NHS
South Western
Ambulance Service
NHS Foundation Trust

Annual Report and Accounts

1 April 2019 – 31 March 2020

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

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A welcome message from our Chief Executive and Chairman

2019/20 continued the themes of the previous year with significant challenges and demands for the NHS, the ambulance sector and the Trust.

We have continued our focus on our three key strategic goals of Every Patient Matters, Every Team Member Matters and Every Pound Matters. This focus has allowed us to respond positively to those challenges going forward with growing confidence.

We are very proud of many things in the Trust, our clinical focus, our non conveyance rate and our ability to innovate and develop new ways of working being just a few. However, what we are most proud of across the whole of our Trust is the dedication, commitment and compassion of our people.

We wanted to pay tribute to all of our people across the trust who work tirelessly to keep the ambulance service and our Minor injury unit running and those who are at the forefront of delivering exceptional patient care. Thank you to our fleet and estate teams who keep our vital buildings, vehicles and equipment working, our support functions and corporate services teams who ensure the right resources are in the right place at the right time and finally our patient facing teams who are delivering exceptional patient care, those working in our clinical hubs dealing with the calls into our service and providing clinical triage or despatching our teams in Ambulances, our people who respond in our Ambulances, our Nurses in the Minor injuries unit and our Community First responder volunteers, all of who you often see and meet.

We would like to thank each and every one of them for their service and dedication and hope that as our patients and public of the South West when you meet them, you do so too.

We have all seen first hand the dreadful impact Covid 19 has had on our lives and the response by our people to this unforeseen, unprecedented, and challenging time has been nothing short of amazing, I would also like to acknowledge the role played by our retired and former employees, fire responders and our community first responder volunteers who have worked side by side with our teams in response to the coronavirus.

Providing exceptional patient care is at the core of our values and it has never been more important.

It is as also vitally important that we provide care and support to each other working or volunteering in the trust; an increasingly important and vital core value the we are committed to supporting and delivering.

This summer sees our Chief Executive of over 13 years, Ken Wenman retire and Will Warrender join the Trust. I wanted to take the opportunity to say thank you to Ken and to wish him a long, healthy and happy retirement. Ken has been at the forefront of driving clinical development of paramedic practice and he was also instrumental in forming the Regional service we have today and he can be justifiably proud of his achievements and he leaves a strong platform for Will to build from.

On behalf of the Trust we wish Ken all the very best for the future and we look forward to continuing to serve you the public with exceptional patient care by our exceptional people.

Stay safe and take care.

Tony Fox Chairman	**Ken Wenman** Chief Executive

Performance Report

The purpose of the performance report is to provide information on the entity, its main objectives and strategies and the principal risks that it faces.

Overview of Performance

South Western Ambulance Service NHS Foundation Trust (SWASFT) provides a range of emergency and urgent care services to the people of South West of England. We work in a way that upholds the values and pledges of the NHS Constitution and are proud to embrace innovation and actively promote best practice.

SWASFT was the first ambulance service to be authorised as an NHS Foundation Trust on 1 March 2011. Since acquiring our former neighbouring trust Great Western Ambulance Service (GWAS) in February 2013, our operating area now covers a fifth of England.

Our geographical area encompasses Cornwall and the Isles of Scilly, Devon, Dorset, Somerset, Wiltshire, Gloucestershire, Bristol, Bath, North and North East Somerset and South Gloucestershire.

We deliver the Accident and Emergency (A&E) 999 ambulance service across the South West and also provide the following:

- Hazardous Area Response Team (HART)
- GP Out-of-Hours services in Dorset
- NHS 111 services in Dorset (until 1 May 2020)
- Tiverton Urgent Care Centre
- Patient Transport Services (PTS) for the Isles of Scilly.
- A number of other urgent care service contracts, including a Single Point of Access (SPoA) service to healthcare professionals in Dorset, dental call-handling and triage, Out-of-Hours services to prisons in Dorset and GP practice telephone cover.

We operate from more than 100 sites, including 96 ambulance stations, six air bases and two emergency clinical hubs.

Our mission statement is:

To respond quickly and safely to patients' emergency and urgent care needs, at every stage of life, to reduce anxiety, pain and suffering.

Our vision is:

Exceptional patient care delivered by exceptional people.

Our values are:

The Trust's core values are aligned to the NHS Constitution and are:

- **Respect and dignity**:

  We value each person as an individual, respect their aspirations and

commitments in life, and seek to understand their priorities, needs, abilities and limits;

- **Commitment to quality of care**:

  We earn the trust placed in us by insisting on quality and striving to get the basics of quality of care – safety, effectiveness and patient experience – right every time;

- **Compassion**:

  We ensure that compassion is central to the care we provide and we respond with humanity and kindness to each person's pain, distress, anxiety or need.

- **Improving lives**:

  We strive to improve health and well-being and people's experiences of the NHS;

- **Working together for the patient**:

  We put patients first in everything we do, by reaching out to staff, patients, carers, families, communities, and professionals inside and outside the NHS;

- **Everyone counts:**

  We maximise our resources for the benefit of the whole community, and make sure nobody is excluded, discriminated against or left behind.

Our strategic goals are:

- **Every Patient Matters**
  Delivering compassionate, clinically effective care across all Trust services that is safe, responsive and provides confidence and reassurance to patients and their families.

- **Every Team Member Matters**
  Delivering strong, inclusive and caring leadership to a team made up of the right people, with the right skills, values and behaviours.

- **Every Pound Matters**
  Delivering robust financial discipline, including reduced variation and increased productivity and efficiency, to ensure 'healthy' finances.

Our Board of Directors comprises;

- a Non-Executive Chairman
- a Chief Executive
- non-executive directors, and
- executive directors.

As an NHS Foundation Trust, we have a Council of Governors and a membership

base drawn from the general public and our staff. Governors are either elected by public and staff members or appointed by partnership organisations. More details about the Board of Directors, Council of Governors and our members can be found in the staff report on page 31 of this document.

Further information can be found in our ‘staff report’ section on page 23.

Activities and achievements

During 2019/20, the Trust had many achievements including:

- Preparing and responding to the challenge of coronavirus
- The recruitment of the first cohort of Ambulance Nurses.
- Successfully securing 63 new ambulances to add to our fleet and launching them in Cornwall
- Launching the Invest in Yourself campaign, which ran throughout the year and included challenges for our staff, families and children.
- Being the first Trust to work with a professional sports team to promote the importance of learning bystander CPR.
- Receiving 2,293 compliments and 862 general enquiries
- Dealing with 963,030 incidents across the Trust

There are mnay achievements which are noted throughout the annual report.

Risks and uncertainties

The Trust has a comprehensive Corporate Risk Register that contains risks which have the potential to impact on the achievement of the Trust’s Strategic Goals. The identified key risks are:

- Incident Stacking (A&E)
- ARP Performance Targets
- Changes in Activity
- Major IT Service Failure/Cyber Security
- Commissioner Affordability
- External Impact on Finance Strategy
- Cost Improvement Programme
- Procurement of ECS2
- Maintaining Clinical Hub Establishment Levels
- The Implications of COVID-19

The Trust’s Risk Register contains details of the controls that are in place to manage each risk, the action planned to manage the risk and an identified accountable director. These are reviewed and discussed at each meeting of the Board of Directors and Quality Committee. During review of the Board Assurance Framework at each meeting of the Trust Board of Directors, the accountable Executive Director advises the Board on the latest position for each key risk.

All risks are monitored through the committee structure, via risk reports related to the scope of

each committee and through the Board Assurance Framework. The Quality Risk Assurance Group, Audit and Assurance Committee and Board of Directors are accountable for the oversight and assessment of the outcomes of risks.

The Trust's Strategy 2018/21 provides a SWOT analysis to identify factors influencing the delivery of the Trust's strategic aims. Identified issues include:

- Little financial headroom and a reduced ability to invest in future innovation
- Reducing NHS budgets going forward and the ability of the Trust to remain financially stable with an ever increasing funding gap
- A fragmented approach to the commissioning of urgent care services driving, in some areas, inefficiencies and market instability
- Performance pressures while transitioning the service to operate under the new national ambulance standards
- Scale and impact of wider health system changes yet to be fully determined
- Demographic factors in the wider population continuing to drive demand and the need for more flexible services
- Team resilience and morale in the face of increasing pressures
- Ability to engage and retain the future workforce with increasing competition
- Increasing competition for the paramedic workforce from primary, secondary and emergency care within the NHS and private sector
- Ability to continue delivering 'affordable quality' and reconcile quality, performance and money.

Going concern disclosure

After making enquiries, the Directors have a reasonable expectation that South Western Ambulance Service NHS Foundation Trust has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts. Please refer to Note 1 of the accounts for further details.

Performance Analysis

Performance against contract

During 2019/20, the Trust received a total of 963,030 emergency and urgent incidents. This was an increase of 3.48% when compared with 930,622 emergency and urgent incidents across the same period and geographical area during the 2018/19 financial year and 3.54% above the contract volume for 2019/20.

Background

For 2019/20, the Trust had a single contract to deliver emergency 999 services for the South West. The single contract was commissioned by 9 clinical commissioning groups (CCGs) through a co-ordinating commissioning arrangement.
In addition the Trust had contracts to provide a range of urgent care services throughout the South West:

- The Trust delivered the telephone triage element of the Dorset Integrated Urgent Care Service*;
- The Trust delivered the services at the Tiverton Urgent Care Centre on behalf of Devon CCG;
- As part of the A&E Contract the Trust delivered an Integrated Transport Services for the Isles of Scilly.

* With effect from 1 April 2019 a new Dorset Integrated Urgent Care Service was introduced, with Dorset University Healthcare NHS Foundation Trust acting as lead providers. The Trust provides the telephone triage elements of the revised service model (this includes the NHS 111 and Single Point of Access elements previously delivered by the Trust prior to April 2019).
Each contract is subject to governance arrangements including regular contract meetings with the commissioner of the service to monitor clinical quality, patient safety and performance.

Activity Levels and Contract Values

Service Currency/ Activity Measure	Contracted 2019/20	Actual 2019/20	Contracted 2020/21
Emergency (999) Incidents	930,104	963,030	As part of the NHS response to COVID-19 a revised financial regime has been implemented which provides an alternative basis for the contract. The contract negotiations will be reinstated for 2020/21 once this revised regime is completed.
Dorset Integrated Urgent Care Service – NHS 111 Calls Received	258,947	289,872	As of 1 April 2019 a new Dorset Integrated Urgent Care Service was introduced, with Dorset Healthcare University NHS Foundation Trust acting as lead providers. SWASFT continue to provide the telephone triage element of the revised service model which includes NHS 111 calls. This service TUPE'd on 01 May 2020 to Dorset University Healthcare NHS Foundation Trust.

A&E Activity

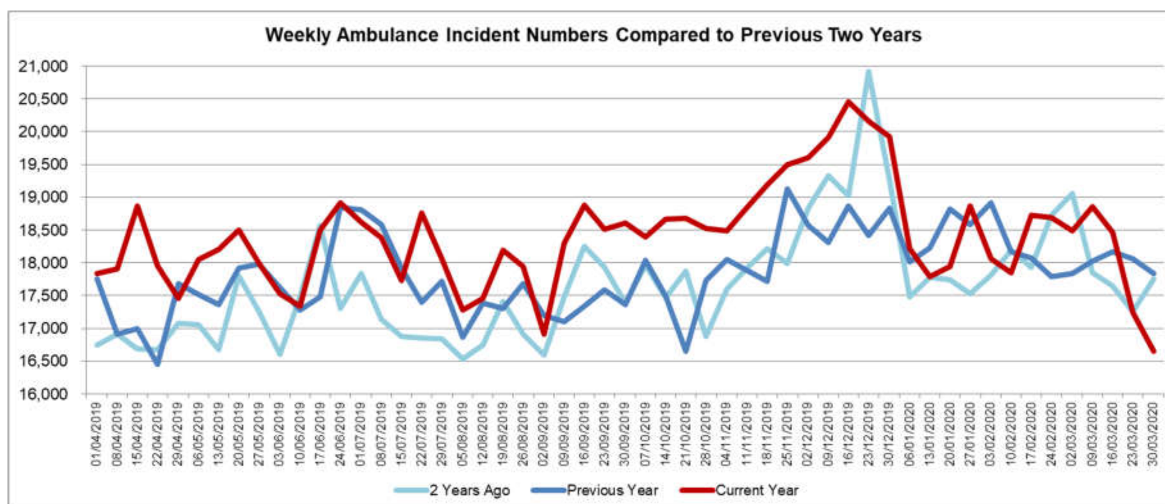
Historically, ambulance services have experienced year-on-year growth in demand for their services. In 2019/20 the Trust reported a year-on-year activity increase of 3.48%. This has seen the average number of ambulance incidents per day increase from 2,376 incidents in 2014/15 to 2,631 incidents per day in 2019/20.

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
A&E Incident Numbers	867,505	911,378	899,129	921,386	930,622	963,030
Year-on-Year % Movement		+5.06%	-1.34%	+2.48%	+1.00%	+3.48%

The A&E contract for 2019/20 was based on the actual incident numbers reported for 2018/19 without a small activity uplift of 200 incidents. The contract volume for the current year took into account the anticipated impact of planned actions by the STPs across the South West to mitigate activity growth during 2019/20.   Actual activity for 2019/20 was 3.54% above contract volumes.

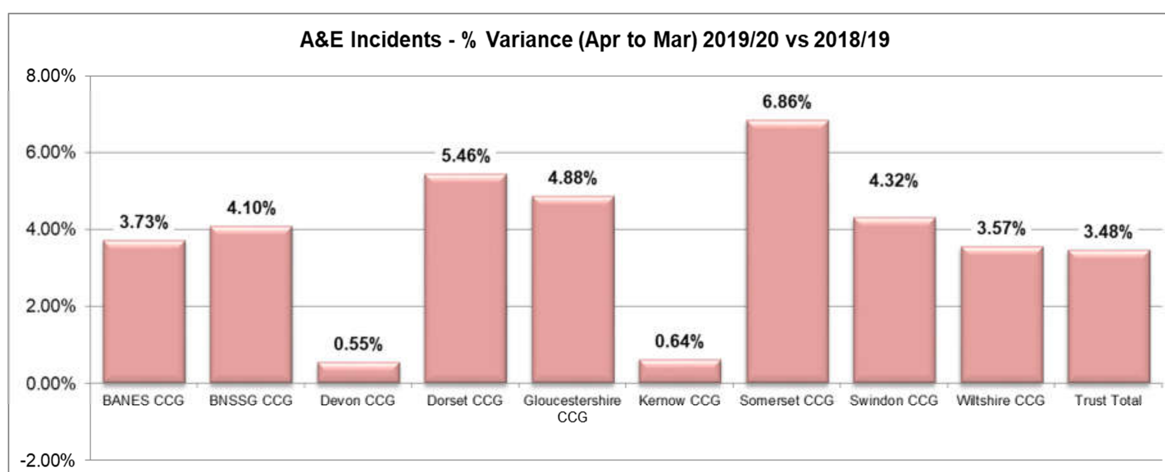
The A&E contract for 2019/20 contained a break glass agreement for activity above contract volumes. The contract marginal rate of 75% was paid for growth up to 1.77% above contract volumes. For 2019/20 the Trust therefore received additional income at the agreed marginal rate for only 1.77% of the additional 3.54% activity above contract levels.

The graph below shows the weekly incident volumes received by the Trust in comparison to the volumes seen in the previous two years. Incident levels have consistently been above those seen in recent years throughout 2019/20. Of greatest significance were the increases seen in activity levels during Quarter 3, with activity from 1 October 2019 to 31 December 2019 up 6.36% on the same period last year.



The contract activity for 2019/20 equates to an average of 17,789 incidents per week, however during Quarter 3 activity volumes rose well above 18,500 incidents per week and during peak demand periods over Christmas and New Year rose above 20,000 incidents.

Activity uplifts were seen across the South West, although it was identified that some CCG areas reported higher year on year growth than others, with Somerset CCG reporting the highest annual increase at 6.86% and Devon CCG the lowest at 0.55%.



Source of A&E Incident Increase
Emergency calls come predominantly from members of the public, healthcare professionals (HCPs) and from the NHS 111 service. When comparing activity levels year-on-year, the increases in activity are evident within those incidents originating from the public with a 7.76% growth year-on- year.

Source of Incident	2016/17	2017/18	2018/19	2019/20	Variance % 2019/20 vs 2018/19
Public Incidents	597,607	606,176	608,925	656,193	+7.76%
NHS 111 Incidents	175,929	198,086	205,588	198,804	-3.30%
HCP Incidents	125,593	117,124	116,109	108,033	-6.96%
Total Incidents	**899,129**	**921,386**	**930,622**	**963,030**	**+3.48%**

Other Factors Influencing Performance

In addition to the overall activity levels, the Trust's ability to improve response times is affected by many other factors. One of the most important factors is rurality. SWASFT is the most rural ambulance service in England and the geography has a direct impact on performance as any metric is measured across the whole operating area and makes no allowance for factors such as the time and distance to travel to an incident.

Another significant factor impacting on performance is handover delays at a hospital's emergency department which creates pressure points in the system directly impacting on the resources available to the Trust at any given point. Capacity challenges at acute hospitals impact on their ability to accept ambulance patients in a timely manner. The Trust works extremely closely with NHS commissioners and colleagues in acute hospitals to help manage the flow of patients into the hospital with the explicit aim of increasing the availability of ambulance resources wherever possible to deliver the best service that it can to patients.

Improvement trajectories were developed by NHS Improvement for each of the acute hospitals across the South West with the aim to reduce the number of occasions where the handover of the patient at an acute hospital exceeded the 15 minute target. In 2018/19 the Trust reported a total of 101,288 incidents where the handover of a patient at an acute hospital took in excess of 15 minutes. In 2019/20 the equivalent number of incidents increased to 111,779, an increase of 10.36%. The target set by NHS Improvement was for the volume to reduce to less than 50,352 incidents in 2019/20, more than double the target for the year.

The time lost to handover delays in excess of the 15 minute target at acute hospitals in 2019/20 was on average 51 resource hours lost per day and therefore remains an area of focus for the Trust moving into 2020/21.

COVID-19

The impact of additional activity relating to the COVID-19 outbreak has been seen during Quarter 4 of 2019/20 with activity increases at the end of February 2020 leading into March 2020.

There are also additional implications on job cycle times and resource availability resulting from suspected and confirmed COVID-19 cases including, but not exclusively:

- Additional Personal Protection Equipment required to be worn by crews attending such incidents;
- Increased conveyance times for confirmed cases with patients being required to be transported to specialist treatment centres across the country;
- Additional vehicle cleaning times where COVID-19 cases have been conveyed and require deep cleaning before returning to operational availability.

In response to the potential impact of the COVID-19 pandemic the Trust declared a Critical Incident on 16 March 2020. In attempting to manage the potential impact, the Trust developed a COVID-19 Surge Management Plan, the primary objectives of the Surge Management Plan were:

- Protect call answering and provide a safe dispatching function;
- Maximise as far as possible clinical presence and availability within the 999 Clinical Hub;
- Increase 999 front line resourcing levels using capacity from all available sources;
- Support the development of Nightingale hospitals within the South West;
- Protect the SWASFT 5 (the 5 key areas of the Trust identified as the 999 Clinical Hub, Operations, Resource Operations Centre, Fleet and IM&T);
- Protect the command structure dealing directly with the outbreak focusing on command resilience.

Performance against National Targets

New ambulance response time standards, indicators and measures were introduced during 2017/18 (updated in early 2018) as part of the Ambulance Response Programme (ARP) and are now reported monthly as part of the NHS England Ambulance Quality Indicators.

This report includes data on the ARP metrics for the period 1 April 2019 to 31 March 2020.

ARP Response Category	National Standard	Trust Performance 1 April 2019 to 31 March 2020
Category 1 – Mean Response Time	7 Minutes	7 Minutes 03 Seconds
Category 1 – 90th Centile Response Time	15 Minutes	12 Minutes 57 Seconds
Category 1T – 90th Centile Response Time	30 Minutes	19 Minutes 40 Seconds
Category 2 – Mean Response Time	18 Minutes	28 Minutes 38 Seconds
Category 2 – 90th Centile Response Time	40 Minutes	59 Minutes 52 Seconds

Category 3 – Mean Response Time	1 Hour	1 Hour 17 Minutes 13 Seconds
Category 3 – 90th Centile Response Time	2 Hours	3 Hours 04 Minutes 03 Seconds
Category 4 – Mean Response Time	n/a	1 Hour 33 Minutes 55 Seconds
Category 4 – 90th Centile Response Time	3 Hours	3 Hours 41 Minutes 50 Seconds

Actions to Improve Performance

It is acknowledged that significant changes to the current operating models for ambulance services are required to deliver the performance standards. These challenges include changes to staff rotas, staff skill sets, response vehicle mix and operational dispatch systems and processes. Internal improvement plans during 2018/19 addressed a number of these changes. However the key challenge to delivering the required performance improvements was additional investment to deliver the additional operational resourcing levels required across the South West and a step change in the type of resources provided on a daily basis, moving towards a fleet of vehicles with a greater conveying capacity (ie reducing single crew resources to double-crewed ambulances).

During 2018/19 the Trust worked closely with its Commissioners to develop plans to improve performance, with the ultimate aim of delivering ARP performance standards on a trust wide basis. This included development of The Joint Plan comprised of three key elements:

- The Trust's Performance Improvement Plan (PIP) (delivered during 2018/19);
- The STP Action Plan;
- The Transition Plan:
    - The Business Case for Delivering ARP Standards (The Business Case);
    - Transformation.

The purpose of the STP Action Plan is to manage demand and mitigate activity increases for the ambulance service. and The Plan requires STP system partners to collaborate in order to support improved performance against ARP standards.

The Business Case for additional investment in the Trust was prepared and shared with Commissioners and Regulators. It was based on external modelling undertaken ORH Ltd which identified an £18m funding gap between existing resources and the level of resources required to deliver the national ARP response time standards in full across the South West. The Business Case evidenced the requirement for investment over a 2 year period, providing a realistic and affordable plan. It contained phased investment enabling the Trust to deliver a recruitment plan and improve performance over a 2 year time frame.

As part of the A&E contract negotiations for 2019/20 an additional £12m has been provided by Commissioners to enable the Trust to invest in significant increases in operational resources and to deliver stepped improvements in response times to all categories of patients over the two year period. The investment has been profiled across the two year period based on the Trust plans, with £8m during 2019/20 and a further £4m in 2020/21.

