – Glossary of Terms

(This glossary does not form a part of the statutory accounts)

STATEMENT OF COMPREHENSIVE INCOME

- **Income and Expenditure**
  Often called a Profit and Loss account or an Income and Expenditure account. Public Sector accounts tend to use the term Income and Expenditure to indicate that they are non-profit making organisations.

- **Income from activities**
  Income from patient care activities of the Trust, usually from Clinical Commissioning Groups as the principle commissioner of services.

- **Other operating income**
  Income from non-patient care services such as commercial training, research funding etc.

- **Operating surplus**
  The surplus generated by the normal operations of the Trust before taking into account interest, depreciation and amortisation

- **Depreciation**
  When a fixed asset is purchased, the cost of that asset needs to be charged to the income and expenditure account over the life of the asset to recognise the contribution of that asset to the work of the Trust in each year of ownership. On purchase of a fixed asset, the expected life is assessed and the cost is spread over that life. The value of the asset therefore diminishes, or depreciates, over time.

- **Amortisation**
  Where depreciation applies to tangible fixed assets, amortisation is the same process for non-tangible fixed assets, such as loans to the Trust.

- **Profit / (loss) on disposal of fixed assets**
  The difference between the value of an asset in the balance sheet and the actual sale price of the item. This could be equipment or buildings.

- **Public Dividend Capital (PDC)**
  PDC originated in NHS Trusts as the difference between the valuation of its assets and liabilities on establishment as an NHS Trust. This originating debt is deemed an asset of the Secretary of State, and equates to taxpayers equity in the organisation. The Trust has to make a return on this capital equivalent to 3.5%

per annum, and this amount has to be paid over to the Treasury. The original debt can increase over time due to the allocation of additional capital funds, and is repayable over time.

STATEMENT OF FINANCIAL POSITION

- **Fixed Asset / Non-Current Assets**
  An asset that has a life that extends beyond the current financial year and that will generate economic benefits in future accounting periods – as opposed to current assets, which are realisable immediately or in the next accounting period. Fixed assets are typically equipment or buildings.

- **Current Assets**
  These are assets that are held on the balance sheet of the organisation that have an immediate cash value. These include stocks, that could be sold and realise cash quickly, debtors that can be collected quickly to realise cash or cash held in a bank account.

- **Stock / Inventories**
  Material held as stock which could be sold to realise cash quickly. Can either be valued at **cost** where stock is valued in the books at the purchase price or, **net realisable value** where stock is valued in the books at a value that it could reasonably be expected to fetch if it was sold on the open market today.

- **Debtors / Receivables**
  Money owed to the Trust for services provided.

- **Creditors / Payables**
  Money owed by the Trust for goods and services received.

- **Total Taxpayers' Equity**
  See Public Dividend Capital

NOTES TO THE ACCOUNTS

- **Historical Cost Convention**
  The value of an asset carried in the balance sheet is the amount paid for it on the purchase date.

- **Accruals Convention**
  The accounts are prepared taking account of all income received and receivable, and all expenditure paid and payable for the goods and services delivered and received in the period, and are not based on cash receipts and payments in the period.

- **Off Balance Sheet**
  Refers to fixed assets that are in use by the trust but which are not technically 'owned' by the organisation, and therefore do not appear in the balance sheet. An example of this would be operating leases, where equipment, such as vehicles, is leased by the organisation but never comes into our ownership.

- **Liquid Resources**
  Resources that can be released quickly to enable the organisation to settle debts. Typically, cash in hand or in the bank in short term accounts.

- **Prepayment**
  Where the Trust has paid in advance for goods or services – for example, quarterly payment in advance for telephone rentals.

- **Deferred Income**
  Income received in the financial year but deferred to a subsequent accounting period because the relevant services will be provided in that future accounting period.

- **Reserves**
  Funds set aside in recognition of a future event, project or change, where the need has been recognised but the event has not happened.

TERMINOLOGY

- **Going Concern Basis**
  The accounts are prepared on the basis that the Trust will still be in existence in the next financial year, and that it will therefore be in a position to recover any debtors due to it, and that it will be around to cover its long term liabilities. If it is likely that an organisation will not be in existence beyond this set of accounts, then long term liabilities would become immediately due, and the position of long term debtors would be called into question, resulting in the need to recognise that in the results presented in this set of accounts.

- **Capital Expenditure**
  The amount expended by the Trust that enhances the value of fixed assets whose useful life extends beyond the current accounting period.

- **Revenue Expenditure**
  Expenditure on the day to day operations of the Trust, pay and rations as opposed to capital expenditure.

- **Consumables**
  Non pay expenditure on items that have a life of less than one year and are therefore not fixed assets. The term relates to everything from drugs, uniform, stationery through to pieces of disposable equipment.