As part of The Joint Plan, during 2019/20 the Trust is working with Commissioners to develop a Transformation Plan in order to address the remaining performance gap, which has been identified as £6m through the ORH modelling exercise.

It should be noted that the response time improvements are based on a number of key assumptions which include the mitigation of future activity growth through the successful

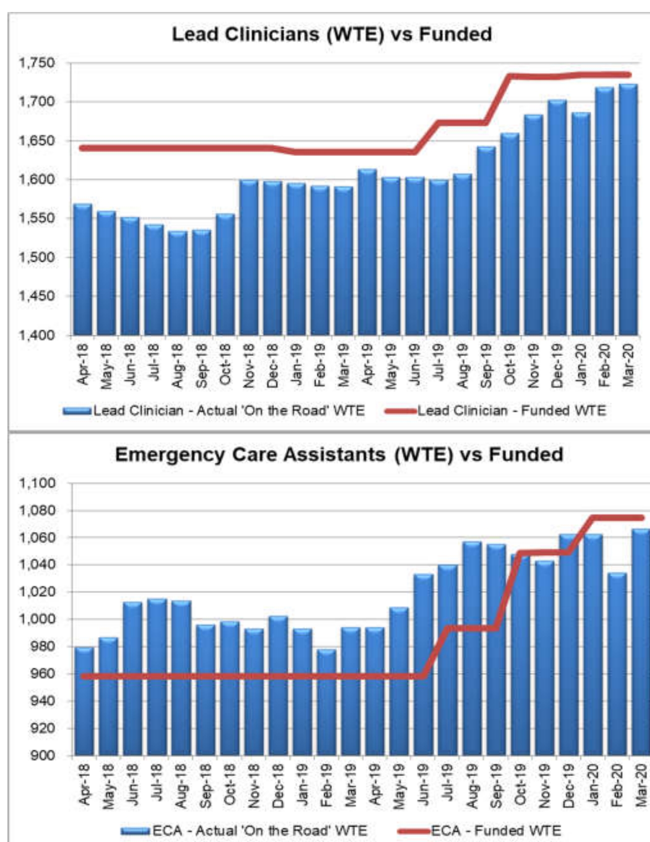
implementation of schemes under the STP Action Plan to reduce inappropriate activity being received by the ambulance service. Should activity growth rise above planned levels then response times improvements will be adversely impacted – as highlighted earlier in this report actual activity levels were 3.54% above contract for 2019/20 financial year therefore above expected levels.

Our People Plan

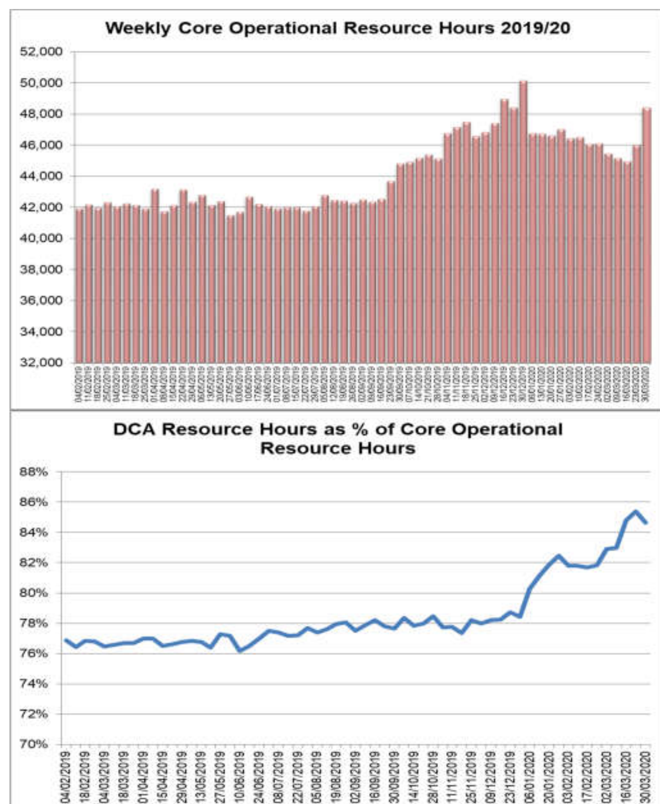
The Trust has developed 'Our People Plan' to deliver and accommodate the additional people that the investment funding will enable us to recruit. Utilising the analysis undertaken by ORH, Our People Plan identifies the most effective location of the Trust people and vehicles in order to meet the current levels of demand, provide the highest quality care for patients and move towards achieving the national ARP performance standards.

Our People Plan will see an increase of more than 240 frontline operational staff over the two year period and will require investment and changes to the Trust estate footprint to accommodate these increases. The required changes to estates are incorporated within Our People Plan. The £6.7m OHSC Fleet Capital Investment in 2018/19 enabled the Trust to increase the size of its fleet by 63 ambulances to accommodate the additional people/resources.

Due to the timeline involved in delivering the additional operational staff 'on the road' the Trust did not anticipate significant improvements in ARP response times until the latter part of 2019/20, with Lead Clinician numbers showing stepped improvements during Quarter 3 of 2019/20 with further improvements in Quarter 4 of 2019/20. The graphs below represent the changes in the Lead Clinician and Emergency Care Assistant staff numbers available 'on the road' compared to April 2018, with further improvements expected as part of the continued investment plans during 2020/21.



The improvements in operational staff numbers have enabled the Trust to implement rota operational rota changes during 2019/20 including steps to increase the proportion of Double Crew Ambulance (DCA) resources on a daily basis. The trust has utilised the additional funding provided through the A&E contract for adverse activity variances to fund additional resources during Quarter 3 and Quarter 4 of 2019/20.



The positive impact of these additional resource hours has in part been offset by the additional activity increases seen during 2019/20, particularly during Quarter 3 when a large proportion of the changes were implemented. Further changes were introduced to rotas during Quarter 4 of 2019/20 and with activity levels reducing during the final quarter response time performance is now showing improvements compared to historic levels and further improvements are anticipated moving into 2020/21 with the final stages of the People Plan (providing activity levels remain in line with forecast/contract levels).

Response Category	Q1 2019/20	Q2 2019/20	Q3 2019/20	Q4 2019/20
Category 1 Mean	6 mins 55 secs	7 mins 12 secs	7 mins 06 secs	6 mins 59 secs
Category 1 90th Centile	12 mins 50 secs	13 mins 14 secs	13 mins 00 secs	12 mins 40 secs
Category 2 Mean	29 mins 16 secs	29 mins 06 secs	29 mins 17 secs	26 mins 51 secs
Category 2 90th Centile	1 hr 01 mins 36 secs	1 hr 00 mins 52 secs	1 hr 01 mins 18 secs	55 mins 33 secs
Category 3 Mean	1 hr 16 mins 29 secs	1 hr 18 mins 50 secs	1 hr 20 mins 36 secs	1 hr 12 mins 36 secs
Category 3 90th Centile	3 hr 00 mins 20 secs	3 hr 06 mins 41 secs	3 hr 14 mins 26 secs	2 hr 53 mins 56 secs
Category 4 Mean	1 hr 33 mins 57 secs	1 hr 31 mins 57 secs	1 hr 32 mins 45 secs	1 hr 40 mins 17 secs
Category 4* 90th Centile	3 hr 30 mins 27 secs	3 hr 41 mins 36 secs	3 hr 43 mins 22 secs	4 hr 01 mins 35 secs

*Category 4 response times have increased slightly, however following a change in the national triage categories during 2019/20 the average number of Category 4 incidents per day has reduced from 50 incidents per day in Quarter 1 of 2019/20 to just 22 incidents per day in Quarter 3 of 2019/20 and has therefore increased the challenge in targeting improvements at this small number of lower acuity incidents.

Ambulance Clinical Quality Indicators (ACQIs)

Ambulance trusts are required to publish all data in relation to Ambulance Clinical Quality Indicators (ACQIs) on a monthly basis, both locally on the Trust's website and nationally by the Department of Health and social care (DHSC). ACQIs are used to understand the quality of care provided, focussing particularly on the outcome of care provided for patients, as well as the speed of response.

Ambulance services use ACQIs to drive continuous improvements in the care they provide for patients. ACQIs were created to provide a comprehensive and balanced view of care and should be taken together as a complete set rather than focussing only on a few specific indicators. As a complete set, ACQIs provide a full picture of how ambulance services are performing. ACQIs are designed to be consistent with measures in other parts of the NHS, most notably those in hospital emergency departments. The Trust's ACQIs are reported in the Quality Report.

Dorset Integrated Urgent Care Service

From 1 April 2019 the Trust entered into a partnership to deliver Integrated Urgent Care for Dorset. The partnership consists of SWASFT, Dorset Healthcare University NHS Foundation Trust, Royal Bournemouth and Christchurch NHS Foundation Trust, Poole Hospital NHS Foundation Trust and Dorset County Hospital NHS Foundation Trust.

Within the partnership arrangement the Trust is responsible for the NHS 111, Single Point of Access (SPoA) and Clinical Telephone Triage elements of the operating model, all of which have been amalgamated within a Clinical Assessment Service (CAS) in line with national guidance for Integrated Urgent Care Services.

On 10 July 2019, the Trust informed staff working for our Integrated Urgent Care Services (IUC) in Dorset that the Trust would be withdrawing from the Dorset Integrated Urgent Care Service. Although the NHS 111 service in Dorset was given a 'good' CQC rating in 2018, the Trust has struggled to maintain the staffing levels required. This has placed undue stress on our people and does not allow us to deliver the level of service the Trust aspires to provide to patients.

The Trust has therefore taken the very difficult decision to bring an end to our time as a provider of this service, but remains committed to continuing to provide a safe service until the transfer over to a new provider during the first quarter of 2020/21. During the interim period the Trust continues to recruit into the service to ensure appropriate levels of staff are provided to run an effective and safe service for our patients.

Dorset Integrated Urgent Care Service – Call Answering Performance

Contractual performance is reported nationally through the partnership, the call answering performance for the NHS 111 element of the service remains the metric for performance monitoring for the Trust's element of the service model.

The main challenge for the Trust has historically been achieving the target for the percentage of calls being answered within 60 seconds.

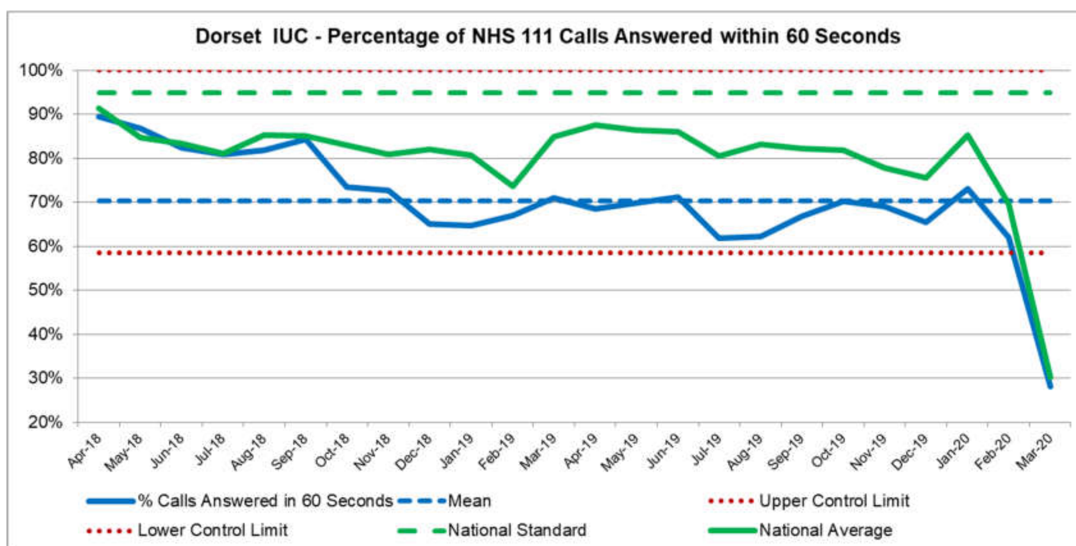
High attrition rates for call advisors (approx. 50% per annum) make it difficult to maintain full establishment levels and while training courses have been scheduled throughout 2019/20 they have been insufficient to meet this level of attrition. Training courses for new call advisors on the NHS Pathways triage system last eight weeks, plus a further period time for staff to become confident and fully productive in post after those eight weeks have been completed. When this extended training time is added to the recruitment period for advertising and interviews the lead time for new call advisors is considerable and the Trust struggles, at present to mitigate the reported attrition rates.

The challenges of staff retention are not unique to the service in Dorset, with other services across the country also struggling to maintain performance levels as evidenced in the national call answering performance figures.

Performance against the call answering metrics for 2019/20 is provided in the table below, with performance impacted by the staffing challenges outline above as well as an 11.94% increase in calls being offered to the service during the current year. Within the increase in call volumes the increases seen during Quarter 4 of 2019/20 in relation to COVID-19 (calls offered in March 2020 were 85% higher than the calls offered in March 2019) were of greatest significance.

NQR Number	National Quality Requirement (NQR)	2018/19	2019/20
NQR 8	No more than 5% of calls to be abandoned	5.09%	10.73%
NQR 9	Calls to be answered within 60 seconds of the end of the introductory message (95% KPI)	76.71%	63.32%

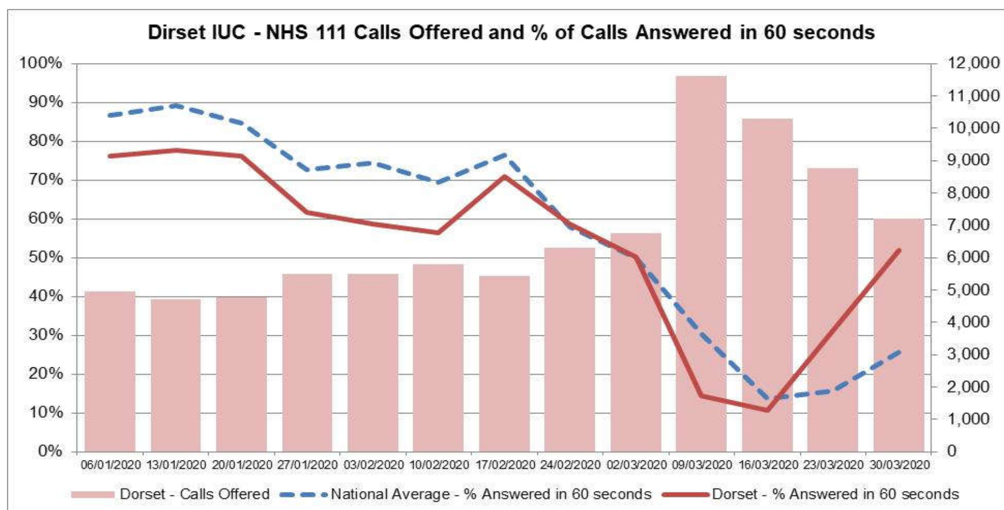
Monthly call answering performance for the Dorset Integrated Urgent Care Service is provided in the graph below for the period April 2018 to March 2020 compared to the average call answering performance across the NHS 111 services reported nationally.



Dorset Integrated Urgent Care Service – COVID-19

The impact of COVID-19 outbreak had a significant impact on the number of calls being presented to the NHS 111 services across the country during the final quarter of 2019/20 leading into the start of 2020/21. With government advice to call NHS 111 providers to discuss COVID-19 symptoms there were sharp increases in the weekly volumes of calls being presented to the service in Dorset (and other services across the country) from the end of February 2020. These additional volumes outstripped the available resources within the service due to the sudden impact and due to the fact that the increased activity was predominantly seen during the weekday, daytime periods when historically the service had received very low call volumes and therefore had minimal resources on duty.

The volume of calls presented at the beginning of March 2020 peaked at over 10,000 calls compared to around 4,500 calls received in January 2020. The Trust therefore was required to develop urgent operational surge plans to deliver additional resources to meet these sudden increases in demand.



All NHS 111 providers across the country saw similar challenges and due to the unprecedented volume of calls being received all providers saw reductions in call answering performance over the same period, with the Trust delivering some recovery in performance through the implementation of surge plans during March 2020.

Urgent Care Services – Tiverton Urgent Care Centre

The Trust delivered services at the Tiverton Urgent Care Centre throughout 2019/20. The Trust performance is measured against two key targets under this contract, measuring access and timeliness. The first is the national indicator measuring the total time spent in A&E – the national target is to treat a minimum of 95% of patients within four hours. The second indicator is a local standard and measures the time-to-triage within 15 minutes – this also has a 95% target. The Trust consistently delivers very strong performance against both indicators.

Key Performance Indicator	National Target	Actual Performance 2018/19	Actual Performance 2019/20
Number of cases	n/a	18,680	21,377
Percentage of cases completed within 4 hours	95%	99.35%	99.05%
Percentage of patients triaged within 15 minutes	n/a	97.92%	99.66%

Isles of Scilly – Integrated Transport Service

Since the 1 April 2017, and as part of its A&E Contract, the Trust has delivered an Integrated Transport Service on the Isles of Scilly. This service is commissioned directly by NHS Kernow CCG and activity is delivered within a block contract.

Transport services provided include non-urgent journeys for patients who have a medical need, including attending outpatient appointments, admission to or discharge from hospital and transfers between hospitals.

Environment and Sustainability Management

During 2019/2020 the Trust has continued to monitor its utilities and waste data closely and to use the data for contract management and staff awareness.

The Sustainable Development Management Plan is still in development, as recommended by the NHS Sustainable Development Unit, it is being aligned to the United Nations Sustainable Development Goals. This strategic work is led by the Environment Management Group, which is now chaired by the Executive Director of People and Culture.

The Trust has signed up to the NHS Plastics Pledge, which commits it to reduce single use plastic initially in catering. The Trust does not have catering facilities as such but does purchase plastic drinking cups for vending machines, plastic milk bottles.

The Trust has also kept at watching brief on developments around the proposed Clean Air Zones in Bristol and Bath.

LED Lighting

The Trust successfully bid for funding from NHS Energy Efficiency Fund in 2019, this incentive was aimed at the implementation of LED lighting across the NHS. This funding was partially matched by the Trust.

This funding has enabled the upgrade of lighting at many of the Trust's sites, targeting in particular the larger sites where operations are 24 hour. The realisation of the Trust's reduction in energy consumption should become evident over the coming 12 months with the majority of sites seeing an investment payback in 3 years.

Waste Management

The Trust promotes the Waste Hierarchy and promotes re-use using the Warp It tool, an online portal which facilitates re use of items within SWASFT or by external organisations, it also allows SWASFT to obtain items free of charge from other organisations.

The Trust has two major waste streams: general waste and dry mixed recycling, and clinical waste. SWASFT continues to work with staff to ensure waste is properly segregated to ensure legal compliance, and to reduce costs by: improving waste segregation and monitoring collection schedules. SWASFT also manages contractors closely to ensure the services operate smoothly.

Significant changes were made to the clinical waste account in July and August 2019 leading of savings of more than 10% monthly. These have since increased significantly in March 2020 and are expected to increase as much as four fold due to Covid 19.

A review of general waste and recycling has also been conducted with changes implemented in March 2020 and expected to provide savings of about 5% on a monthly basis.

Figures 1 and 2 shows the tonnage and spend on general waste and Recycling,

Figures 3 and 4 on clinical waste. The HAZ data in the general waste / recycling graph relates to oil / diesel spills.