- **CCGs – Clinical Commissioning Groups**
  Clinical Commissioning Groups (CCGs) were created following the Health and Social Care Act in 2012, and replaced Primary Care Trusts on 1 April 2013. CCGs are clinically-led statutory NHS bodies responsible for the planning and commissioning of health care services for their local area. There are now 31 CCGs in the North West of England.

- **Liability**
  A situation where an organisation has an obligation to pay for something that has already occurred, and around which there is certainty, but is not yet physically paid for.

- **Provisions**
  An allowance in the accounts for a known item, but where the value or timing of the event giving rise to it is uncertain. An example may be where a pay award from 1 January in a given year has not yet been agreed, and the settlement date is uncertain. The organisation would typically provide an estimate for inclusion in the accounts to ensure that the relevant charge to Income and Expenditure is made in the correct year.

- **Contingent Liability**
  A situation where a financial obligation to pay for something that has already happened may arise, but where there is uncertainty or where the final value is difficult to quantify due to dependencies on other things. For example, an outstanding legal claim against the organisation, where if the verdict goes against the organisation, there will be an obligation to pay for an unquantifiable amount. Amounts carried in the accounts under this heading will inevitably be estimates based on the best information available at the time.

- **Value Added Tax (VAT)**
  May be in the form of **output tax** – VAT charged on sales, or **input tax** – VAT paid on purchases. In the NHS, normal NHS healthcare activity does not attract VAT.

- **Post Balance Sheet Event**
  Something that is recognised after the accounts have been finalised, but before publication, which impacts on the results as they are presented, and has a significant impact on how the results should be interpreted.

- **Risk Pooling Scheme**
  This is essentially the NHS insurance scheme, where we pay an annual premium to cover any insurance claims that may arise during the year. The scheme covers all the usual insurance risks around buildings, equipment, fire etc, as well as clinical negligence issues.

- **NHS Resolution**
  NHS Resolution (NHS R) is the body responsible for handling negligence claims against NHS organisations. NHS R also advises NHS organisations on risk management.

- **Losses and Special Payments**
  Any payments made in respect of bad debts, stock write offs, insurance excesses or compensation payments that are not considered a part of the normal business of the Trust.

Things to consider when reading a set of accounts

- **True and Fair View**
  A set of annual accounts is a snapshot at a point in time of how the business is performing. Is it profitable? Is it viable? Is it fit for purpose? It is not and probably never will be 100% accurate. What is important is that the accounts present a fair reflection of performance and viability, and that the items presented in there have been treated according valid and accepted accounting principles, and can be explained and justified in that context.

- **No Surprises**
  The annual accounts should only ever confirm what the Board have been expecting in light of the monitoring reports that have been presented by Director of Finance during the year, and should bear a close resemblance to figures reported at Month 12. If there are significant differences between what the Board was expecting, or from the Month 12 report, then the Director of Finance should include explanations for this in a commentary that accompanies the accounts, and the auditors should be asked to comment on any items of significance.

- **Previous Year**
  It can be useful to compare this year's figures with those of the previous year. Again, the Board should already be aware of any significant movements, and the reasons for them, so any changes should be expected. If there are any changes that have not been explained, then these should be queried and satisfactory explanations obtained to approval.

- **Fixed Assets / Non-Current Assets**
  The Board should be assured that the changes in the fixed asset figures from one year to another reflect the decisions made by the Board on capital investment and disposals during the year. If a revaluation has taken place during the year, this should be explained in the notes, and the Board should ensure that they are fully aware of the impact that this has had on both the Income and Expenditure account and Balance Sheet.

- **Current Assets**
  Again, differences between years should be looked at. Particular things to look for include:

    - Stock – large swings in stock levels year on year can indicate that stock management is inefficient. As a general rule, the Trust should look to carry out as little stock as possible commensurate with ensuring that the right supplies are available at the right time. A very large reduction in stocks in any given year, combined with a reduction in cash balances, may be an indication that the trust is experiencing cash flow problems.
    - Debtors – high levels of debtors may be a result of inefficient debt collection in the Trust and this may be impacting on the cash flow performance.
    - Cash at bank and in hand – this is an indication of the liquidity of the Trust. We should make sure that we have sufficient readily accessible cash available to meet our immediate needs. Significant swings from year to year may indicate that cash management is not as efficient as it should be.

Further Information

Contact the Director of Corporate Affairs at the address, e-mail or telephone number below for information about the Board of Directors or if you would like:

- To view the register of Board of Directors' interests
- To contact the Chair or any member of the Board of Directors
- Information about Board of Directors meetings which are open to the public. Details of meetings are also available on the Trust's website.
- To contact the Chief Executive's office for more information or if you have any comments

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