Figure 1

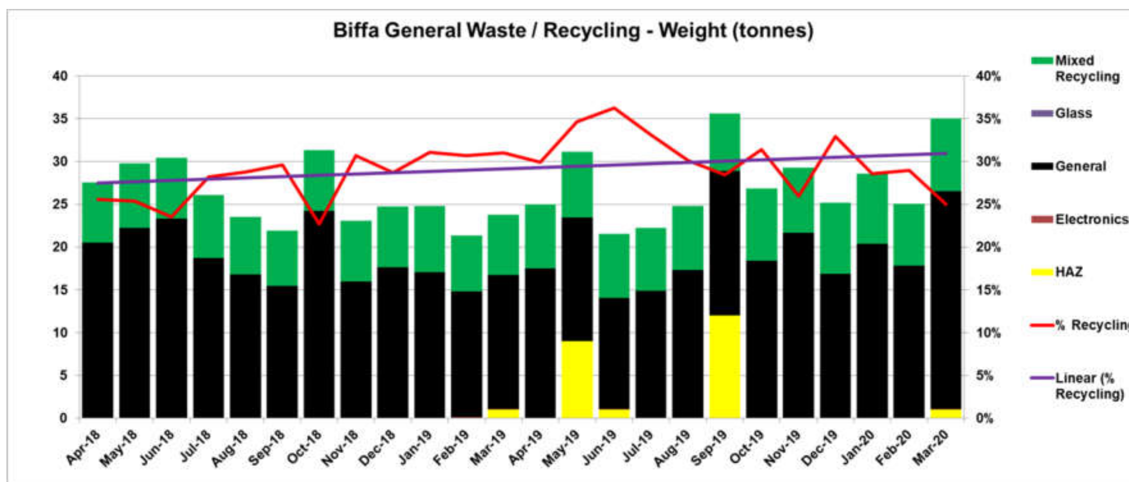


Figure 2

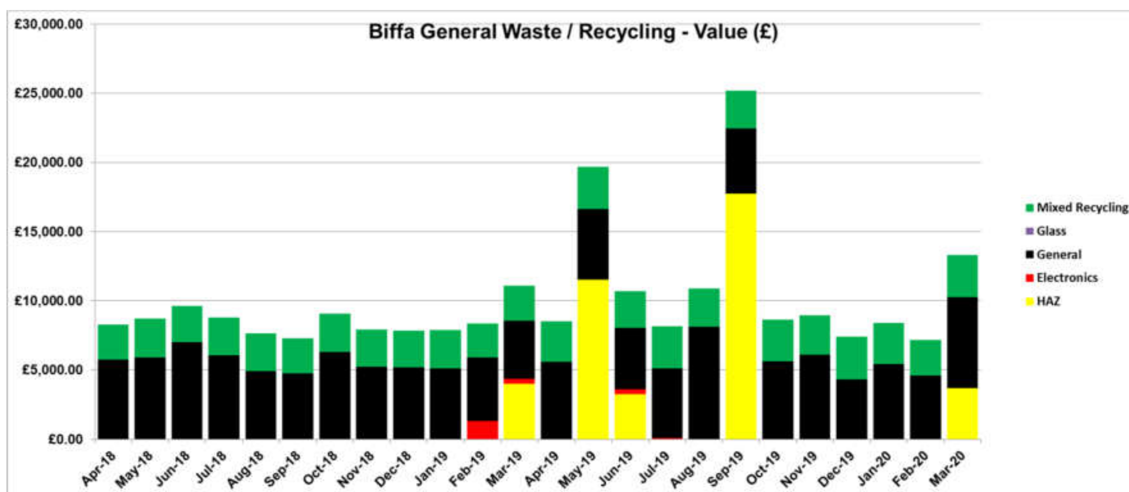


Figure3

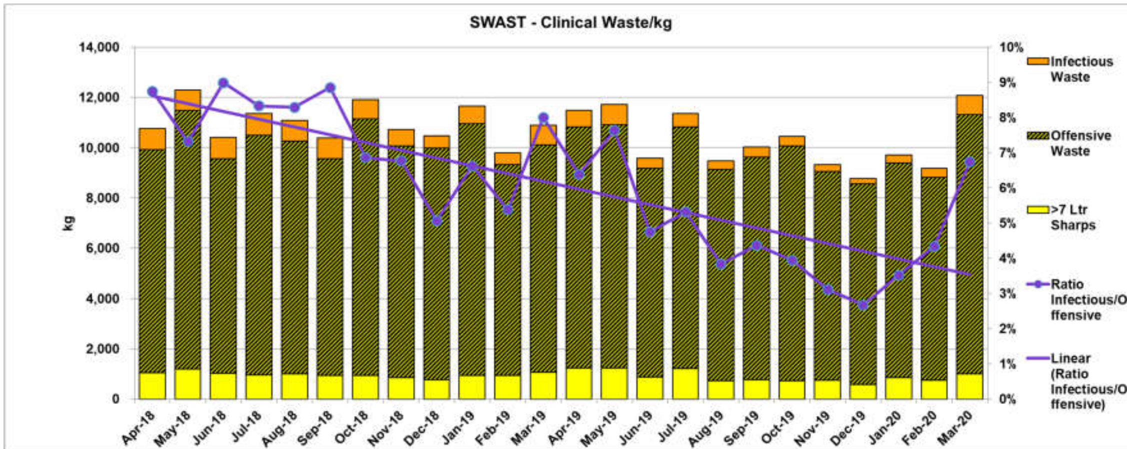
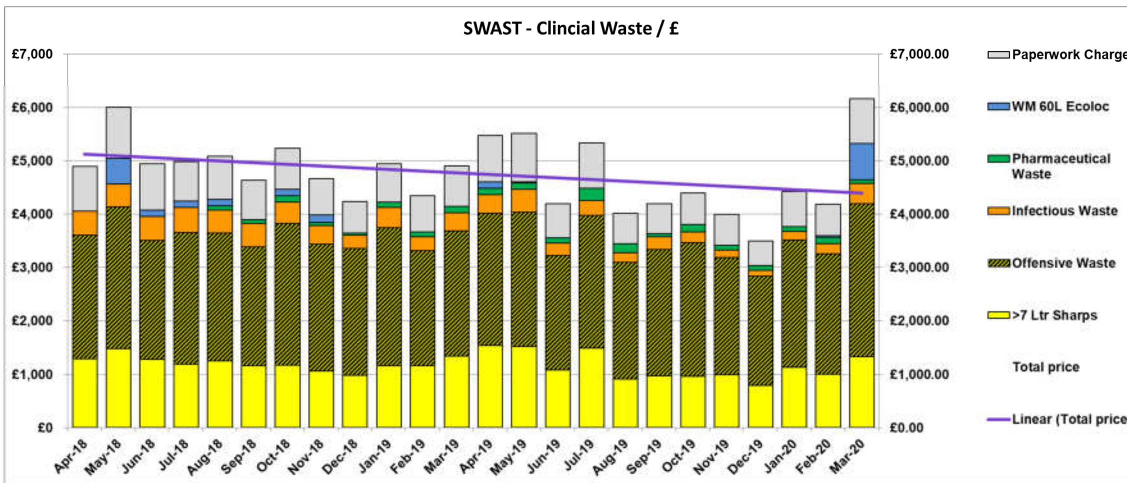


Figure 4



Social, community and human rights issues

The Trust is committed to working with its local partners to address local challenges and improve services for patients. For example, it is fully engaged with the seven sustainability and transformation plans (STPs) within its region which all have the key theme of greater levels of care in the community and at home, reducing unplanned emergency admissions.

The challenges of demand on the ambulance service are compounded by the fact the geographical area of the Trust is predominantly rural, and as the most rural ambulance service in the country the Trust serves many isolated communities. The Trust has a number of initiatives in place to improve response performance in rural areas which include community and co-responder schemes, the installation of public access defibrillators and defibrillators within care homes.

The South West has the highest proportion of pensionable age people in the country and there are pockets of socio-economic deprivation across the region too, with many people residing in these areas suffering from long-term conditions such as diabetes and COPD (chronic obstructive pulmonary disease). The Trust has a number of clinical guidelines and notices in place to address these issues, including a Dementia Strategy.

The Trust has a responsibility to ensure that public money is spent appropriately and we have policies in place to counter fraud and corruption. These include detailed standing financial instructions and a Counter Fraud and Anti-Bribery policy.

SWASFT takes equality, diversity and human rights very seriously and is committed to promoting equality of opportunity in its employment practices and in its provision of care. Information and reports about its schemes and polices on these subjects are available on the Trust website.

Events since the end of the financial year affecting the foundation trust

There have been no significant events since the year end that has had an effect on the Trust.

Overseas operations

The Trust has no overseas operations.

Ken Wenman
Chief Executive Officer
23 June 2020

Accountability report

Directors' Report

The Trust constitution allows for a Board composition of a non-executive chairman with up to a maximum of seven other non-executive directors and up to a maximum of seven executive directors. This is how the Board is currently configured.

In 2019/20 seventeen directors have served on the Board.

The Chief Executive of the Trust is Ken Wenman and he leads a team of Executive Directors who in 2019/20 were:

- Jenny Winslade, Executive Director of Quality and Clinical Care
- Dr Andy Smith, Executive Medical Director
- Jessica Cunningham, Executive Director of Operations
- Amy Beet, Executive Director of People and Culture
- Tim Bishop, Executive Director of IM&T
- Jonathan James joined the Board as Acting Executive Director of Finance from 1 June 2019.

The Chairman is Tony Fox and he is supported by Non-Executive directors who in 2019/20were:

- Gail Bragg, Deputy Chair and Chair of Finance Committee
- Venessa James, Senior Independent Director and Chair of People and Culture Committee
- Paul Love, Chair of Audit and Assurance Committee
- Dr Ian Reynolds, Chair of Quality Committee. Ian will be leaving the Board on 31 March 2020.
- Professor Minesh Khashu
- Susan Bradford , Chair of Charitable Funds Committee. Susan left the Board on 31 December 2019.
- Rakhee Aggarwal, Rakhee left the Board on 31 December 2019.
- Martin Holloway, joined the Board on 1 January 2020
- Nick Cullen, joined the Board on 1 January 2020

Further details on changes to the Board can be found on page 46.

Non-executive directors are independent and each year sign a declaration to confirm their independence. In April 2020, the Trust Board of Directors updated their declaration of interests, and the Register of Interests that the Trust maintains, which is open to the public. This is available on the Trust website www.swast.nhs.uk or a copy can be obtained by contacting Marty McAuley, Trust Secretary, Trust HQ, Abbey Court, Eagle Way, Exeter, EX2 7HY or by calling 01392 261 500.

No executive director, non-executive director or Governor has a company directorship or significant interest which conflicts with their duties or responsibilities.

Board Profiles

Tony Fox, Non-Executive Director and Chairman

Tony was appointed to the Board of Directors of South Western Ambulance Service NHS Foundation Trust (SWASFT) in February 2013 and became Chairman on 1 March 2017.

With over 30 years senior leader experience of managing large and complex operations, Tony has held numerous Executive positions within the regulated and privatised sector.

He is an experienced leader who is people focused and ensuring they are at the heart of an organisation and unlocking their potential and contribution is the best way to success for all parties.

He brings to the Board of Directors a wealth of operational and strategic commercial experience with a proven track record of developing and implementing transformational change programmes and high performance in regulated and non-regulated organisations.

Tony brings a passion for safety and staff wellbeing to the Board of Directors and has held a number of roles as an Executive and Non-Executive championing these areas.

He is proud to be the Chairman of such a caring and compassionate organisation driven to deliver the best service every individual can to the patients and public of the South West.

Ken Wenman, Chief Executive

Ken joined the NHS at age 21 years and has undertaken many senior roles within the Ambulance Service including; Paramedic, Trainer, Operational Management and Leadership and he has been a senior level Director and Chief Executive since 1999.

Ken leads the ambulance sector nationally on HR and OD. He is Chair of the National Ambulance Strategic Partnership Forum. He has more recently taken on the Chief Executive Lead role for the National Directors of Operations Group. He is a member of the Board of the Association of Ambulance Chief Executives and is a member of the National Ambulance Improvement Programme. Ken has a Masters in Management (Plymouth University).

Jonathan James, Acting Executive Director of Finance

Jonathan joined West Country Ambulance Service in 2000 working in the Finance and Stores department. Having progressed within the Finance function Jonathan completed his CIMA Accounting Qualification before working as a Management Accountant following the merger with Dorset Ambulance Service.

In 2007 Jonathan took on the role of Financial Planning Manager and led the Finance work streams for both the Foundation Trust application and acquisition of Great Western Ambulance Service.

Jonathan was promoted to Deputy Director of Finance in 2012 where he has remained in post until being appointed as Acting Executive Director of Finance in June 2019 with responsibility for the Finance, Procurement, Commissioning, Planning and Performance functions of the Trust.

Jennifer Winslade, Executive Director of Nursing and Governance

As a qualified nurse and Health visitor and having spent the first years of her career within acute care working within the south West and the USA, Jenny has spent the majority of her clinical career working within Community and Public Health settings.

Jenny has been a Board Director for more than 10 years initially within commissioning and since 2014 with the Ambulance service. As a clinical board director, Jenny is passionate about quality improvement and ensuring that quality is at the heart of what we do.

Jenny continues to work closely with frontline staff and has actively worked to support the development of staff health and wellbeing initiatives. Jenny is a qualified practice teacher and has an interest in Public Health, Inclusion and Prevention and has significant experience of working with stakeholders to deliver change for local and vulnerable and excluded communities. Outside of the Trust Jenny is also a Trustee of Hospicecare Exeter.

Jenny is responsible for Clinical Care including ACQIs, Medicines Management, Patient Safety, Claims and Inquests, Patient Experience, Patient Engagement, Health, Safety & Security, Mental Health & Learning Disabilities, Safeguarding, Research, Audit and Improvement, Infection Control, Quality Improvement, Quality Assurance and Risk.

Dr Andy Smith, Executive Medical Director

Andy has been a GP in Devon since 1997 and has been actively involved in medical management. His interests have always included urgent and emergency care. He helped establish the 'out of hours' GP service in his area. Prior to his appointment to the role of Executive Medical Director in February 2010 Andy was the Associate Director of Primary Care Services for the Trust since April 2008.

He is a member of the Royal College of General Practitioners, and responds to 999 calls as an ambulance doctor.

Andy was appointed to the role of Executive Medical Director on 1 February 2010 and is joint Board Champion for Clinical Quality and is the Trust's Caldicott Guardian. He has a Bachelor of Science Hons Microbiology (University of Bristol), Bachelor of Medicine & Surgery MB Ch.B (University of Bristol), Post Graduate Diploma of the Royal College of Obstetricians and Gynaecologists, Diploma in Child Health.

Jessica Cunningham , Executive Director of Operations

Jessica started her NHS career in 1992 on the National Management Training Scheme Programme and was posted to the Children's Hospital in Plymouth.

Jessica spent the next decade working in a number of large teaching hospitals in the north of England as an Operational General Manager managing a number of specialties including Trauma and Orthopaedics, Ophthalmology, Renal, Neurosciences, Emergency Departments Theatres and Anaesthetics amongst others.

In 2004 she joined the South West Strategic Health Authority and was the Performance Manager for Somerset, Devon and Dorset as well as taking the lead on strategic programmes of work across the south west including stroke services and child health until 2012 when she joined SWASFT as a Director to lead the Acquisition of Great Western Ambulance Service. In 2013 she became the Director of Planning and Performance responsible for negotiating the A&E contract and managing the Trusts relationships with Clinical Commissioning Groups and regulatory bodies. Throughout this

period Jessica has worked closely with Operations and as part of this co-produced the A&E Operating Plan.

Jessica was appointed as the Acting Executive Director of Operations in October 2017 and was made substantive in this role in October 2018. Jessica is responsible for all frontline services including A&E, the 999 clinical hubs, EPRR and Urgent Care.

Amy Beet, Executive Director of People and Culture

Amy has worked in HR within the NHS since 2003, commencing her NHS career with Weston Area Healthcare Trust and later working for Gloucester Hospitals Foundation Trust before moving to join the Ambulance sector in 2012 as Deputy Director of HR and OD.

Prior to this Amy had a career in advertising, focusing specifically on the recruitment market, developing candidate attraction strategies for a range of high profile national and international clients. Amy has a Masters in HR Strategy and Management from University of the West of England Business School and is a member of the CIPD. In April 2018 Amy joined the South Western Ambulance Foundation Trust Board as the newly appointed Executive Director of People and Culture. Amy is responsible for the HR function, Education, Communications and Operational Support Services.

During her HR career Amy has led the delivery of recruitment, employee relations and education services and significant programmes of organisational development work, including workforce redesign and transformation. Having also led workforce savings programmes Amy has delivered significant and complex programmes of organisational change, designed to deliver workforce structures with greater resilience and improved productivity.

Amy acts as both mentor and coach to a number of individuals from a variety of roles from both within and external to the organisation and participates in national programmes of work for the Ambulance sector and NHS and on occasions, for the wider HR professional network.

Tim Bishop, Executive Director of IM&T

Tim joined the NHS in 2018 as Executive Director for Information Management and Technology (IM&T) having worked for the preceding 14 years within the Public Sector as a senior manager in Policing technology. In the Trust he is responsible for; Information Governance, ICT, Information Governance and Programme Management functions.

He is also the Senior Information Risk Owner (SIRO) as well as providing leadership to the national Ambulance Radio Programme team which reports into the Directorate. As a career Information & Technology professional, Tim holds Chartered IT Professional status and is a qualified service, project and programme manager as well as holding a Bachelor’s Degree in Technology and other qualifications including in sustainable development.

He is experienced in leading teams and running complex, ‘mission-critical’ services. Throughout his career, Tim has managed large-scale projects and introduced significant business change programmes. He has worked in the South West through-out his career and is passionate about how technology and the use of information can have a positive impact on our lives in all its aspects.

Venessa James, Non-Executive Director and Senior Independent Director

Venessa has a vocational background in general nursing, social work and teaching. An experienced senior manager, she has held executive, board-level appointments in the private education sector and the NHS.

Her specific areas of expertise include corporate governance and commissioning services for people with complex care needs, from which she brings a wealth of experience in partnership, collaborative and contractual working arrangements with NHS organisations, social services and the independent care sector.

She was appointed to the Board of Directors of South Western Ambulance Service NHS Foundation Trust (SWASFT) in June 2014.

Venessa is Board champion for social care and the Duty of Candour, and she has a keen interest in applied health psychology research.

She holds qualifications in business management and teaching, including the Masters-equivalent DTEFLA, and is currently studying for a Masters in Advanced Psychology at Plymouth University.

Paul Love, Non-Executive Director

Paul qualified as an accountant in 1994.

He is currently Finance Director and Company Secretary for Guinness Care, a not for profit organisation within the Guinness Partnership that provides care and housing support services across England. Prior to this role, Paul has 15 years' experience as a Finance Director within companies in the housing, welfare to work and arts sector, and has also worked as a financial regulator in the public sector.

Paul has significant Board experience with public service organisations, having served as a non-executive director in the dch group, West Devon Homes and Social Firms UK.

Paul was appointed as a Non-Executive Director to the Board of Directors of South Western Ambulance Service NHS Foundation Trust in July 2015.

Ian Reynolds, Non-Executive Director

Dr. Ian Reynolds has a healthcare, science and regulatory background in both public and private companies. Ian was previously Deputy Chairman of the Food Standards Agency, Chairman of the Meat Hygiene Service and Chairman of the Greyhound Regulatory Board and NED for Bedfordshire and Hertfordshire Strategic Health Authority. Ian is currently also Chairman of Chime, a social enterprise company. During Ian's executive career he was Chief Executive of Nottingham Health Authority and of Priory Hospitals.

Achievements include acquisitions and company turnarounds in animal health pharmaceuticals, saving the Nottingham site of the raising of the Royal Standard where King Charles started the civil war for the nation and increasing standards in the Meat Hygiene Service to better protect the public.

Gail Bragg, Non-Executive Director and Deputy Chairman

Gail joined the Board of Directors of South Western Ambulance Service Trust in September 2016.

Professionally, Gail has worked in large Financial Services organisations, in change and operational management. She specialises in corporate re-structuring to achieve financial returns whilst continuing to deliver operational results.

She has delivered substantial change programmes, such as completing a £5.2bn M&A transaction and negotiating an outsourcing deal worth £1.4bn. Alongside this she has a very broad management

background, including in Risk, IT and Supplier Management. She has run large operational teams and managed significant financial budgets.

Gail now works as a freelance consultant, and as a non-executive director and committee chair, including for Interactive Investor. Her community and charitable interests include being a Director of a multi academy Trust and Chair of Governors at a local primary school.

Professor Minesh Khashu, Non-Executive Director

Minesh is a Consultant Neonatologist and Professor of Perinatal Health at Poole Hospital where he has been since 2007. Minesh, who lives in Dorset, has undertaken national and international leadership training including NHS Fast Track Executive Leadership programme with Harvard & NHS leadership Academy. He has a special interest and expertise in quality improvement and safety and large scale transformation. Minesh was appointed to the Board of Directors of South Western Ambulance Service NHS Foundation Trust (SWASFT) in May 2017.

Rakhee Aggarwal, Non-Executive Director

Rakhee, who lives in Bristol, is a Mental Health Nurse who is currently the Associate Head of Department for CPD, International and Widening Participation.

Rakhee has a Masters in Teaching and Learning for Health Professionals. She has been in the role for about 9 years. Prior to this she was a Mental Health Nursing Lecturer for four years. Rakhee lives in Bristol and has recently undertaken NED training and been part of a mentoring scheme to gain Board insight.

Rakhee was appointed to the Board of Directors of South Western Ambulance Service NHS Foundation Trust (SWASFT) in May 2017.

Susan Bradford, Non-Executive Director

Susan is a lawyer and spent a number of years acting on behalf of NHS Trusts in high value, complex, negligence claims, as well as undertaking healthcare regulatory work

Currently she is a Commissioner with the Commission on Human Medicines, a body which advises on the safety and efficacy of medicines; a Lay Panel Member on the General Pharmaceutical Council's Accreditation Panel, which evaluates undergraduate pharmacy degrees; and has been appointed by a number of south-west councils as an Independent Person in children's social care complaints. In voluntary capacity she is a Lay Member on the Central Bristol Clinical Research Ethics Committee, where she has a role in protecting the interests of those who participate in medical research and ensuring that research is conducted in an ethical manner.

She was appointed to the Board of Directors of South Western Ambulance Service in September 2018, having spent a year with the Trust in an associate non-executive capacity.

Nick Cullen, Non-Executive Director

Nick has extensive executive experience working at senior levels (MD, COO and VP) of a number of different high-profile blue chip product and service providers across multiple sectors. (SIG, GAP, Clarks, BAA, Diageo, DHL). Through the recruitment process Nick demonstrated that he had lots of experience in setting and executing strategic direction and he is also a subject matter expert in logistics and supply chain with a strong focus on customer service, quality and the importance of engaged employees.

Nick brings significant experience operating at board level and will provide real insight into strategic direction setting, how to bring it to life for all stakeholders as well as how data and information is critical to delivering results across the trust strategic goals (the three Everys.)

Nick is based in Bristol and joined the Board on 1 January 2020.

Martin Holloway, Non-Executive Director

Martin is a senior leader with a focus on customer service and profitable performance. He achieves this through giving ownership to the people responsible for delivery; engaging, empowering, coaching and supporting teams; setting clear expectations; then building confidence and capability through to delivery. He has wide experience in large Employee and Customer centric organisations including (BT, Openreach and Homeserve.)

Martin is an experienced Field Operations Director and many of the organisations that he has worked for have a dispersed workforce, working across multiple sites, he demonstrated strength in engaging a wide network of staff and developing operational models to improve performance. Through the recruitment process Martin demonstrated both the operational transformation change background we were seeking as well as the focus on achievements and results through people management engagement and internal communications. He also demonstrated high personal values aligned to the trusts,

Martin is based in Gloucestershire and is also in training as a CFR for the Trust, offering a unique insight on the Board and joined the Board on 1 January 2020.

NED Terms and conditions

Non-Executive appointments are usually set as three-year terms. At the end of the first term, subject to approval they can be extended for a second term. In the reporting period, the Council of Governors have a principle that all second terms should be for a one year basis and renewed each year to give the greatest level of flexibility in delivering the recruitment that the Board needs.

The Trust builds in a six-month probationary review for all Non-Executive Director (NED) appointments.

Termination of a NED must be done by three quarters of the Council of Governors approving a written resolution submitted by 15 Governors.

The Trust Board has a wide range of skills and experience and through good succession planning led by the Council of Governors can ensure the Board is balanced and appropriate to meet the needs of the Trust and the public it serves. The Board retains a rich mix of corporate and public sector experiences, clinical and non-clinical experience, a good gender balance as well as complimentary skills to help the Board function as a Unitary Board. It is the responsibility of the Board of Directors to prepare the annual report and accounts. The Board of Directors confirms that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.

Further information on the approach to quality governance can be found in the Annual Governance Statement.

The Trust Board of Directors is supported by a number of committees that report to it. These are the attendance figures:

Committee Attendance:

Quality Committee

The purpose of the committee is to develop and implement effective quality systems and processes with a specific focus on patients, quality of services and patient outcomes.
:

Name	Attendance	Name	Attendance
Jennifer Winslade	5 / 5	Ian Reynolds	5 / 5
Dr Andy Smith	1 / 5	Rakhee Aggarwal	3 / 3
Jessica Cunningham	4 / 5	Minesh Khashu	4 / 5

Finance Committee

The purpose of the Committee is to conduct an independent and objective review of the business concerning financial planning and financial performance providing assurance to the Board of Directors. They implement the Finance Strategy and oversee the Trust's Master Added Value Investment Strategy (MAVIS) while review monthly financial information and new business development opportunities.

Name	Attendance	Name	Attendance
Ken Wenman	8 / 8	Tony Fox	8 / 8
Tim Bishop	5 / 8	Gail Bragg	7 / 8
Jonathan James	7 / 8	Ian Reynolds	6 / 8

Audit and Assurance Committee

The purpose of the committee is to review and seek assurance on the effectiveness of processes in place for the management of arrangements for governance, risk management, clinical assurance, internal control, and financial reporting; and to ensure the Trust and its auditor remain compliant with Monitor's Audit Code for NHS Foundation Trusts and conditions of license.

Name	Attendance	Name	Attendance
Paul Love	5 / 5	Tony Fox	1 / 5
Susan Bradford	2 / 4	Rakhee Aggarwal	1 / 4
Venessa James	4 / 4	Gail Bragg	1 / 5
Martin Holloway	1 / 1		

People and Culture Committee

The purpose of the committee is to develop and implement effective systems and processes to secure appropriate assurance, and provide advice to the Board on all strategic matters relating to the workforce and organisational development. It will have due regard for the Trust's strategic aims and overall business needs, relating to the provision of care and services in support of getting the best clinical outcomes and experience for patients, staff (past, present and potential) and the volunteers of the Trust.

Name	Attendance	Name	Attendance
Jessica Cunningham	2 / 4	Gail Bragg	3 / 4
Amy Beet	4 / 4	Venessa James	4 / 4

Charitable Funds Committee

The purpose of the committee is to oversee the proper collection, accounting and distribution of the Trust's charitable funds, ensuring that they are managed in accordance with the requirements of the Charity Commission.

Members:

Name	Attendance	Name	Attendance
Ken Wenman	3 / 4	Susan Bradford	4 / 4
Jonathan James	4 / 4	Tony Fox	3 / 4
Paul Love	3 / 4		

Board of Directors

Members:

Name	Attendance	Name	Attendance
Ken Wenman	9 / 9	Tony Fox	9 / 9
Jonathan James	8 / 9	Venessa James	8 / 9
Dr Andy Smith	6 / 9	Ian Reynolds	6 / 9
Jenny Winslade	8 / 9	Paul Love	9 / 9
Jessica Cunningham	7 / 9	Gail Bragg	8 / 9
Amy Beet	8 / 9	Minesh Khashu	5 / 9
Tim Bishop	8 / 9	Rakhee Aggarwal	5 / 7
		Susan Bradford	4 / 7
		Martin Holloway	2 / 2
		Nick Cullen	2 / 2

Remuneration Committee

The Committee shall approve nomination, remuneration, and terms and conditions for executives and senior managers.

The remuneration committee is covered on page 49

All executive and non-executive directors have an annual appraisal. The chief executive leads the appraisal arrangements for the executive directors and the chairman leads on the non-executive director's appraisals.

The Senior Independent Director leads on the appraisal of the chairman. The committees review their effectiveness on an annual basis and last year made changes to how they operated. No director or governor have any company directorships or other significant interests which may conflict with their management responsibilities.

The Trust has complied with the cost allocation and charging guidance issued by HM Treasury.

Political donations

The Trust has not made any political donations in 2019/20.

Better Payment Practice Code

The Trust has signed up to the Better Payment Practice Code which requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later. The Trust received 33,874 invoices and processed 33,301 in line with the code. Further information can be found on page 185 of the annual accounts.

Liability to pay interest

In 2019/20 the Trust incurred £245.97 for charges due to late payment of invoices

NHS Improvement's Well-Led Framework

Following a tender process, the Trust procured a review in line with NHS Improvement's (NHSI) 'Developmental reviews of leadership and governance using the well-led framework: guidance for NHS trusts and NHS foundation trusts' (Well-Led Framework) published in June 2017. KPMG was appointed to undertake the external independent review.

The fieldwork commenced on 12 September 2017 was completed on 27 November 2017. Fieldwork included observations of the Trust Board of Directors, Council of Governors and a number of the corporate committees. Interviews were conducted with executive directors, Non-executive directors, directors, deputies and associates as well as external stakeholders. Four focus groups were held, one with governors and three with staff. As part of the review over 130 key documents were requested and reviewed.

The Trust completed a self-assessment against each of the Key Lines of Enquiry (KLOEs) in the guidance. KPMG have completed an independent review of the self-assessment and provided feedback against the areas outlined within the guidance, noting areas for future development.

The overall findings of the review were that KPMG agreed with the trusts self-assessment ratings in all of the eight Well-Led framework's key questions. They did note that for question 2 regarding the strategy that the Trust was in the process of refreshing its strategy and needed wider discussion with commissioners and STP leads.

Conclusion from KPMG review:

"There are sufficient arrangements in place to ensure that South Western Ambulance Service NHS Foundation Trust (the 'Trust') is well led, which we assessed against the KLOEs set out in NHSI's Well Led Framework.

The makeup of the Board ensures that the information provided is subject to robust scrutiny and challenge, which was demonstrated when we observed these meetings. Observing sub-committees provided assurance that the Board is appropriately informed of key issues on a timely basis.

We canvassed feedback from a range of stakeholders including focus groups at all three hubs to ensure a broad range of internal and external views were captured, the results of which have been generally very positive and have added a weight of evidence supporting our conclusion.

The Trust has completed a summary self-assessment, supported by an indexed suite of information. We have agreed with the Trust's self-assessment ratings in all of the eight Well-Led Framework's key questions.

However, we note that for question 2 regarding strategy that the Trust is in the process of refreshing their strategy and this still needs wider discussion with commissioners and STP leads.

In summary, the Trust has a large number of effective processes and controls in place to support compliance with the governance framework. However we did identify some areas that require strengthening to fully meet the requirements of the Framework. We have provided our recommendations in Section 2 and detailed findings in Section 3."

Overall KPMG have raised 11 recommendations in a number of areas to support the Trust in its improvement journey. All actions have been agreed and completed but further work is required for one action which has been endorsed and agreed but now needs to be launched.

Patient Care and Stakeholder Engagement

As an NHS Foundation Trust, we respond to the needs of patients, staff and the constant evolution of the healthcare sector. We continue to further develop our services based on the valued feedback of patients and their carers/families. This is generated predominantly through our patient experience and engagement teams.

Our workforce is instrumental in driving forward service developments via initiatives like the Right Care2 project (refer to the Quality Account and Report for further information), the staff suggestion scheme and by participating in research projects as set out within the Quality Account and Report.

Refer to the Performance Report from page 9 for further information on Trust performance against target.

A number of quality priorities for the Trust were developed and implemented during 2019/20, which were implementation of always events (End of Life Care), development and implementation of Mortality Reviews and Cardiac Arrest. Further information regarding these can be found within the Trust's Quality Account.

In 2019/20 undertook an extensive program of patient engagement activities. Our first round of engagement was looking at End of Life Care using Always Events; these are defined as those aspects of the care experience that should always occur when patients, their family members or other care partners, and service users interact with health care professionals and the health care delivery system. As part of this work we undertook hospice visits to conduct face to face interviews, we also ensured a questionnaire was shared at all engagement events and made it available online.

Feedback from patients, families and their carers has been content analysed where strong themes emerged. The most salient theme is communication, this includes feeling informed, being treated with care, dignity and compassion. This was not surprising as good patient care relies heavily on good communication. Less favourable themes focused on delays and the fears and anxieties faced by patients, their families and their carers during that time. It was highlighted that each episode when using 999 brought fresh anxieties and fear, wondering if this would be final for the patient.

It was particularly emotive to hear patient families speak of their loved ones having had "a good death" and praising our staff for their care. Patients at end of life and their families are aware of the finite nature of their lifespan, this makes every interaction they have with health services heightened with emotions.

Some concerns were raised regarding commissioning gaps for end of life patients including patients who needed to move within their household and those who need transport from the hospice to the hospital and back.

Based on the information gathered we are making a number of recommendations to our staff group, as well as flagging up any commissioning gaps through existing networks. We have also developed a staff package looking at compassionate communication and end of life care; this is being delivered by the Trust's MacMillan Cancer Care Team.

The Patient Engagement team continued to support spreading Cardio Pulmonary Resuscitation (CPR) and automated external defibrillation (AED) awareness through their summer activities having undertaken 302 patient and public engagement events in 2019/20. Over 16,300 members of the public were trained through engagement activities and school visits. The vast majority of

this took place for Restart a Heart Day on 16 October where the Patient Engagement team planned 7 large public events, one in each county, to teach the public CPR, these ran concurrently with school events aimed at CPR awareness. This was one of the largest scale of events nationwide including historic and notable sites such as Stonehenge, The Eden Project and Bristol College Green. This year also saw the public launch of Saving Lives Together Campaign aimed at improving bystander CPR skills and dispelling myths, this was launched at Gloucester Rugby Club with the full support of the team and a young female cardiac arrest survivor.

Engagement activities had a focus on seldom heard groups and this year saw the introduction of the Pride Ambulance which attended a large number of LGBT Prides across the South West. Seldom Heard events also included BME community events and activities aimed at inclusion for people with learning difficulties. We are particularly proud to have further engaged with seldom heard groups both through local community events and Trust run events working alongside the HR team to ensure a future work force reflects the community we serve.

Two ‘Healthwatch’ open days were held at Trust headquarters in Exeter, in August and February. All events were successfully attended by members of Healthwatch from across our region. The Trust showcased topics related to the Quality Priorities as well as general updates from teams across the Trust. This establishes a relationship with Healthwatch and therefore the wider public across the Trust geography, thereby supporting engagement with the Trust Strategy and it’s associated development.

The Trust continues to engage with local Health, Overview and Scrutiny Panels as well as NHS Clinical Commissioning Groups regarding any changes to policy or procedures. In addition we attended meetings with a specific focus on our Quality Account and the priorities described within to ensure transparency and ongoing review.

Comments, concerns and complaints are an invaluable source of information and provide us with a great deal of feedback about the experiences of our patients.

The trust does not want patients to complain about it behind our backs but rather we want them to be open with us about problems in order that the trust can listen, correct misunderstandings and, where necessary, take action to improve the services provided.

If the Trust is not made aware of issues and concerns, it cannot take action and put them right. As an organisation, the Trust encourages patients and their families to get in touch when they have questions or concerns about their treatment, so we can pursue the matter and investigate as necessary.

The Trust’s Complaints Policy reflects the requirements of the 2009 Local Authority Social Services and National Health Service Complaints (England) Regulations.

Each month, the trust monitor the patient feedback received and reviews any emerging themes and trends. Lessons learned and actions taken to embed improvements are reported to the Board of Directors and commissioners through the Patient Safety and Experience report and Complaints report to the Quality Committee. Clinical development and Trust-wide learning is encouraged through the publication of clinical articles and internal forums such as the Learning Forum. In addition, key learning is reflected in statutory, mandatory and essential training programmes.

In response to learning from incidents and complaints the principle theme emerging relates to delays due to demand. In October 2019, the Trust agreed to part of a national pilot, commissioned by the National Health Service England through the Association of Ambulance Chief Executives to look at the call script being used when describing that help is being arranged. The purpose of this is to better manage service user expectation, allowing them to make informed

decisions as to what to do next in respect of their healthcare needs.

The Trust's new call script was introduced in February 2020 and is used for incidents that have been categorised as requiring a Category 3 or Category 4 response.

Anecdotal evidence suggested that, as a result of the new call script, services users expectations are being better managed so less negative feedback will be reported to the Trust in respect of ambulance delays.

In 2019/20, SWASFT received a total of 1,062 comments, concerns and complaints of which 291 were closed on receipt, equating to 27%. We also received 2,293 compliments and 862 general enquiries including issues such as lost property and signposting patients to other organisations.

Many Trust complaints are multi-faceted, citing several areas of concern. The Trust has recorded each separate area of concern raised within the complaint, resulting in 1,352 separate areas of concern. Each concern is coded to report four subject areas in order to illustrate trends.

The Trust has adopted three Ombudsman's Principles which are: Principles of Good Administration; Principles for Remedy; and Principles of Good Complaint Handling. This has resulted in the Trust operating a complaints service committed to:

- Getting it right
- Being customer focused
- Being open and accountable
- Acting fairly and proportionately
- Putting things right
- Seeking continuous improvement.

Although it has not been deemed necessary to provide financial recompense in accordance with these principles during 2019/20, this action supports the wider health economy by preventing future and potentially costly claims because swift local action prevents litigation which is a huge cost to the taxpayer.

The Trust submitted four files to the Ombudsman's Office for independent investigation during 2019/20 relating to comments, concerns and complaints received by the Trust. One of which were considered as not upheld and three have been carried forward into 2020/21 as the independent investigations were still ongoing.

The Trust is committed to working with its local partners to address local challenges and improve services for patients. However, as a regional provider spanning seven STP footprints, it faces an additional challenge in ensuring it is represented and reflected within plans and activities across the South West.

Each STP footprint has established its own governance arrangements and workstreams and this has presented a challenge for the Trust in ensuring consistent engagement and managing the various returns for each submission. In some areas, the Trust has been engaged in key discussions, in others there has been little or no contact other than for the required submissions.

As an integral healthcare partner to each of the footprints the Trust is keen to ensure that moving forward there is an agreed approach to engagement that is both appropriate to the structure and delivery model for each STP and realistic in terms of the commitment required and value gained for the Trust. Internally the Trust has allocated each of its executive and non-executive directors as 'leads' for each county to maintain system oversight on behalf of the Trust.

The seven STPs in the Trust area are:

- Bath, Swindon and Wiltshire
- Bristol, North Somerset and South Gloucestershire BNSSG
- Cornwall and the Isles of Scilly
- Devon
- Dorset
- Gloucestershire
- Somerset

The Trust's A&E 999 contract is based on a collaborative commissioning agreement between twelve clinical commissioning groups (CCGs) in the South West. While retaining individual contractual responsibility, the CCGs nominate lead and deputy commissioners to negotiate the contract and lead the performance management of the Trust on their behalf. This is supported by the South Central and West Commissioning Support Unit (CSU). The lead and deputy roles rotate every two years consistent with the contract timescale.

Income Generation

The Trust undertakes income generation activities with an aim of re-investing any profit in patient care. No income generation activities exceeded £1 million.

Auditors

The Trust's appointed external auditors are KPMG. They were appointed in September 2017 following a procurement activity led by the Chair of the Audit and Assurance Committee and the Council of Governors and reappointed on an annual basis.

The auditors carry out the statutory audit of the Trust's annual accounts and its charitable funds. The Audit Fee paid to KPMG is £0.054 million (2019: £0.050 million); the financial accounts include the VAT as not reclaimable £0.065 million (2019: £0.060 million). The Charitable funds fee was £3,000.

The external auditor attends every Audit and Assurance Committee meeting to report on progress and developments likely to affect the year-end audit and accounts.

Each year the Trust undertakes an evaluation of the work of the external auditors based on their performance, fees, level of support and challenge provided to the Trust and the access to information that is made available. Based on this evaluation, following recommendation from the Audit and Assurance Committee, the Council of Governors re-appointed them for an additional year.

The Trust internal audit service is provided by PricewaterhouseCoopers LLP and TIAA provides counter fraud services to the Trust.

Statement as to Disclosure to Auditors and Directors' Responsibilities:

It is the responsibility of the directors to prepare the annual report and accounts. They consider the annual report and accounts, taken as a whole, to be fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy.

As far as each of the directors is aware, there is no relevant audit information of which the auditors are unaware. Each director has taken all the steps required to make themselves aware of any relevant audit information and to establish that the auditors are aware of such information.

The only income that the Trust has received has been for the provision of goods and services for the purpose of the Health Service in England. In line with the guidance this means that the Trust has greater income from the provision of goods and services than income for any other purposes. This means that there is no impact on the income from any other source.

Remuneration Report

Annual statement on remuneration

The Trust recognises the need to be competitive with remuneration packages for the executive directors, reflecting the level of skills and experience the Trust needs to recruit and retain talent. However, it also needs to be sensitive to the political and financial environment.

Executive Directors

In 2019/20, the following executive changes occurred:

- Jonathan James joined the Board as the Acting Executive Director of Finance.

Non-Executive Directors

In 2019/20 the following non-executive director changes occurred:

Extensions were made as follows:

- Paul Love: 09 July 2019 – 08 July 2020
- Dr Ian Reynolds: 09 July 2019 to 31 March 2020
- Gail Bragg: 15 September 2019 to 14 September 2020
- Tony Fox: 01 February 2020 to 01 March 2023

Terms of office ended as follows:

- Susan Bradford: 31 December 2019
- Rakhee Aggarwal: 31 December 2019
- Dr Ian Reynolds: 31 March 2020

New appointments were made as follows:

- Nick Cullen; 01 January 2020 until 31December 2023
- Martin Holloway: 01 January 2020 until 31December 2023
- Jacqueline Richards: 01 April 2020 until 31 March 2023

- The remuneration level for the role of Trust Chairman remained at its current level of £43,000 per annum
- The remuneration level for the role of Non-Executive Director remained at its current level of £13,000 per annum
- The additional payment awarded for the role of senior independent director remained at £2,500 per annum pending a review of the role with the current senior independent director.
- No additional payments were awarded for the role of vice chairman and chairman of the Audit & Assurance Committee
- The mileage rate payable to the chairman and non-executive directors remained at 56 pence per mile in line with the Agenda for Change rate payable to staff and Governors.

Senior Managers' Remuneration Policy

This section details the remuneration package and any changes made to it for Executive Directors:

Element	Rationale
Salary	The Board approved the Trust Strategy. These are delivered by the Directors. This success measure is one of the ways in which the Directors performance is monitored. All executive director remuneration is subject to satisfactory performance of duties in line with their employment and monitored through regular 1:1 with the Chief Executive and annual appraisal. The Chief Executive performance review is led by the Trust Chairman. There is no performance related pay and Directors receive 100% of their salary subject to the relevant deductions. Salary is benchmarked and there are no automatic rises for executive directors. No maximum is specified but market rates are considered.
Taxable benefits	Any taxable benefit is agreed by the Remuneration Committee. This forms part of the recruitment and retention of executive directors by ensuring that the Trust remains competitive. In March 2018 the Remuneration Committee agreed that cash in lieu alternative to car allowances would be considered provided that it was a saving to the Trust. There is no maximum amount payable.
Bonus	No bonus scheme operates at the trust. Therefore the maximum that could be paid is £0.
Pension	Standard pension arrangements are in place in 2017/18. In March 2017, cash in lieu of pension alternative was offered to executive directors. This has been invoked by the Chief Executive and deputy chief executive/Executive Director of Finance. This forms part of the recruitment and retention of executive directors by ensuring that the Trust remains competitive. There is no maximum amount payable.

There have been no new components of the remuneration package introduced in 2019/20.

The Trust had no interim or fixed-term contract directors in 21019/20 and there were no payments made to past senior managers. There are no provisions for the recovery of sums paid to directors nor have we withheld any payment to a director.

All executive directors are employees of the Trust and their contracts of employment are open-ended. Annual leave is fixed at 33 days per annum plus eight bank holidays. Sick pay is provided at NHS rates of six months full pay and six months half pay.

The Trust's normal policies and procedures apply to the directors including disciplinary and redundancy, in line with NHS terms for all staff. There is no compensation for early termination of contracts, other than the standard term of all staff which is payment in lieu of notice.

All other employees' remuneration is based on the national terms and conditions appropriate to their contract of employment. While the Trust does not consult with staff on remuneration for directors, it is always mindful of the remuneration of staff when making decisions. When reviewing salary, the Remuneration Committee considers what is happening to staff pay across the sector, the comparison to the median ratio of the workforce and ensuring that the Committee continues to be financially

prudent. NHS Providers produce an annual remuneration survey for benchmarking.

Following guidance from the Secretary of State for Health, the Trust noted the requirement to seek approval from the Chief Secretary to the Treasury for appointments above the Prime Minister's salary of £150,000. The Trust has not made any appointment beyond this level in 2019/20.

The Trust does however provide its Chief Executive a with a total remuneration package that is higher than £150,000. This has been robustly reviewed by the Committee and based on the skills and experience required and the complexity of the Trust, the Committee is assured that the total remuneration package for this role is necessary and justifiable.

Annual report on remuneration

Service contracts obligations: Executive Directors

Name	Date of Appointment	Contract Type	Notice period from Trust	Notice period from Individual
Ken Wenman	27 October 2003	Permanent	Six months	12 months
Jennifer Winslade	1 June 2014	Permanent	Six months	Six months
Tim Bishop	23 July 2018	Permanent	Six months	Six months
Amy Beet	25 April 2018	Permanent	Six months	Six months
Dr Andy Smith	9 December 2010	Permanent	Six months	Six months
Jessica Cunningham	22 June 2018	Permanent	Six months	Six months
Jonathan James	1 June 2019	Permanent in Trust as Deputy Director * Acting Exec post	Six months	Six months

Service contracts obligations: Non-Executive Directors

Name	Date - Term of Office
Tony Fox	1 February 2013 - 31 January 2019 Re-appointed: 1 February 2019 - 31 January 2020 Re-appointed: 01 February 2020 to 01 March 2023
Ian Reynolds	9 July 2015 - 8 July 2018 Re-appointed: 9 July 2018 - 8 July 2019 Reappointed: 09 July 2019 to 31 March 2020 End of office – 31 March 2020
Venessa James	1 June 2014 - 31 May 2017 Re-appointed: 1 June 2017 - 31 May 2020.
Paul Love	9 July 2015 - 8 July 2018 Re-appointed: 9 July 2018 - 8 July 2019 Reappointed 9 July 2019 – 8 July 2020
Gail Bragg	16 September 2016 - 15 September 2019 Re-appointed: 15 September 2019 to 14 September 2020
Minesh Khashu	22 May 2017 until 21 May 2020
Susan Bradford	6 September 2018 – 5 September 2021 End of office: 31 December 2019
Nick Cullen	01 January 2020 until 31December 2023
Martin Holloway	01 January 2020 until 31December 2023
Jacqui Richards	01 April 2020 – 31 March 2023
Rakhee Aggarwal	22 May 2017 until 21 May 2020 End of office: 31 December 2019

Remuneration Committee

Pay levels are informed by executive salary surveys conducted by independent management consultants and NHS Providers which are then thoroughly reviewed by the Remuneration Committee.

Remuneration for the Trust's executive directors, who are members of the Board of Directors, is determined by the Remuneration Committee. This is a statutory committee of the Board of Directors and chaired by the Trust Chairman. It is a Non- Executive Director committee who approve nomination, remuneration, and terms and conditions for executives. The Committee also considers opportunities for the development of the Executive Directors. The Committee is attended regularly by Ken Wenman, Chief Executive and Marty McAuley, Trust Secretary.

There were two meetings of the Remuneration Committee in 2019/20. Non-executive director remuneration is set and reviewed in accordance with the Trust Constitution and is the role of the Council of Governors Remuneration and Recommendation Panel.

Remuneration Committee Membership

Membership	Attendance
Tony Fox	2/2
Dr Ian Reynolds	2/2
Paul Love	1/2
Venessa James	2/2
Gail Bragg	2/2
Minesh Khashu	2/2
Rakhee Aggarwal	1/2

The Committee was also supported and advised by Ken Wenman, Chief Executive, Amy Beet, Executive Director of People and Culture and Marty McAuley, Trust Secretary. All are employees of the Trust and there were no external advisors utilised in 2019/20.

In attendance	Attendance
Ken Wenman	2/2
Marty McAuley	2/2
Amy Beet	1/2

Expenses of Governors and Board of Directors

Information subject to audit

	Total Number in Office		Number Claiming Expenses		£ claimed	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Directors	15	15	12	14	3753.65	£18,128
Governors	30	24	16	18	7737.48	£9,359

Remuneration Report

Information subject to audit

Remuneration Report – Year Ended 31 March 2020

	Salary and Fees £000, bands of 5k	Taxable Benefits £s to the nearest £100	Annual Performance Related Bonus £000, bands of 5k	Long Term Performance-Related Bonus £000, bands of 5k	Pension- Related Benefits £000, bands of 2.5k	TOTAL £000
Ken Wenman	175-180	3200	0	0	17.5-20	195-200
Jonathan James	115-120	0	0	0	82.5-85	200-205
Jennifer Winslade	120-125	6600	0	0	47.5-50	175-180
Tim Bishop	115-120	3900	0	0	25-27.5	140-145
Amy Beet	115-120	4400	0	0	20-22.5	140-145
Dr Andy Smith	65-70	4800	0	0	30-32.5	100-105
Jessica Cunningham	125-130	0	0	0	30-32.5	155-160
Tony Fox	40-45	500	0	0	0	40-45
Dr Ian Reynolds	10-15	500	0	0	0	10-15
Paul Love	10-15	300	0	0	0	10-15
Venessa James	15-20	0	0	0	0	15-20
Gail Bragg	10-15	1000	0	0	0	10-15
Minesh Khashu	10-15	400	0	0	0	10-15
Rakhee Aggarwal	10-15	300	0	0	0	10-15
Susan Bradford	5-10	0	0	0	0	5-10
Martin Holloway	0-5	200	0	0	0	0-5
Nick Cullen	0-5	0	0	0	0	0-5

The remuneration for Dr Andy Smith reflects his two roles with the trust as he also undertakes GP shifts in urgent care centre Tiverton

Information subject to audit

Remuneration Report – Year Ended 31 March 2019

	Salary and Fees £000, bands of 5k	Taxable Benefits £s to the nearest £100	Annual Performance Related Bonus £000, bands of 5k	Long Term Performance-Related Bonus £000, bands of 5k	Pension- Related Benefits £000, bands of 2.5k	TOTAL
Ken Wenman	170-175	4,800	0	0	17.5-20	195-200
Jennie Kingston	140-145	6,200	0	0	15.5-17.5	165-170
Jennifer Winslade	110-115	5,700	0	0	12.5-15	130-135
Tim Bishop	75-80	5,000	0	0	17.5-20	100-105
Amy Beet	110-115	7,100	0	0	107.5-110	225-230
Dr Andy Smith	80-85	1,000	0	0	0-0.25	85-90
Jessica Cunningham	115-120	4,700	0	0	112.5 – 115	235-240
Francis Gillan	0.5	0	0	0	0	0
Tony Fox	40-45	0	0	0	0	40-45
Dr Ian Reynolds	10-15	0	0	0	0	10-15
Paul Love	10-15	0	0	0	0	10-15
Venessa James	15-20	0	0	0	0	15-20
Gail Bragg	10-15	0	0	0	0	10-15
Minesh Khashu	10-15	0	0	0	0	10-15
Rakhee Rankin	10-15	0	0	0	0	10-15
Susan Bradford	5-10	0	0	0	0	5-10

Pensions for the Year Ended 31 March 2020							
Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2020 (bands of £5,000)	Lump sum at aged 60 related to accrued pension at 31 March 2020 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2020	Real Increase in Cash Equivalent Transfer Value 31 March 2020	Cash Equivalent Transfer Value at 31 March 2019
	£000	£000	£000	£000	£000	£000	£000
Mr Ken Wenman (Chief Executive)	0	0	80 to 85	240 to 245	1834	0	1834
Dr Andy Smith (Executive Medical Director)	0.0 to 2.5	0	25 to 30	50 to 55	484	24	440
Mr Timothy Bishop (Executive Director of Information Management and Technology)	0.0 to 2.5	0	0 to 5	0	48	5	19
Mrs Jenny Winslade (Executive Director of Nursing and Governance)	2.5 to 5.0	2.5 to 5.0	40 to 45	95 to 100	812	47	730
Mrs Jessica Cunningham (Executive Director of Operations)	0.0 to 2.5	0.0 to 2.5	40 to 45	90 to 95	724	28	662
Mrs Amy Beet (Executive Director of People and Culture)	0.0 to 2.5	0	20 to 25	40 to 45	348	7	317
Mr Jonathan James (Acting Executive Director of Finance)	2.5 to 5.0	7.5 to 10	25 to 30	45 to 50	290	52	283

As non-executive directors do not receive pensionable remuneration, there will be no entries in respect of pension for non-executive director

Pensions for the Year Ended 31 March 2019							
Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in pension lump sum at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at aged 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019	Real Increase in Cash Equivalent Transfer Value 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018
	£000	£000	£000	£000	£000	£000	£000
Mr Ken Wenman (Chief Executive)	0	0	80 to 85	240 to 245	1889	0	1834
Mrs Jennie Kingston (Deputy Chief Executive and Executive Director of Finance)	0	0	45 to 50	135 to 140	946	0	918
Dr Andy Smith (Executive Medical Director)	0.0 to 2.5	0	20 to 25	50 to 55	441	37	379
Mr Timothy Bishop (Executive Director of Information Management and Technology)	0.0 to 2.5	0	0 to 5	0	19	3	0
Mrs Jenny Winslade (Executive Director of Nursing and Governance)	0.0 to 2.5	0	35 to 40	90 to 95	730	84	613
Mrs Jessica Hodgman (Executive Director of Operations)	5.0 to 7.5	10.0 to 12.5	35 to 40	90 to 95	662	151	480
Mrs Amy Beet (Executive Director of Human Resources and Workforce Development)	5.0 to 7.5	10.0 to 12.5	20 to 25	45 to 50	317	101	196

Fair Pay Multiple

Information subject to audit

	Year Ended 31 March 2020	Year Ended 31 March 2019
Median Total Remuneration £	31,154	32,000
Mid-point of the Highest Paid Director £	175-180	170-175
Ratio	5:6	5.4

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

The banded remuneration of the highest-paid director in South Western Ambulance Service NHS Foundation Trust in the financial year 2019/20 was £175-180. This was 5.6 times the median remuneration of the workforce, which was £31,154.

Ken Wenman
Chief Executive
23 June 2020

Staff Report

Analysis of staff costs

This information is subject to audit

	Year Ended 31 March 2020			Year Ended 31 March 2019		
	Total £000k	**Permanently Employed £000k**	**Other £000k**	**Total £000k**	**Permanently Employed £000k**	**Other £000k**
Salaries and Wages	**150,479**	**150,165**	**314**	**146,566**	**146,146**	**410**
Social Security Costs	**13,853**	**13,853**	**0**	**13,025**	**13,025**	**0**
Apprenticeship levy	**720**	**720**	**0**	**684**	**684**	**0**
Employer Contributions to NHS Pension Scheme	**26,229**	**26,229**	**0**	**17,520**	**17,520**	**0**
Agency/Contract Staff	**543**	**0**	**543**	**480**	**0**	**480**
Total	**191,824**	**190,967**	**857**	**178,265**	**177,375**	**890**

In 2019/20 here have been seven executive directors, including the chief executive, four (58%) are male and three (42%) are female. There have been ten non-executive directors on the Board in the same period with four (41%) female and six (59%) male.

The Trust employs 4,685 staff (who are mainly clinical and operational) plus a number of GPs. The gender split for all employees of the workforce is 53.1% male and 46.9% female.

This is broken down for directors as 42% female and 58% male and for other senior managers as 30% female and 70 % male.

The aggregate remuneration and other benefits receivable by Directors and Non-Executive Directors the financial year including pension related benefits totaled £1.266 million (to 31 March 2019: £1.185 million)

Retirements due to ill-health

During the year to 31 March 2020 there was 1 early retirement from the Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £0.019 million (31 March 2019: £0.472 million). The cost of these ill-health retirements will be borne by the NHS Business Services Authority-Pensions Division.

Sickness absence data is set out on page 57 and information about disabled employees is available on page 59.

This information is subject to audit.

	Year Ended 31 March 2020			Year Ended 31 March 2019		
	Total	Permanently Employed	Other	Total	Permanently Employed	Other
Medical and Dental	0.8	0.8	0.0	1.4	1.4	0.0
Ambulance Staff	3190.7	3186.6	4.1	3074.3	3068.0	6.3
Administration and Estates	984.0	944.3	39.7	941.2	910.6	30.6
Healthcare assistants and other support staff	2.7	2.7	0.0	3.5	3.5	0.0
Nursing, midwifery and health visiting staff	37.1	36.5	0.6	9.2	8.7	0.5
Agency and contract staff	0.0	0.0	0.0	0.0	0.0	0.0
Bank Staff	0.0	0.0	0.0	0.0	0.0	0.0
Total	**4215.4**	**4171.0**	**44.4**	**4029.7**	**3992.3**	**37.4**

This information is subject to audit.

Staff Sickness Absence	Year Ended 31 March 2020	Year Ended 31 March 2019
Total Days Lost	85,551	87,210
Total Staff Years	234.38	238.93
Average working days lost	11	12

Workforce Planning

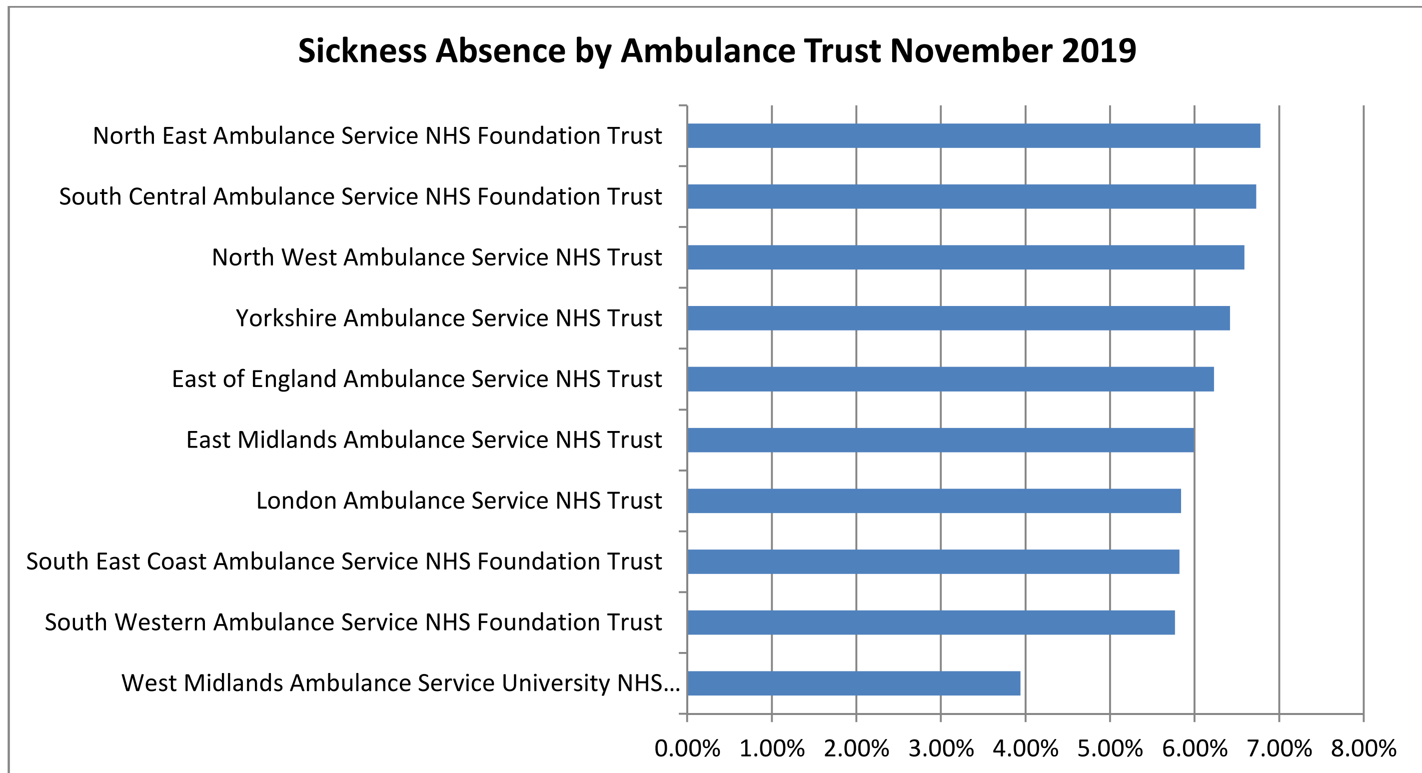
The Trust has an overarching 5 year workforce plan, and a detailed annual plan. The Trust's workforce plans account for predicted turnover, the level of which is determined by analysis of previous turnover to ensure it reflects actual and past trends. The plans also include a recruitment model to ensure the required staffing levels are achieved and maintained.
Workforce plans are monitored on a weekly and monthly basis and reported into the Trust's People and Culture Committee and Trust Board.

The Trust has developed proactive approaches to recruitment including enhanced university and graduate engagement for Paramedics (a dedicated Student Liaison Officer and Student Paramedic Conference). The Trust has also developed a partnership with Auckland University of Technology to create a Paramedic supply line from New Zealand. These supply lines have enabled the Trust to achieve a significant growth in front line workforce utilising the investment received from commissioners.

Sickness Absence and Wellbeing

The year-to-date sickness absence rate for 2019/20 at February 2020 was 5.70%. This is a decrease of 0.20% from the same point in 2018/19.

The most recent NHS Digital data outlines Ambulance Trust's Sickness Absence Data in November 2019[1], as shown below:



Sickness absence is managed through the Trust's Health and Wellbeing Policy by our leaders, with support from the HR Business Partner team. While there is some variation in sickness absence rates across different areas of the Trust, all leaders focus on reducing absence as a key priority. This has resulted in a current compliance rate of 91% with the policy framework which consists of meetings with individuals when their absence meets certain triggers. Support is also offered to our people through Occupational Health who can recommend reasonable adjustments to enable people to return to and remain in work.

The Health and Wellbeing Policy has been revised in 2019/20 following feedback from our people, and additional guidance has been produced to assist leaders in supporting those with a critical illness or life limiting condition.
The Trust's Staying Well Service has supported over 1,000 of our people throughout 2019/20 to access wellbeing support either direct with the Mental Health team within the service or via onward referral to our external partners providing counselling services, trauma support and also physiotherapy for physical health concerns.

The Trust's Staying Well Service has also supported the wellbeing of our people through a 12 month calendar of events – Invest in Yourself. These events have been designed to encourage our people to take a proactive approach to their wellbeing and to share their feedback on the initiatives and competitions that have been designed. Highlights include:

- Health Eating Month
- Summer Fun for Families

[1] November 2019 is the most recent data currently available via NHS Digital.

- Get on Your Feet – a walking challenge
- Dedicated support for Men's Health including Prostate Cancer UK awareness sessions
- My Trust Benefits – an online service for all our people offering deals on travel, leisure and educational activities
- Supporting 90 staff to join Slimming World
- Promoting national campaigns such as World Menopause Day and Mental Health Awareness Month

All of these initiatives are supported by our Peer Support Guardian Network – a group of over 100 staff members who volunteer to provide a first level of support to our colleagues across the Trust – and the Trust's Staff Wellbeing Engagement Group – a group of staff members with an interest in wellbeing who come together to discuss the Trust's approach and take forward initiatives to support people across the organisation.

Supporting Disabled Employees

As of 31 March 2020, SWASFT employed 126 staff who have declared a disability as recorded via the Electronic Staff Record.

The Trust is proud to hold the Disability Confident Leader status, demonstrating our commitment to supporting staff with a disability. This is the highest level of the Government scheme designed to recognise employers who recruit and retain disabled staff.
The Trust's Equality Steering Group continues to support this agenda through dedicated initiatives to support disabled staff and through working with other employers across the region to share best practice.

Equality and Diversity

The Trust aims to eliminate discrimination and positively engage with under-represented groups and deliver initiatives to ensure inclusive teams and support the development of a more diverse workforce. The Trust's Equality Steering Group which brings together staff from diverse backgrounds to discuss and take forward initiatives which support and celebrate our diversity. Highlights of this work programme from 2019/20 include:

- The Trust becoming a Stonewall Diversity Champion in support of our LGBT[2] people
- Launch of the Trust's first Transgender Inclusion Policy
- Recognition as most improved Ambulance Trust in relation to LGBT Network metrics
- Development of support for staff 'working longer' and partnership with Affinity Connect to provide advice to staff nearing retirement
- Most improved Ambulance Trust in relation to WRES[3] Staff Survey Indicators for 2019/20
- A dedicated BME[4] recruitment and engagement plan for Bristol to encourage applications to key roles
- Introduction of a 'Celebrating Diversity' award into the Trust annual awards

The Trust has also reported its Gender Pay Gap for 2019/20 and the report can be found via this link: https://www.swast.nhs.uk/p/gender-pay-reporting

[2] Lesbian, Gay, Bisexual and Transgender
[3] Workforce Race Equality Standard
[4] Black and Minority Ethnic

Engagement and Involvement

In late 2018 the Trust undertook a Cultural Review, the findings of which resulted in the Culture into Action plan, much of which was implemented throughout 2019/20.

The themes highlighted in this report as important to our people aligned with the Staff Survey results and these included leadership, processes, welfare, speaking up and recognition and engagement. Key strengths included our people's commitment to SWASFT and their desire to provide the highest quality of care to our patients. We also know through hearing from staff directly, that the County team structure is supportive and has allowed initiatives requested by staff such as more tailored support for those with long term health conditions, to be embedded.

Key highlights from this review and subsequent actions include:

- Changes to the Trust's Disciplinary Policy as a direct result of staff feedback. This has resulted in much greater use of informal stages of the process where appropriate and a reduction in formal disciplinary cases by 63%.
- Formal Grievances have also reduced by 53% as our people feel better able to speak up and managers are empowered to resolve concerns at the earliest opportunity rather than resorting to formal processes.
- The time taken to undertake formal investigations has also reduced (5 weeks on average for a formal disciplinary case), resulting in a much improved experience for staff at the centre of these processes as they can be concluded much sooner.
- Dedicated staff forums across each County, increased leader visibility and local staff awards have all contributed to early signs of improved engagement as shown in the most recent Staff Survey results.
- A dedicated leadership development programme rolled out to 350 leaders across the organisation.
- Review and rebranding of the Serious Incident process to Review, Learn, Improve to focus on learning.
- Increase visibility of the Freedom to Speak Up agenda and dedicated work programme in support of this, resulting in a significant increase in concerns raised via this route.

The Trust provides staff with information on matters of concern to them as employees via the weekly Chief Executives Trust bulletin as well as specific communications relating to any change programmes or initiatives.

People and teams are also provided with information, and able to feedback via the following:

- Dedicated intranet pages for each change programme happening across the organisation
- Electronic chat room sessions
- Real time updates provided via Twitter and Facebook
- Face-to-face paid for staff meetings
- Engagement roadshows across the Trusts localities and Emergency Departments

We also work closely with our recognised Trade Union, Unison, to discuss and develop plans to support our people and resolve issues they may bring to our attention.

Results from the NHS Staff Survey

Response rate				
	2018/19	**2019/20**		**Trust Improvement /deterioration**
	Trust	Trust	Benchmarking group (FT) average	
Response Rate	45%	50%	50%	Improvement of 5% when compared to last year's response rate.

Results Comparison

Below is a table showing the results comparison for the eleven key areas across the staff survey:

	2019/20		2018/19		2017/18	
	Trust	Benchmarking Group	Trust	Benchmarking Group	Trust	Benchmarking Group
Equality, diversity and inclusion	8.6	8.5	8.3	8.4	8.6	8.3
Health and Wellbeing	5.0	5.0	4.9	5.0	5.1	5.1
Immediate managers	5.9	6.3	5.9	6.2	6.3	5.8
Morale	5.6	5.7	5.4	5.7	Indicator not reported for 2017/18	
Quality of appraisals	4.3	4.8	4.2	4.6	4.6	4.4
Quality of care	7.1	7.4	7.1	7.4	7.1	7.2
Safe environment – bullying and harassment	7.3	7.4	7.3	7.3	7.6	7.1
Safe environment – violence	8.9	8.8	8.8	8.8	9.0	8.7
Safety culture	6.2	6.2	6.1	6.1	6.2	5.9
Staff engagement	6.2	6.3	6.2	6.2	6.2	6.1
Team Working[5]	5.2	5.3	5.1	5.3	5.3	5.1

The Trust saw its highest response rate to the 2019 survey of 50%, an increase of 4.7% from the 2018 survey.

The results evidence the early signs of change, in line with the Trust's focus in year one of the cultural development programme. All results across the 11 key areas were equal to, or improved upon, since the 2018 survey. The Trust's staff survey report can be found here.

[5] This metric was new for the 2019/20 survey, but has been reported for previous years to show comparison.

The Trust made significant improvements in relation to the experience of our BME staff, who reported reductions in bullying, harassment from staff (a reduction of 26.80%) and experiences of discrimination (a reduction of 12%) as well as increased belief that the organisation acts fairly in relation to career progression (an increase of 34.8%).

There is still more work to do across key areas and specifically with regards to incivility amongst colleagues – the focus on behaviours in the next phase of the cultural programme will be a key driver to this aim.

There is also more work to do with flexible working, overrun and annual leave processes in both practice and the visibility of our performance in these areas.

Some operational areas are demonstrating the impact of their positive approach to leading cultural change but not all are in the same place and the focus needs to continue for all with further attention in the worst performing areas.

Nationally, key findings included:

- An increase in staff recommending their organisation as a place to work
- A small increase in staff feeling satisfied with the quality of care they give to patients
- No significant decrease in the number of staff reporting bullying and harassment from either their colleagues or managers
- An increase of staff reporting experiencing violence and discrimination from patients and service users.

Following on from the Culture into Action Plan, the Enabling Outstanding work programme has been established to continue to embed cultural change across the organisation. The programme leads will use these results to inform the next phase of outputs and corporate led drivers of change, with a focus on improving the following metrics from the Staff Survey:

- Colleague to colleague behaviour
- Quality of care
- Staff engagement
- Bullying and harassment

The delivery of these improvements will be Executive led through the Enabling Outstanding Programme and local delivery will be informed by the local analysis of the staff survey results but with the focus on delivering improvement against these core metrics.

Workforce Statistics

The following WTE figure is different from that given in the annual accounts because outlined below is the total number of people employed by the Trust on 31 March 2020 and the number given within the accounts is an average during the year.

		2019/20				2018/19			
		Headcount	WTE	Headcount %	WTE %	Headcount	WTE	Headcount %	WTE %
Age	16-25 26-35 36-45 46-55 56-65 66+	480 1283 1197 1155 535 35	466.6 1189.7 1057.1 1045.4 436.1 20.5	10.2 27.4 25.5 24.7 11.4 0.7	11.1 28.2 25.1 24.8 10.3 0.5	432 1,156 1,225 1,143 503 31	425.09 1,071.49 1,081.52 1,017.55 415.91 18.26	9.62 25.75 27.28 25.46 11.20 0.69	10.55 26.59 26.84 25.25 10.32 0.45
Ethnicity	White Mixed Asian or Asian British Black or Black British Chinese Other Not Stated	4503 46 25 17 7 1 86	4049.6 42.3 22.4 16.0 5.6 1.0 78.4	96.1 1.0 0.5 0.4 0.1 0.0 1.8	96.1 1.0 0.5 0.4 0.1 0.0 1.9	4,343 36 15 12 5 4 75	3,900.32 33.01 11.33 11 4.13 4 66.03	96.73 0.80 0.33 0.27 0.11 0.09 1.67	96.79 0.82 0.28 0.27 0.10 0.10 1.64
Gender	Male Female Transgender	2197 2488	1872.3 2343.1	46.9 53.1	44.4 55.6	2,452 2,038 Not recorded	2,304.50 1,725.32 Not recorded	54.61 45.39 Not recorded	57.19 42.81 Not recorded
Recorded Disability	Yes No Not Declared	126 4094 465466	113.1 3698.9 403.4	2.7 87.4 9.9	2.7 87.7 9.6	106 3,880 504	98.01 3,489.40 442.41	2.36 86.41 11.23	2.43 86.59 10.98

Trade Union Facility Time Disclosures

The facility time (FT) data that organisations are required to collate and publish under the 2017 regulations is as follows:

We employed 42 members of staff (36.8 WTE) who were relevant union officials during the year. These employees spend the following percentage of their working hours on union duties.

% of working time on Union duties	Number of people who did this
0%	5
1-50%	32
51-99%	2
100%	3

The percentage of the total pay bill spent on facility time is 0.22%.

The total time spent on paid trade union activities as a percentage of total paid facility time hours is 0.23%

Health and Safety

During the past year, the Health, Safety and Security Team have continued to support the Trust to comply with health and safety legislation. The team has continued to make significant improvements including:

- Root and branch review of the Trust's arrangements for the management of health and safety;
- Working in partnership with the Infection, Prevention and Control Team, including amalgamation of the Health, Safety and Security Committee and Infection Control Group.
- Implementation of an electronic system to increase effectiveness of the Workplace Review process;
- Introduction of a Violence and Aggression Reduction Group;
- Development of risk management processes by utilizing the Pentana Risk Management Platform
- Provision of Specsavers Vouchers to staff
- Development of health and safety policies and guidance
- Fire risk assessments reviewed for Trust sites.
- Workplace Reviews completed at Trust sites.
- Working in conjunction with the UNISON Health and Safety Team on the Health and Safety Roadshow;
- Providing IOSH Managing Safely training to staff.

The Health, Safety and Security Department received 2262 incident reports (Datix) including:

- 896 injury accidents to staff
- 95 injury accidents to patients
- 1,330 abuse related incident reports, including 251incidents relating to a physical assault
- 43 security related incident reports

During 2019/20, 896 incident reports were received detailing staff who had been subjected to an injury. This compares to 805 reports received during 2018/19 and represents an 11.3% increase in reported incidents.

Under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) 2013, the Health, Safety and Security Team reported 106 RIDDOR incidents to the Health and Safety Executive during 2019/20, compared to 92 during 2018/19 and this represents a 15% increase in reported incidents.

The Health, Safety and Security Team also reported 5 injuries to patients to the Health and Safety Executive during 2019/20, compared to 1 during 2018/19.

Fraud

The Trust has a responsibility to ensure that public money is spent appropriately and, in relation to this, we have policies in place to counter fraud and corruption. These include detailed standing financial instructions, a revised Counter Fraud and Anti-Bribery Policy and a Standards of Business Conduct Policy.

The Trust works with TIAA who provides its Anti-Fraud Service. The NHSCFA counter fraud self-review tool was submitted by Trust on 29 April 2020, with an overall GREEN rating for compliance with the standards set this year.

The Audit and Assurance Committee received and approved the Counter Fraud Annual Work Plan on the 21 March 2019. Counter fraud progress reports are provided at each committee meeting, and helped provide assurance on the work completed. This also monitors the adequacy of counter fraud arrangements and reports on progress to the Board of Directors.

For 2019/20, TIAA reviewed it delivery model to ensure that it meet the ever-changing NHS environment, with an increased emphasis on the following factors:

- A work program that is based upon risk and is intelligence led.
- An increased focus on empowering staff through a range of fraud awareness measures, emphasising increasing cybercrime threats, bespoke to Trust requirements.
- The provision of our innovative Fraud Check and Thematic Reviews.
- Delivery of deep dive reviews into key risk areas to increase detection of fraud issues and to provide wider assurance.
- Introduction of our FRAUDSMART+ service which incorporates briefing notes and fraud alerts to provide near ‘real time’ issues relevant to the sector and fraud industry, enabling preventative actions to mitigate threats.
- Enhanced investigations support utilizing data analytics and digital forensics service with an ability to undertake forensic investigations.

The Counter Fraud Specialist (CFS) has worked with the Trust to ensure good systems and processes are in place to prevent fraud and to deal appropriately if it were to occur. The following work was reported to committee and has been completed during 2019/20:

- Counter Fraud Intranet pages updated. with latest awareness
- Proactive counter fraud review of Working whilst sick and secondary employment has been issued as draft to the Trust
- Proactive counter fraud review of Ambulance staff overtime claims has been issued as a draft to the Trust
- Proactive review of Manual Timesheets has been issued as a draft to the Trust
- Proactive review of Pre-Employment checks has been issued as a draft to the Trust
- Proactive exercise of Fuel Cards commenced
- Dissemination of fraud alerts/intelligence bulletins – including dissemination of information to all staff where appropriate is provided
- Document and Identity Fraud Presentation provided to Human resources.

There have been no significant fraud issues or threats in the year affecting the Trust. The main risks are external fraudsters attempt to manipulate purchasers, like the Trust, into making payments into incorrect bank account details or internal, where staff work for another employer while claiming sick leave from the Trust.

Staff Exit Packages

Foundation Trusts are required to disclose summary information of their use of exit packages in the agreed year.

This information is subject to audit

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages £000
<£10,000			
£10,000 - £25,000	4	1	77
£25,001 -£50,000	1		33
£50,001 - £100,000	1	1	116
£100,000 - £150,000			
£150,000 - £200,000			
Total number of exit packages by type			
Total resource cost	**6**	9	Corporate

Assurance

During the year to 31 March 2020 there were 1 early retirements from the Trust agreed on the grounds of ill-health.

The estimated additional pension liabilities of these ill-health retirements will be £0.019 million (31 March 2019: £0.251 million). The cost of these ill-health retirements will be borne by the NHS Business Services Authority-Pensions Division.

Exit packages: non-compulsory departure payments

	Agreements Number	Total Value of Agreements £000
Voluntary redundancies including early retirement contractual costs		
Mutually agreed resignations (MARS) contractual costs	1	15
Early retirements in the efficiency of the service contractual costs		
Contractual payments in lieu of notice	1	61
Exit payments following employment tribunals or court orders		
Non-contractual payments requiring HMT approval*		
Total	**2**	**76**
Of which: Non-contractual payments requiring HMT approval made to individuals where the payment value was more than		

12 months of their annual salary		

With regard to exit packages, the lowest amount paid was £10,048.32, the highest was £55,114.28 and the median was £19,800.80

Expenditure on consultancy

In 2019/20 the Trust spent £1.149K on consultancy.

Off-payroll Arrangements

The staff report should also contain a statement on the NHS foundation trust's policy on the use of off-payroll arrangements, which as a minimum should cover arrangements for highly paid staff and controls it has in place over the use of such arrangements.

The Trust follows the guidance issued by the Department of Health in 2012 relating to off-payroll engagements. The off-payroll payments for the Trust relate to PSC arrangements that are in place for some doctors working for the urgent care service.

Table 1: For all off-payroll engagements as of 31 March 2020, for more than £245 per day and that last for longer than six months

No. of existing engagements as of 31 March 2018	3
Of which...	
No. that have existed for less than one year at time of reporting	
No. that have existed for between one and two years at time of reporting	
No. that have existed for between two and three years at time of reporting	
No. that have existed for between three and four years at time of reporting	
No. that have existed for four or more years at time of reporting	3

All existing off-payroll engagements, outlined above, have at some point been subject to a risk-based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Table 2: For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2019 and 31 March 2020, for more than £245 per day and that last for longer than six months

Number of new engagements, or those that reached six months in duration, between 1 April 2018 and 31 March 2019	3
Of which:	
Number assessed as within the scope of IR35	3
Number assessed as not within the scope of IR35	
Number engaged directly (via PSC contracted to trust) and are on the trust's payroll	0
Number of engagements reassessed for consistency/assurance purposes during the year	
Number of engagements that saw a change to IR35 status following the consistency review	

Table 3: 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 of board members, and/or, senior officials with significant financial responsibility, during the financial year.	0
Number of individuals that have been deemed 'board members and/or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements.	0

Council of Governors

Structure and role

As an NHS foundation trust, we have a Council of Governors. The Council forms a vital link between its members, staff, stakeholders and wider public, ensuring that their interests are represented.

The statutory roles and responsibilities of the Council of Governors and Additional Powers of the Governors are detailed in the Trust Constitution. In 2019/20, these roles and responsibilities were as follows:

- Reappointment and appointment of the Non-Executive Directors
- Reappointment of the Trust Chairman
- Approval of the appointment of the Chief Executive
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Represent the interests of the members of the Trust as a whole and the interests of the public
- Receive the NHS Foundation Trust's annual accounts, any report of the auditor on them, and the annual report at a general meeting of the Council of Governors
- Reappoint the NHS Foundation Trust's auditor
- Hold the Non-Executive Directors, individually and collectively, to account for the performance of the Board of Directors
- Appointment of the Lead and Deputy Lead Governors
- Represent the interests of the members of the Trust as a whole and the interests of the public
- Decide whether the Trust's non-NHS work would significantly interfere with its principal purpose, which is to provide goods and services for the health service in England, or performing its other services.

Through the Governor's attendance at the Board and the Board's attendance at the Council of Governor meetings, both parties are able to exchange information about the Trust and its operations. Governors are also invited to attend formal committee meetings where they can observe the non-executive directors

As well as these formal opportunities, there are also informal ways to work together. At the start of each Council of Governors meeting there is also an informal hour where Governors and Board members can chat, discuss topics and get to know each other in a more relaxed environment to aid better working relationships.

The Council of Governors and the non-executive directors have a formal session on the Council of Governors agenda called 'table time' that allows them to talk freely across a broad range of topics. In collaboration with the Council of Governors the Trust is working to align these sessions with the Trusts strategic goals, which in turn will allow for a more focused discussion to take place in area of which the Council of Governors would like specific assurance on.

During the year Governors and Non-Executive Directors have undertaken visits to ambulance stations and clinical hubs together to speak to staff. Other ways of working such as face-to face-meetings, public engagement activities and staff award ceremonies allow both parties to develop an understanding of the other and learn from the views of Board, governors and members. Members' feedback to governors and the Trust Board could be through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.

The Trust has a policy of engagement for non-executive directors and the Council of Governors which

outline the procedures to be followed for engagement and resolution.

The Board uses the feedback from the Council of Governors when developing its forward plan. The last Trust plan was a two-year plan and the second year of the plan was submitted in 2019/20.

Governors continue to seek the views of their membership through an informal and formal programme and were key stakeholders in the development of the Trust Vision in 2018/19.

Public, staff and appointed Governors

At 1 April 2019 the Council was made up of 34 governors, with 19 being elected by public members, six by the staff members, one local authority appointed governor and the remaining eight being appointed by partner organisations.

Lead Governor

Governors are invited to nominate themselves for the posts of Lead and Deputy Lead Governor annually. Following election by their peers at the Annual General Meeting in September 2019 the Lead Governor is Dee Nix, Public Governor – Wiltshire and Swindon, and the Deputy Lead Governor is Torquil MacInnes, Public Governor – Wiltshire and Swindon. Their terms of office will run until the Annual General Meeting on 17 September 2020.

Register of Interests

Governors have signed the Trust's Code of Conduct and are required to declare any interests which may compromise their objectivity in carrying out their duties. A Register of the Interests for all members of the Council of Governors is published on the Trust website and copies may also be obtained by from the Trust Secretary. Declarations are completed on an annual basis for all governors.

Contacting Governors and the Trust Secretary

Members who wish to contact the Council of Governors may do so by contacting the Trust Secretary, South Western Ambulance Service NHS Foundation Trust, Abbey Court, Eagle Way, Exeter, EX2 7HY or via email at governors@swast.nhs.uk.

The Council of Governor meetings and workshops are regularly attended by members and non-members. Non-members include senior managers and directors. The Chairman of the Trust chairs both the Board of Directors and the Council of Governors and therefore plays a significant role in ensuring effective and sound working relationships.

Meetings of the Council of Governors

The Council of Governors met formally as a Council on four occasions in 2019/20 with an additional Extraordinary Meeting in December 2019. Governors also supported the Trust through attendance at engagement events and subgroup meetings.

The following table details attendance at the five Council of Governor meetings:

Governor	Constituency	Elected / Appointed	Commencement of Term Office	Meeting Attendance in 2019/20 Actual / Possible
Rae Care	Public - Bristol & B&NES	Uncontested	1 March 2019	2 / 5
Roy Shubhabrata	Public - Bristol & B&NES	Uncontested	1 March 2019	4 / 5
Andy Phillips	Public - Cornwall	Uncontested	1 March 2018	2 / 5
William Thomas	Public - Cornwall	Uncontested	End of office 29/02/2020	4 / 5
Kim Gale	Public - Cornwall	Elected	1 March 2020	0 / 0
Phil Ford	Public - Devon	Uncontested	1 March 2020	3 / 5
Ray Foss	Public - Devon	Uncontested	End of office 29/02/2020	4 / 5
David Pinder-White	Public - Devon	Uncontested	1 March 2020	5 / 5
Adrian Rutter	Public - Devon	Uncontested	End of office 29/02/2020	3 / 5
Margaret Batty	Public - Devon	Uncontested	1 March 2020	0 / 0
Jeremy Filmer-Bennett	Public - Devon	Uncontested	1 March 2020	0 / 0
Andrew Freemantle	Public - Dorset	Elected	End of office 28/01/2020	2 / 5
Clare Head	Public - Dorset	Elected	1 March 2018	4 / 5
Craig Holmes	Public - Gloucestershire	Uncontested	End of office 14/01/2020	4 / 4
Terry Howard	Public - Gloucestershire	Elected	End of office 24/06/2019	1 / 3
Jacky Dockerty	Public - Gloucestershire	Elected	End of office 14/11/2019	1 / 3
Alan Crick	Public - Gloucestershire	Uncontested	1 March 2020	0 / 0
Steve Manning	Public – Isles of Scilly	Uncontested	1 March 2019	4 / 5
John Hawkins	Public – Somerset and North Somerset	Elected	End of office 11/01/2020	3 / 4

Governor	Constituency	Elected / Appointed	Commencement of Term Office	Meeting Attendance in 2019/20 Actual / Possible
Andy Nickolls	Public – Somerset and North Somerset	Elected	1 March 2019	4 / 5
Wendy Lynch	Public – Somerset and North Somerset	Elected	1 March 2019	5 / 5
Torquil MacInnes	Public – Wiltshire and Swindon	Uncontested	1 March 2020	5 / 5
Dee Nix	Public – Wiltshire and Swindon	Uncontested	1 March 2020	5 / 5
David Shephard	Staff - A&E (Dorset and Somerset)	Elected	1 March 2020	4 / 5
Mark Stubbs	Staff - A&E (North)	Elected	1 March 2020	5 / 5
Sarah Lennard	Staff - A&E (Cornwall and Devon)	Elected	1 March 2020	4 / 5
Neil Hunt	Staff – Admin, Support and Other Services	Elected	1 March 2020	4 / 5
Bill Sivewright	Appointed – Air Ambulance Charities	Appointed	1 March 2020	4 / 5
Blair Millar	Appointed – Clinical Commissioning Group	Appointed	End of office 11 March 2020	3 / 5
Bob Deed	Appointed – Local Authorities	Appointed	1 November 2019	2 / 3

Non-Executive Director Attendance at the Council of Governors Meetings

In 2019/20, there were five Council of Governor meetings. The non-executive attendance is in the following table. All but two of these meetings were attended by the Chief Executive.
Executive Directors are not required to attend but are able to attend if they wish or are requested to attend by the Council of Governors.

In 2019/20, the Council of Governors had no occasion to exercise their powers under the NHS Act and require a Director to attend to provide information on performance.

Tony Fox	4 / 5
Venessa James	4 / 5
Ian Reynolds	2 / 5
Paul Love	3 / 5
Gail Bragg	4 / 5
Rakhee Aggarwal	1 / 4
Minesh Khashu	3 / 5
Susan Bradford	2 / 4
Martin Holloway	0 / 1
Nick Cullen	0 / 1

Remuneration and Recommendation Panel

The Remuneration and Recommendation Panel must comprise of four governors and the chairman of the Council of Governors. We have a larger panel due to the size and geography of the Trust to enable contingency arrangements to be effective.

The following table shows members' attendance at the four formal Remuneration and Recommendation panel committee meetings for 2019/20. Not every member is required to attend every interview so full attendance would not be expected. The membership also changed in 2019/20.

This does not include the extra time and effort committed to for shortlisting, interviews preparation, telephone conference calls to check on progress or the time that governors make to be available for supporting the panel.

In 2019/20, the Governors' effort was significant which saw the re-appointment of three NED's, an appointment of three new NEDs and the reappointment of the Trust Chairman.

Name	Position	Attendance: Actual/Possible
Adrian Rutter	Public Governor	3 / 4
Dee Nix	Public Governor	4 / 4
Clare Head	Public Governor	0 / 4
Andrew Freemantle	Public Governor	1 / 4
Mark Love	Staff Governor	2 / 4
Sarah Lennard	Staff Governor	2 / 2
David Shephard	Staff Governor	4 / 4
Neil Hunt	Staff Governor	3 / 4
Bill Sivewright	Appointed Governor	2 / 4

In addition, the Trust Secretary, Marty McAuley has been in attendance to support and advise the panel. The processes used in NED recruitment have been developed by the governors and approved by the Council of Governors.

The governors always assess the skill-set required; consider the current and future needs of the Board

and seek input from the Chief Executive, Senior Independent Director, other Board members and the Trust Secretary.

In 2019/20 the Trust undertook a Non-Executive Director recruitment process. To support the work of the Remunerations and Recommendations Panel the Trust appointed a recruitment agency Anderson Quigley. Their remit was to ensure that the panel had a broad an appropriate pool of candidates to consider. The recruitment process was led by the Remunerations and Recommendations Panel and approved by the Council of Governors.

All candidates recommended to the Council of Governors make a number of declarations and the Trust Secretary undertakes a Fit and Proper Person Test on each nomination.

Our Membership

SWASFT welcomes members from all walks of life and public membership is open to people aged 16 years or over who live within our operating area. For membership in a public constituency, a member must live within that public constituency area. The boundaries of the Trust's public constituencies are aligned to local authorities and are defined within the Trust Constitution.

The membership and engagement strategy which sets out how it is ensured that membership is reprehensive of operational area, using the analysis of socio-economic demographics. The strategy defines membership community and eligibility criteria, as well as defining differing levels of membership and the engagement opportunities offered at each level.

At 26 March 2020, the main demographic imbalance within the membership was the under-representation of members below the age of 22 years. Members within the 17-21 brackets form only 1.4% of the Trusts in area membership. The Trust is working hard to increase this demographic with the development of a youth forum and dedicated youth seats within the Council of Governors. We continue to address previously identified demographic imbalances in areas of low representation through a carefully considered engagement plan, ensuring where possible, staff and governors attend and engage with both our members and the wider public. There is a slight overrepresentation of members who are classified by the Office for National Statistics "C1" which represents mature money and limited living. This socio-economic grouping comprises of 29% of the Trusts total membership. Additionally those classified as 'AB' which represents lavish lifestyle and executive wealth, those occupations have been or are high managerial, administrative and professional, account for a further 27% of the Trust membership.

The Council of Governors has established a Communications and Membership Sub-group, which is charged with reviewing the effectiveness of the Membership and Engagement Strategy and working with the Trust to identify engagement activities for Governors as well as targeting demographic imbalances within our membership.

The Board of Directors monitors how representative the membership is, together with the level and effectiveness of membership engagement, through annual reporting and by individual directors attending membership events throughout the year.

Our public membership at 26 March 2020, numbered 13,433 members which equates to 0.25% of the eligible population. The following table provides a breakdown of membership by constituency. Details of constituency eligibility are detailed in the Constitution, which is available on the public website at www.swast.nhs.uk.

Public

Public Constituency	**Minimum Number of Members**	**Membership 26/03/2020**	**Number of Governors**
Bristol and Bath & North East Somerset	320	1,216	2
Cornwall	272	2,817	2
Devon	580	2,898	4
Dorset	360	1,505	1
Gloucestershire and South Gloucestershire	436	1,443	1
Isles of Scilly	25	73	1
Somerset and North Somerset	375	2,461	2
Wiltshire and Swindon	336	1,019	2

Staff

Staff membership at 26 March 2020 numbered 5,756. The following table provides a breakdown of this membership by staff class. Details of staff class eligibility are detailed in the Constitution, which is available on the public website at www.swast.nhs.uk.

Staff Constituency	**Membership 26/03/2020**	**Number of Governors**
Accident & Emergency: East Division Staff Class	835	1
Accident & Emergency: North Division Staff Class	1,719	1
Accident & Emergency: West Division Staff Class	1,603	1
Urgent Care Services Staff Class	411	0
Volunteers Staff Class	152	0
Administration, Support & Other Services Staff Class	1185	1

Members receive communications and are invited to events including the Annual Members' Meeting, station open days and to take part in focus groups and respond to consultations, as well as being invited to stand for election as a trust governor. Anyone wishing to know more about membership, should contact the trust on 01392 261502 or via email at ft@swast.nhs.uk.

NHS Foundation Trust Code of Governance

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

Code of Governance Disclosure Statement –			
Relating to	**Code Ref**	**Summary of Requirement**	**Annual Report Location, or Comply or Explain**
Schedule A (2)			
Board and Council of Governors	A.1.1	The schedule of matters reserved for the Board of Directors should include a clear statement detailing the roles and responsibilities of the Council of Governors. This statement should also describe how any disagreements between the Council of Governors and the Board of Directors will be resolved. The annual report should include this schedule of matters or a summary statement of how the Board of Directors and the Council of Governors operate, including a summary of the types of decisions to be taken by each of the Boards and which are delegated to the executive management of the Board of Directors.	Comply – page 30 of the Annual Report
Board, Nomination Committee(s), Audit Committee, Remuneratio n n	A.1.2	The annual report should identify the Chairperson, the deputy Chairperson (where there is one), the Chief Executive, the Senior Independent Director (see A.4.1) and the Chairperson and members of the nominations, audit and remuneration committees. It should also set out the number of meetings of the Board and those committees and individual attendance by Directors.	Comply – page 30 of the Annual Report
Council of Governors	A.5.3	The annual report should identify the members of the Council of Governors, including a description of the constituency or organisation that they represent, whether they were elected or appointed, and the duration of their appointments. The annual report should also identify the nominated Lead Governor.	Comply – page 72 of the Annual Report
Board	B.1.1	The Board of Directors should identify in the annual report each Non-Executive Director it considers to be independent, with reasons where necessary.	Comply – page 30 of the Annual Report
Board	B.1.4	The Board of Directors should include in its annual report a description of each director's skills, expertise and experience. Alongside this, in the annual report, the Board should make a clear statement about its own balance, completeness and appropriateness to the requirements of the NHS foundation trust.	Comply – page 31 of the Annual Report

Nominations Committee(s)	B.2.10	A separate section of the annual report should describe the work of the nominations committee(s), including the process it	Comply – page 76 of

Code of Governance Disclosure Statement –			
Relating to	**Code Ref**	**Summary of Requirement**	**Annual Report Location, or Comply or Explain**
		has used in relation to Board appointments.	the Annual Report
Chair / Council of Governors	B.3.1	A Chairperson's other significant commitments should be disclosed to the Council of Governors before appointment and included in the annual report. Changes to such commitments should be reported to the Council of Governors as they arise, and included in the next annual report.	Comply – page 30 of the Annual Report
Council of Governors	B.5.6	Governors should canvass the opinion of the trust's members and the public, and for appointed Governors the body they represent, on the NHS foundation trust's forward plan, including its objectives, priorities and strategy, and their views should be communicated to the Board of Directors. The annual report should contain a statement as to how this requirement has been undertaken and satisfied.	Comply – page 41 of the Annual Report
Board	B.6.1	The Board of Directors should state in the annual report how performance evaluation of the Board, its committees, and its directors, including the Chairperson, has been conducted.	Comply – page 37 of the Annual Report
Board	B.6.2	Where there has been external evaluation of the Board and/or Governance of the trust, the external facilitator should be identified in the annual report and a statement made as to whether they have any other connection to the trust.	Comply – Page 40 of the Annual Report
Board	C.1.1	The Directors should explain in the annual report their responsibility for preparing the annual report and accounts, and state that they consider the annual report and accounts, taken as a whole, are fair, balanced and understandable and provide the information necessary for patients, regulators and other stakeholders to assess the NHS foundation trust's performance, business model and strategy. Directors should also explain their approach to quality governance in the Annual Governance Statement (within the annual report).	Comply – page 44 of the Annual Report
Board	C.2.1	The annual report should contain a statement that the Board has conducted a review of the effectiveness of its system of internal controls.	Comply – page 180 of the Annual
Audit Committee / control environment	C.2.2	A trust should disclose in the annual report: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Comply – page 44 of the Annual Report

Code of Governance Disclosure Statement –			
Relating to	**Code Ref**	**Summary of Requirement**	**Annual Report Location, or Comply or Explain**
Audit Committee / Council of Governors	C.3.5	If the Council of Governors does not accept the Audit Committee's recommendation on the appointment, reappointment or removal of an external auditor, the Board of Directors should include in the annual report a statement from the audit committee explaining the recommendation and should set out reasons why the council of governors has taken a different position.	NA
Audit Committee	C.3.9	A separate section of the annual report should describe the work of the audit committee in discharging its responsibilities. The report should include: • the significant issues that the committee considered in relation to financial statements, operations and compliance, and how these issues were addressed; • an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment or re-appointment of the external auditor, the value of external audit services and information on the length of tenure of the current audit firm and when a tender was last conducted; and • if the external auditor provides non-audit services, the value of the non-audit services provided and an explanation of how auditor objectivity and independence are safeguarded.	Comply – page 37, 44, 68,92, 171 of the Annual Report
Board / Remuneratio n n Committee	D.1.3	Where an NHS foundation trust releases an Executive Director, for example to serve as a Non-Executive Director elsewhere, the remuneration disclosures of the annual report should include a statement of whether or not the Director will retain such earnings.	NA
Board	E.1.5	The Board of Directors should state in the annual report the steps they have taken to ensure that the members of the Board, and in particular the Non-Executive Directors, develop an understanding of the views of Governors and members about the NHS foundation trust, for example through attendance at meetings of the Council of Governors, direct face-to-face contact, surveys of members' opinions and consultations.	Comply – page 76 of the Annual Report
Board / Membership	E.1.6	The Board of Directors should monitor how representative the NHS foundation trust's membership is and the level and effectiveness of member engagement and report on this in the annual report.	Comply – page 72 of the Annual Report
Membership	E.1.4	Contact procedures for members who wish to communicate with governors and/or directors should be made clearly	Comply – page 73 of

Code of Governance Disclosure Statement –			
Relating to	**Code Ref**	**Summary of Requirement**	**Annual Report Location, or Comply or Explain**
		available to members on the NHS foundation trust's website and in the annual report.	the Annual Report

Additional Requirements, FT Annual Reporting Manual 2015/16			
Council of Governors	n/a	The annual report should include a statement about the number of meetings of the Council of Governors and individual attendance by Governors and Directors.	Comply – page 74 of the Annual Report
Board	n/a	The annual report should include a brief description of the length of appointments of the Non-Executive Directors, and how they may be terminated	Comply – page 49 Annual Report
Nominations Committee(s)	n/a	The disclosure in the annual report on the work of the nominations committee should include an explanation if neither an external search consultancy nor open advertising has been used in the appointment of a Chair or Non-Executive Director.	Comply – page n/a of the Annual Report
Council of Governors	n/a	If, during the financial year, the Governors have exercised their power* under paragraph 10C** of schedule 7 of the NHS Act 2006, then information on this must be included in the annual report. This is required by paragraph 26(2) (aa) of schedule 7 to the NHS Act 2006, as amended by section 151 (8) of the Health and Social Care Act 2012. * Power to require one or more of the directors to attend a Governors' meeting for the purpose of obtaining information about the foundation trust's performance of its functions or the Directors' performance of their duties (and deciding whether to propose a vote on the foundation trust's or directors' performance). ** As inserted by section 151 (6) of the Health and Social Care Act 2012)	NA

Membership	n/a	The annual report should include: • a brief description of the eligibility requirements for joining different membership constituencies, including the boundaries for public membership; • information on the number of members and the number of members in each constituency; and • a summary of the membership strategy, an assessment of the membership and a description of any steps taken during the year to ensure a representative membership [see also E.1.6 above], including progress towards any recruitment targets for members.	Comply – page 77 of the Annual Report
Board / Council of Governors	n/a	The annual report should disclose details of company directorships or other material interests in companies held by Governors and/or Directors where those companies or related parties are likely to do business, or are possibly seeking to do business, with the NHS foundation trust. As each NHS foundation trust must have registers of Governors' and Directors' interests which are available to the public, an alternative disclosure is for the annual report to simply state how members of the public can gain access to the registers instead of listing all the interests in the annual report. See also ARM paragraph 7.33 as directors' report requirement	Comply – page 30, 73, 101 of the Annual Report

Schedule A (6) – Comply or Explain			
Board	A.1.4	The Board should ensure that adequate systems and processes are maintained to measure and monitor the NHS foundation trust's effectiveness, efficiency and economy as well as the quality of its healthcare delivery	**Comply**
Board	A.1.5	The Board should ensure that relevant metrics, measures, milestones and accountabilities are developed and agreed so as to understand and assess progress and delivery of performance	**Comply**
Board	A.1.6	The Board should report on its approach to clinical governance	**Comply**
Board	A.1.7	The Chief Executive as the accounting officer should follow the procedure set out by Monitor for advising the Board and the Council and for recording and submitting objections to decisions	**Comply**
Board	A.1.8	The Board should establish the constitution and standards of conduct for the NHS foundation trust and its staff in accordance with NHS values and accepted standards of behaviour in public life	**Comply**
Board	A.1.9	The Board should operate a code of conduct that builds on the values of the NHS foundation trust and reflect high standards of probity and responsibility	**Comply**
Board	A.1.10	The NHS foundation trust should arrange appropriate insurance to cover the risk of legal action against its Directors	**Comply**
Chair	A.3.1	The Chairperson should, on appointment by the Council, meet the independence criteria set out in B.1.1. A Chief Executive should not go on to be the Chairperson of the same NHS foundation trust	**Comply**

Board	A.4.1	In consultation with the Council, the Board should appoint one of the independent Non-Executive Directors to be the Senior Independent Director	**Comply**
Board	A.4.2	The Chairperson should hold meetings with the Non-Executive Directors without the Executives present	**Comply**
Board	A.4.3	Where Directors have concerns that cannot be resolved about the running of the NHS foundation trust or a proposed action, they should ensure that their concerns are recorded in the Board minutes	**Comply**
Council of Governors	A.5.1	The Council of Governors should meet sufficiently regularly to discharge its duties	**Comply**
Council of Governors	A.5.2	The Council of Governors should not be so large as to be unwieldy	**Comply**
Council of Governors	A.5.4	The roles and responsibilities of the Council of Governors should be set out in a written document	**Comply**
Council of Governors	A.5.5	The Chairperson is responsible for leadership of both the Board and the Council but the Governors also have a responsibility to make the arrangements work and should take the lead in inviting the Chief Executive to their meetings and inviting attendance by other Executives and Non-Executives, as appropriate	**Comply**
Council of Governors	A.5.6	The Council should establish a policy for engagement with the Board of Directors for those circumstances when they have concerns	**Comply**
Council of Governors	A.5.7	The Council should ensure its interaction and relationship with the Board of Directors is appropriate and effective	**Comply**
Council of Governors	A.5.8	The Council should only exercise its power to remove the Chairperson or any Non-Executive Directors after exhausting all means of engagement with the Board	**Comply**
Council of Governors	A.5.9	The Council should receive and consider other appropriate information required to enable it to discharge its duties	**Comply**
Board	B.1.2	At least half the Board, excluding the Chairperson, should comprise Non-Executive Directors determined by the Board to be independent	**Comply**
Board / Council of Governors	B.1.3	No individual should hold, at the same time, positions of Director and Governor of any NHS foundation trust	**Comply**
Nomination Committee(s)	B.2.1	The nominations committee or committees, with external advice as appropriate, are responsible for the identification and nomination of Executive and Non-Executive Directors	**Comply**
Board / Council of Governors	B.2.2	Directors on the Board of Directors and Governors on the Council should meet the “fit and proper” persons test described in the provider licence	**Comply**
Nomination Committee(s)	B.2.3	The nominations committee(s) should regularly review the structure, size and composition of the Board and make recommendations for changes where appropriate	**Comply**
Nomination Committee(s)	B.2.4	The Chairperson or an independent Non-Executive Director should chair the nominations committee(s)	**Comply**
Nomination Committee(s) / Council of Governors	B.2.5	The Governors should agree with the nominations committee a clear process for the nomination of a new Chairperson and Non-Executive Directors	**Comply**
Nomination Committee(s)	B.2.6	Where an NHS foundation trust has two nominations committees, the nominations committee responsible for the appointment of Non-Executive Directors should consist of a majority of Governors	**Comply**

Council of Governors	B.2.7	When considering the appointment of Non-Executive Directors, the Council should take into account the views of the Board and the nominations committee on the qualifications, skills and experience required for each position	**Comply**
Council of Governors	B.2.8	The annual report should describe the process followed by the Council in relation to appointments of the Chairperson and Non-Executive Directors	**Comply**
Nomination Committee(s)	B.2.9	An independent external adviser should not be a member of or have a vote on the nominations committee(s)	**Comply**
Board	B.3.3	The Board should not agree to a full-time Executive Director taking on more than one Non-Executive Directorship of an NHS foundation trust or another organisation of comparable size and complexity	**Comply**
Board / Council of Governors	B.5.1	The Board and the Council of Governors should be provided with high-quality information appropriate to their respective functions and relevant to the decisions they have to make	**Comply**
Board	B.5.2	The Board and in particular Non-Executive Directors, may reasonably wish to challenge assurances received from the Executive management. They need not seek to appoint a relevant adviser for each and every subject area that comes before the Board, although they should, wherever possible, ensure that they have sufficient information and understanding to enable challenge and to take decisions on an informed basis	**Comply**
Board	B.5.3	The Board should ensure that Directors, especially Non-Executive Directors, have access to the independent professional advice, at the NHS foundation trust's expense, where they judge it necessary to discharge their responsibilities as Directors	**Comply**
Board / Committees	B.5.4	Committees should be provided with sufficient resources to undertake their duties	**Comply**
Chair	B.6.3	The Senior Independent Director should lead the performance evaluation of the Chairperson	**Comply**
Chair	B.6.4	The Chairperson, with assistance of the Trust Secretary, if applicable, should use the performance evaluations as the basis for determining individual and collective professional development programmes for Non-Executive Directors relevant to their duties as Board members	**Comply**
Chair / Council of Governors	B.6.5	Led by the Chairperson, the Council should periodically assess their collective performance and they should regularly communicate to members and the public details on how they have discharged their responsibilities	**Comply**
Council of Governors	B.6.6	There should be a clear policy and a fair process, agreed and adopted by the Council, for the removal from the Council of any Governor who consistently and unjustifiably fails to attend the meetings of the Council or has an actual or potential conflict of interest which prevents the proper exercise of their duties	**Comply**
Board / Remuneratio n n Committee	B.8.1	The remuneration committee should not agree to an Executive member of the Board leaving the employment of an NHS foundation trust, except in accordance with the terms of their contract of employment, including but not limited to	**Comply**
		service of their full notice period and/or material reductions in their time commitment to the role, without the Board first having completed and approved a full risk assessment	

Board	C.1.2	The Directors should report that the NHS foundation trust is a going concern with supporting assumptions or qualifications as necessary – see also ARM paragraph 7.17	**Comply**
Board	C.1.3	At least annually and in a timely manner, the Board should set out clearly its financial, quality and operating objectives for the NHS foundation trust and disclose sufficient information, both quantitative and qualitative, of the NHS foundation trust's business and operation, including clinical outcome data, to allow members and governors to evaluate its performance	**Comply**
Board	C.1.4	a) The Board of directors must notify Monitor and the Council of Governors without delay and should consider whether it is in the public's interest to bring to the public attention, any major new developments in the NHS foundation trust's sphere of activity which are not public knowledge, which it is able to disclose and which may lead by virtue of their effect on its assets and liabilities, or financial position or on the general course of its business, to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust b) The Board of Directors must notify Monitor and the Council of Governors without delay and should consider whether it is in the public interest to bring to public attention all relevant information which is not public knowledge concerning a material change in: • the NHS foundation trust's financial condition; • the performance of its business; and/or • the NHS foundation trust's expectations as to its performance which, if made public, would be likely to lead to a substantial change to the financial wellbeing, health care delivery performance or reputation and standing of the NHS foundation trust	**Comply**
Board / Audit Committee	C.3.1	The Board should establish an Audit Committee composed of at least three members who are all independent Non-Executive Directors	**Comply**
Council of Governors / Audit Committee	C.3.3	The Council should take the lead in agreeing with the Audit Committee the criteria for appointing, re-appointing and removing external auditors	**Comply**
Council of Governors / Audit Committee	C.3.6	The NHS foundation trust should appoint an external auditor for a period of time which allows the auditor to develop a strong understanding of the finances, operations and forward plans of the NHS foundation trust	**Comply**
Council of Governors	C.3.7	When the Council ends an external auditor's appointment in disputed circumstances, the Chairperson should write to Monitor informing it of the reasons behind the decision.	**Comply**
Audit Committee	C.3.8	The Audit Committee should review arrangements that allow staff of the NHS foundation trust and other individuals where relevant, to raise, in confidence, concerns about possible improprieties in matters of financial reporting and control, clinical quality, patient safety or other matters	**Comply**

Remuneration Committee	D.1.1	Any performance-related elements of the remuneration of Executive Directors should be designed to align their interests with those of patients, service users and taxpayers and to give these directors keen incentives to perform at the highest levels	**Comply**
Remuneration Committee	D.1.2	Levels of remuneration for the Chairperson and other Non-Executive Directors should reflect the time commitment and responsibilities of their roles	**Comply**
Remuneration Committee	D.1.4	The Remuneration Committee should carefully consider what compensation commitments (including pension contributions and all other elements) their Directors' terms of appointments would give rise to in the event of early termination	**Comply**
Remuneration Committee	D.2.2	The Remuneration Committee should have delegated responsibility for setting remuneration for all Executive Directors, including pension rights and any compensation payments	**Comply**
Council of Governors / Remuneration Committee	D.2.3	The Council should consult external professional advisers to market-test the remuneration levels of the Chairperson and other Non-Executives at least once every three years and when they intend to make a material change to the remuneration of a Non-Executive	**Comply**
Board	E.1.2	The Board should clarify in writing how the public interests of patients and the local community will be represented, including its approach for addressing the overlap and interface between Governors and any local consultative forums	**Comply**
Board	E.1.3	The Chairperson should ensure that the views of Governors and members are communicated to the Board as a whole	**Comply**
Board	E.2.1	The Board should be clear as to the specific third party bodies in relation to which the NHS foundation trust has a duty to co-operate	**Comply**
Board	E.2.2	The Board should ensure that effective mechanisms are in place to co-operate with relevant third party bodies and that collaborative and productive relationships are maintained with relevant stakeholders at appropriate levels of seniority in each	**Comply**

NHS Oversight Framework

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

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

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

NHSI has assessed the Trust as being in segment 2, with targeted support identified as being required for operational performance.

This segmentation information is the Trust's position as at 18 June 2020. Current segmentation information for NHS Trusts and Foundation Trusts is published on the NHS Improvement website.

Finance and Use of Resources

The finance and use of resources theme is based on the scoring of five measures from 1 to 4, where 1 reflects the strongest performance. These scores are then weighted to give an overall score.

Given that finance and use of resources is only one of the five themes feeding into the NHS Oversight Framework, the segmentation of the Trust disclosed above might not be the same as the overall finance score. The Trust Scores a 1 for Finance and Use of Resources.

Area	Metric	2019/20 scores				2018/19 scores			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Financial sustainability	Capital service capacity	1	1	1	1	2	1	1	3
	Liquidity	2	1	1	1	1	1	1	1
Financial efficiency	I&E margin	2	2	2	2	4	2	3	2
Financial controls	Distance from financial plan	1	2	1	1	4	1	2	1
	Agency spend	1	1	1	1	1	1	1	1
Overall scoring		**1**	**1**	**1**	**1**	**3**	**2**	**2**	**2**

Ken Wenman
Chief Executive

23 June 2020

Statement of the chief executive's responsibilities as the accounting officer of South Western Ambulance Service NHS Foundation Trust

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

NHS Improvement, in exercise of the powers conferred on Monitor by the NHS Act 2006, has given Accounts Directions which require South Western Ambulance Service NHS foundation trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South Western Ambulance Service NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

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

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

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

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

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

Ken Wenman
Chief Executive
23 June 2020

Annual Governance Statement

Annual Governance Statement Scope of responsibility

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

The purpose of the system of internal control

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

Capacity to handle risk

Risk management is embedded through the Trust. Risk is managed at an operational and corporate level. There are three levels of risk:

- Low - risks that score 9 and below
- Moderate - risks that score 10-12
- Significant - risks that score 15+

Risk oversight is essential to the embeddedness of risk management process and the Trust has the following arrangements in place:

- On a monthly basis the executive directors receive all risks that score 25
- On a quarterly basis the Audit and Assurance Committee receive all risks that score 10 and above
- On a bi-monthly basis the Board of Directors receives all risks that score 10 and above alongside the Board Assurance Framework which includes deep dives on risks scoring 20 and above in addition to one lower level risk
- Alongside this, at each Committee of the Board, it is a standing item to receive a register of all risks scoring above 10 that relate to the remit of that committee (finance, quality, people and culture).

Each project has its own risk register and is presented to the project board responsible for monitoring implementation of the individual project.

Risk management sits under the portfolio of the Executive Director of Quality and Clinical Care and is led by the Head of Patient Safety and Risk. There is a dedicated risk management function in place to support the organisation's compliance with risk management processes and to drive forward risk management improvement and development. The Trust's risk management process states that on a monthly basis, risks should be updated by an identified lead within each directorate responsible for 'owning' the individual risk.

The Trust has a Quality and Risk Assurance Group (QRAG) made up of senior managers across the Trust. On at least a monthly basis this group reviews risk assessments, meeting risk owners to ensure that the risk has been fully understood and described. Completed risk assessments are reported to the Quality Committee for information – the Quality Committee also has access to the actions associated with the

individual assessments via Pentana Risk which enables the monitoring of individual action progress

Individual directors hold various forums and collate their own local risks and senior managers can feed risks into the Quality and Risk Assurance Group for consideration. The Quality and Risk Assurance Group evaluates and checks assurance on Moderate and Significant risks, ensuring consistency.

The Quality and Risk Assurance Group invites other teams and departments to join them to share learning across the organisation. Individual risk owners are also supported through the process of developing their risk assessment, building knowledge and skill alongside their assessment.

In 2019/20 there have been 19 meetings of the group which has reviewed 51 risk assessments and 19 Quality Equality Impact Assessments.

The Audit and Assurance Committee provides strategic oversight at a committee level. Their regular review of the Risk Register enables them to look at the current risk profile and consider it against the Internal Audit Programme.

The Trust is a learning organisation and learns through its approach to risk management and associated processes' for example serious incident management and learning.

Risk management is part of the induction process for all staff where the mandatory workbook provides information to ensure that staff are knowledgeable on risk management. It covers staff responsibilities as well as how risk is identified, managed and reported.

The Board of Directors also has risk awareness sessions challenging themselves through the redesign of the Board Assurance Framework and Risk Register to ensure that they are fit for purpose and providing them with the right information.

Serious incident reviews are well attended and seen as a valuable opportunity to improve practice. The Trust also embraces opportunities to learn and improve and to support this staff are invited to assist in the process of learning. Members of the Board of Directors attend Serious Incident meetings. In addition, the Directors and Board of Directors receive regular briefings on Serious Incidents.

In 2018/19 the Trust implemented a new risk management system to improve the interaction and reporting of the Trust's risk management arrangements. During 2019/20 developments to the system have continued. The system has informed decision making by aligning risk management with minimising threats to the achievement of the Trust's objectives. Risks are mapped to the Trust's strategic goals in one framework providing greater visibility of risk exposure. The system allows each risk and individual action to be fully tracked and audited providing a clear history of the risk, controls and associated actions enhancing the provision of assurance to the Trust Board of Directors.

The risk and control framework

The Trust Board of Directors is committed to ensuring that effective risk management is an integral part of its management approach, underpinning all activities.

The Trust's Risk Strategy was updated and approved in July 2016. A new joint Governance and Risk Strategy is currently being developed. The new strategy is being written as a joint strategy to ensure that the principles of good governance are embedded within risk management processes and vice versa, to ensure that risk is embedded within all other areas of Trust governance.

The strategy sets out the Trust's aims and principles for the management of governance and risk. The strategy is underpinned by governance and risk processes which are continually developed to achieve high standards. It demonstrates the effectiveness and continual development of the Trust's governance arrangements.

These processes build on historical good practice and new guidance, to ensure that strong arrangements are further improved and embedded.

The key aim of the strategy is to establish systems and processes to ensure that risk management becomes infused in the Trust's philosophy, practices and business planning processes ensuring a holistic approach.

Risk appetite is set at a Board level and reviewed depending upon the activity undertaken. Clinical and operational risk appetite is low. A comprehensive review of the Trust's appetite for each individual area of risk was undertaken in 2019/20 by the Trust's Audit and Assurance Committee and by the Trust Board of Directors.

The Risk Register and Board Assurance Framework (BAF) is presented to each Board meeting to give the Board oversight of the key risks that the organisation is facing and how this affects the Trust's ability to achieve the strategic goals of the Trust. A rotational deep-dive into lower-graded risks is also included in the BAF.

The QRAG is the operational forum for the Risk Register and the Audit and Assurance Committee is the strategic committee. The Audit and Assurance Committee receive the Risk Register to inform their discussion and inform the commissioning of further internal audit and work programmes.

In December 2019 the Audit and Assurance Committee received an internal audit report for the Trust's Risk Management arrangements which was rated as Medium Risk. There were six recommendations made – three medium and three low risk.

In June 2020, prior to the approval of the annual report, the Audit and Assurance Committee received an internal audit report for ICT which was rated as high risk. There were six recommendations made – five medium and one low.

The Board of Directors is focused on the quality of care the organisation provides, receiving assurance reports and updates at each of the meetings, this includes information on the key areas of learning and the actions the organisation is taking to embed improvements.

The Quality Committee, chaired by a non-executive director, is accountable for overseeing the Quality arrangements of the Trust and its membership consists of executive and non-executive directors. The Trust has a quarterly relationship meeting with the CQC.

Following consultation and then Board approval, the Trust launched its new Quality Strategy in March 2017. During financial year 2020/21, the Trust will launch a new Quality Improvement Strategy which will replace the current Quality Strategy and will drive the Trust's quality agenda towards further advancement.

Financial and quality performance information is available in the Integrated Corporate Performance Report (ICPR) which is always publicly available; reinforcing a pledge by directors in 2015 to give quality equal priority with performance. This is further embedded through the Trust's contract management meetings which focus on both quality and performance. It is published on the Trust website and provided to the Council of Governors and the Board via a link each month, whilst received formally at each of their meetings.

The Trust has developed a Quality Assurance Plan and which further supports the Quality Strategy by embedding quality at the heart of what we do.

The Trust has in place a quality buddy system whereby each Operational Area, including resilience, logistics and community responders, has been assigned a quality buddy. The Quality Buddies act as quality and governance support to their operational manager/head of department and provide a two way flow of information on the risks, issues and areas of excellence between frontline operational areas and the senior management and executive director's teams.

They also cascade information from Board level (for example, Significant and Moderate level risks) and escalate issues from the frontline up to senior management.

The Trust maintains a high profile nationally, with the chairman, chief executive and other Board members holding membership of many national groups.

The Board of Directors and the Quality Committee receive regular reports to provide assurance on quality performance.

The Trust has an Information Governance Group chaired by the Executive Director of Information Management &Technology (IM&T), which is responsible for information security. The Information Communications Technology (ICT) function leads on the data security arrangements which are in the main owned by ICT Services as a function.

The Information Assurance Steering Group is chaired by the Executive Director of IM&T whose remit is to oversee data quality and information security arrangements for the Trust.

Information security risks are reported to the Information Governance Group as the designated forum to consider issues arising from information governance and security incidents reported, and trends that emerge from these. Any moderate or significant risks are escalated to the Quality Risk Assurance Group and escalated to the Audit and Assurance Committee through the Data Protection Officer's report.

During 2019/20, one information security incident was classified as being serious[1]. Due to the impact of COVID-19 the compliance due date for the NHS Digital Data Security and Protection Toolkit submission has been extended to September 2020. The Trust is expecting to submit a compliance return in July 2020.

The Board-approved Caldicott Guardian is the Executive Medical Director. An Information Governance Group, chaired by the Senior Information Risk Owner (SIRO) and attended by information asset owners, develops and monitors the information governance work programme.

Our top major risks facing the Trust are the same as those risks that we see carrying forward. They are:

- Incident Stacking (A&E)
- ARP Performance Targets
- Changes in Activity
- Major IT Service Failure/Cyber Security
- Commissioner Affordability
- External Impact on Finance Strategy
- Cost Improvement Programme
- Procurement of ECS2
- Maintaining Clinical Hub Establishment Levels
- The Implications of COVID-19

The Trust's Risk Register contains details of the controls that are in place to manage each risk, the action planned to manage the risk and an identified accountable director.

These are reviewed and discussed at each meeting of the Board of Directors and Quality Committee. During review of the Board Assurance Framework at each meeting of the Trust Board of Directors, the accountable Executive Director advises the Board on the latest position for each risk.

All risks are monitored through the committee structure, via the Risk Register and Board Assurance Framework. The Quality Risk Assurance Group, Audit and Assurance Committee and Board of Directors are accountable for the oversight and assessment of the outcomes of risks.

Each Committee receives a report on the risks related to the scope of their committee, for example at each meeting of the Quality Committee they will review all quality- related risks.

One of the most significant strategic risks, and a risk to patient safety, remains the delivery of the national ambulance standards. The achievement of these standards remains challenging due to the gap

in the Trust's contractual position and in some cases the maturity of local urgent and emergency care systems; this creates an underlying risk to the safety of patients and creates the potential for patient harm.

A current and key risk for the Trust relates to the 'stacking' of incidents received into our clinical hubs. Currently, the Trust has insufficient resource to meet the demand for ambulances and this results in a delay in some patients being allocated an appropriate resource.

The Trust has a robust mitigation plan in place, but is also reliant on the risk being reduced through the actions of our stakeholders across the systems. In 2018, it was identified that potential risk to patients because of call stacking was significant enough for NHS England to convene a series of quality surveillance group meetings, which included representation from provider and commissioner organisations.

Through discussion, a number of actions have been agreed to support a reduction in demand on the service, and to put measures into place that support SWASFT when demand is outstripping resource so significantly that escalation reaches the highest level. The Trust is confident that, through continued dialogue and partnership working, coupled with the significant investment in resources, patients will consistently receive the right care, at the right time, in line with their clinical presentation.

The Board of Directors, Audit and Assurance Committee, Quality Committee and Directors Group continue to monitor the level of demand and performance with the monthly publication of the ICPR.

The committees and Board of Directors continue to receive the Risk Register, Board Assurance Framework, serious incident reports and any concerns regarding patient safety. Committees work together to ensure that all are assured and cross refer issues as appropriate. Non-executive committee chairs provide assurance reports to the Board of Directors following each committee meeting.

The Trust's serious incident management process is a positive example of its approach to risk. Incidents are learned from to ensure that the practice of our staff is developed where possible and where errors happen, that learning is applied to ensure that we continue to deliver a safe and effective service. Following feedback from staff and managers, the serious incident process was re-branded in 2019/20 to reflect the focus on learning and improvement and is now known within the Trust as the Review Learn Improve process.

The Corporate Governance Statement is approved each year by the Trust Board of Directors. It has a number of sources that it has taken its assurance from, these have included:

- CQC overall Trust rating of 'good'
- Internal audit reports on key control areas such as finance, risk and board assurance framework.
- Effective Board and committee structure
- Internal and external auditors' opinions.

The Trust has an established Quality and Equality Impact Assessment (QEIA) process which assesses both the quality and equality impacts of business decisions and changes to services.

The QEIA process provides a focus on quality, encompassing learning from reports such as Berwick, Keogh and Francis. It is used alongside financials, business cases and risk assessments for any proposed significant change. The core components of the QEIA tool, which was developed by one of the Trust's Commissioners and adopted by the Trust, are:

- Safety
- Effectiveness\
- Experience
- Other Impacts
- Equality and Diversity
- Measurement.

Completed QEIAs are presented to the Quality and Risk Assurance Group who make a recommendation regarding sign-off and approval by the Executive Director of Quality and Clinical Care and the Executive Medical Director. They are subsequently reported to the Executive Directors Group and Quality Committee for information and assurance.

The Trust has an established web-based incident reporting process which is widely publicised and encouraged across the Trust. Each adverse incident report submitted is reviewed and an investigation is carried out which is proportionate to the level of the incident reported. Feedback is provided directly to those reporting incidents by the person responsible for its investigation. Any changes to clinical guidelines identified through learning from incidents are incorporated directly into the guidelines available to staff through the JRCALC application.

The Trust has continued to contribute to easing the pressure on the rest of the community through our non-conveyance rates, partnership working and our running of an Urgent Care Centre in Tiverton.

Cost improvement schemes have risk and quality impact assessments carried out on them so that decisions are not made in isolation but instead are part of a series of interdependent links that lead to the safe, effective and responsive service that we run.

The same open and transparent relationship exists with our regulator who is regularly updated on issues and challenges facing the Trust.

Alongside regular reporting, commissioners are in attendance at Quality Committee meetings.

Public Board meetings are attended by staff, governors and members of the public. Nine of 34 seats on the Council of Governors are held by appointed organisations that the Trust works with.

The Trust values the input of others in looking at how their stakeholders can affect its approach to risk management. A number of the Trust's risks are caused by pressures on the wider health system so these are regularly raised with our commissioners and acute partners. Working together to provide solutions, the Trust attends a quarterly meeting with commissioners who are sighted on key risks that affect the Trusts ability to deliver services and we work together to provide solutions.

Workforce Planning Key Highlights

- Fulfillment of the Year 2 People Plan for Lead Clinicians in Year 1.
- Year on year improvement in graduate recruitment since 2015 - directly resulting from the work of our dedicated University Liaison Officer and Student Conferences.
- Established 3 new routes to supply lead clinicians fulfilling 21% of forecast need for 19/20. The other 79% being achieved through our usual supply routes.
- 250.5 student paramedics on internal development programmes with an increase of 61 places provided in 19/20 and 20/21 to meet growth projections.
- As a result of the investment and resulting people plan, our recruitment plans in 19/20 responded to a 22% growth in Lead Clinicians and 73% growth in our requirement for ECAs.
- An increase in Lead Clinician retention reducing demand on recruitment requirement by 5%
- Further successful New Zealand Paramedic campaigns, leading to 22 newly qualified Paramedics joining in 19/20.
- Development of an engagement calendar through the Trust's Equality Steering Group to increase diversity of the workforce, resulting in the first successful candidate being supported to achieve their C1 through the Charity bursary scheme.

Year 3 of the People and Culture Strategy seeks to address key areas identified through the NHS People Plan such as sustainable workforce planning, career development, succession planning, engagement, health and wellbeing and equality and inclusion. The strategy is attached.

In addition to the Trust Strategy and People and Culture Strategy, the Trust has a Five Year Workforce Plan.

This plan was approved through the Trust's People and Culture Committee, a formal sub-committee of the Board. It is regularly reviewed by this strategic committee as well as monitoring through the Trust's monthly Senior Leadership Team Meeting, the Trust's weekly Resource Management Group Meeting and with Heads of Department and the Executive Director of Operations.

The Trust's workforce plans are modelled starting with patient care needs which are mapped through to model demand and resourcing requirements ensuring best use of financial resource to meet this demand.

The workforce plan has taken into account current workforce trends and potential future impacts on the workforce.

Target Establishment by Role for 2020/21

Role	Target Establishment 2020/21	Increase in establishment from 2019/20
A&E Lead Clinician	1735.61	100.28
A&E Support Clinician/ECA	1136.34	177.92
Clinical Hub Clinician	74.00	0
Clinical Hub EMD	166.22	10

The Trust complies fully with previously published NHS Improvement Rostering Good Practice Guidance. This includes planning a minimum of six weeks in advance, monitoring abstractions, weekly reporting and monthly Resource Management Group Meetings to manage the long term position.

Over establishments will continue to be monitored through the weekly Resource Management Group Meetings, and recruitment and training plans will be adjusted accordingly if required.

Description of Workforce Challenge	Impact on Workforce	Initiatives in Place
Primary Care Networks (PCNs)	Workforce transformation in primary care and community care will be based around new models of care and 'skill-mix' change. It is anticipated that a worst case scenario for the Trust PCNs alone may create 500 additional Paramedic opportunities across the South West. This risk may increase due to the uplift in funding for such posts from 70% to 100% of the salary costs. The number of opportunities/demand for Paramedic workforce outstrip supply, and there remains a lack of coordinated national workforce planning to address. It is anticipated that there will be a requirement for Paramedics to hold a MSc – which may limit the number moving into PCNs.	As well as scenario plans for best and worst case options, the current workforce plan addresses a loss of 180 Paramedics to PCNs over the next 2 financial years. Increased use of dual contracts with acute and primary care to retain as many paramedic skills as possible, however this does increase the total headcount required to fulfil the same WTE. Increased university places within partner universities and development of new partnerships to develop Paramedic development pathways.

Lack of available Clinicians for Hub roles.	Whilst 17 Clinicians have been recruited for the Clinical Hub during 19/20, turnover currently matches recruitment (17.94 WTE projected for 19/20), and therefore reaching and maintaining establishment continues to be a challenge.	The Trust is currently developing an internal pathway to develop our existing Clinicians to become the future Hub workforce. Targeted recruitment campaigns, utilising exit data to inform approach. Rotational roles with A&E operations.

Reporting measures are in place including rota fill rate, to support the efficiency of resourcing, and the Trust measures operationally available establishment as well as funded establishment. We are also developing forecast and capacity demand modelling and processes to ensure we able to become more sustainable. New reporting measures have been introduced including rota fill rate, to support the efficiency of resourcing, and the Trust measures operationally available establishment as well as funded establishment.

Workforce Challenges

2020/21 Projections

Lead Clinician Supply/Turnover	2020/21 Projections
Graduates	167
DLP	84
External Qualified	30
New Zealand	6
DLP	84
Portsmouth	31
TOTAL SUPPLY	318
Leavers	-180
Other Total Movement (including reduction in WTE)	-59.34
PROJECTED YEAR END POSITION	67.90 OE

ECA Supply/Turnover	2020/21 Projections
TOTAL SUPPLY	**274**
Leavers	-74.40
Other Total Movement (including reduction in WTE)	-136.40
PROJECTED YEAR END VACANCY POSITION	29.74 OE

The above projections do not include any additional resource for People Plan 2.

The Trust's workforce strategy and staffing systems also comply with the 'Developing Workforce Safeguards recommendations as far as they are applicable to the Ambulance Sector.

The foundation trust is fully compliant with the registration requirements of the Care Quality Commission.

South Western Ambulance Service NHS Foundation Trust has published on its website an up-to-date register of interests, including gifts and hospitality, for decision-making staff (as defined by the 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 foundation trust has undertaken risk assessments and has a sustainable development management plan in place which takes account of UK Climate Projections 2018 (UKCP18). The Trust ensures that its obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.

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

The Trust works hard to ensure that its resources are used efficiently and effectively. Each year there is an Audit and Assurance Committee approved plan for how internal audit will be engaged in the year. This is regularly reviewed and a formal half-year review takes place to ensure that the plan remains meaningful.

Executive director challenge around budget management and control remains key.

Cost Improvement Plans and changes that could impact on patients have a QEIA undertaken on them to understand any quality and equality would be.

The Trust's Finance Committee oversees the accountability for cost improvement plans. We have always set appropriate cost improvement schemes and continue to return a surplus in a difficult financial climate.

Alongside the national Carter work programme, each non-executive director has been allocated a workstream to lead within the Trust.

The Trust's CQC rating for its NHS111 service was published in September 2019 and the overall rating was Good, with the Well-Led domain maintaining a rating of Good and the Effective domain moving to Requires Improvement from Good.

The whole Trust CQC rating was published in September 2018 following an inspection over June and July 2018. The Trust's overall rating is Good with a rating of Outstanding against the Caring domain. Good ratings were reported for the Responsive, Effective and Well-Led domains. The Trust's Emergency Operations Centre (clinical hub) received a rating of Good and the Emergency and Urgent Care (frontline A&E) received a rating of Requires Improvement. Following the inspection a Quality Assurance Plan was developed to address recommendations made within the CQC report and to ensure that the Trust continues to offer patients a safe, effective, caring and well-led service which is responsive to their needs.

Information governance

The Trust's information governance arrangements include dedicated management of risks to the information held by the Trust in order to reflect the specific requirements, defined through the NHS Digital Data Security and Protection Toolkit for managing information security risks.

There has been one serious breach relating to a confidentiality breach in 2019/20 reported to the Information Commissioner's Office (ICO). This was reviewed and guidance issued through the staff bulletin and subsequent debrief. No further action was required.

Annual Quality Report

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. NHS Improvement (in exercise of the powers conferred on Monitor) has issued guidance to NHS foundation trust boards on the form and content of annual Quality Reports which incorporate the above legal requirements in the NHS Foundation Trust Annual Reporting Manual.

The Trust Executive Director of Quality and Clinical Care oversees the Quality Account arrangements. Priorities are developed by the Trust and approved by the executive directors. One of these priorities is then selected by the Council of Governors for the auditors to review.

The Quality Strategy and clinical developments will inform the direction of the quality indicators and the Trust uses national and local priorities, learning from complaints and incidents when designing its quality priorities which link to the Trust's strategic goals.

All data included in the Quality Account is reviewed by the Trust and the external auditors review the data relating to the two mandated indicators.

The Quality Account Regulations require the external auditors to validate two mandated indicators. These are CAT 1 and CAT 2.

The Council of Governors also chose a local indicator for the auditors to review.

The external auditors are also required to provide limited assurance on one local indicator. In 2019-20, the local indicator was Cardiac Arrest which was selected for review by the Council of Governors.

Data quality is reviewed throughout the year, through the Information Assurance Steering Group which is chaired by the Executive Director of IM&T whose remit is to oversee data quality arrangements for the Trust.

Data quality is reported to the Board of Directors as part of the ICPR.

The Quality Account is overseen by the Quality Committee and presented to the Audit and Assurance Committee for assurance and recommendation to the Board of Directors once it is satisfied that it has met the requirements

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within the NHS foundation trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the quality report attached to 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 [and risk/clinical governance/quality committee, if appropriate] and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is also informed by:

- Comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the board, the audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

- The Head of Internal Audit providing me with an opinion on the overall arrangements for gaining assurance through the Board Assurance Framework and on the controls reviewed as part of the internal audit work. The Head of Internal Audit Opinion confirms overall as generally satisfactory with some improvements required.

- The Executive team provides assurance throughout the year in formal committee, Directors and Board meetings, our ongoing compliance with NHS Improvement's Code of Governance and license condition and further confirmation by the external assurance that I receive, enables me to report to the Board of Directors and Council of Governors.

- The Board of Directors, Audit and Assurance Committee and the Quality Committee receive assurance through their station visits, attendance at events, talking to staff and comparing this to the information that they receive in corporate meetings.

- The evolution and revision of the Risk Register and Board Assurance Framework has enabled the Board of Directors to change the way in which it receives and uses information ensuring that things stay fresh and approaches and assurance checking does not become complacent. This has been further enhanced through our Pentana risk system.

Conclusion

I certify that no significant internal control issues have been identified.

Ken Wenman

Chief Executive

23 June 2020

Independent auditor's report

to the Council of Governors of South Western Ambulance Service NHS Foundation Trust

. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

1. Our opinion is unmodified

We have audited the financial statements of South Western Ambulance Service NHS Foundation 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 one.

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

— the Trust's financial statements have been properly prepared in accordance with the Accounts Direction issued under paragraphs 24 and 25 of Schedule 7 of the National Health Service Act 2006, the NHS Foundation Trust Annual Reporting Manual 2019/20 and the Department of Health and Social Care (DHSC) 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.

Overview		
Materiality: Financial statements as a whole	£4.9 million (2019: £4.7 million) 1.9% of total operating income (2019: 2%)	
Risks of material misstatement		**vs 2019**
Recurring risks	Valuation of land and buildings	◄►
	Recognition of NHS and non-NHS Income	◄►
	Recognition of non-pay and non-deprecation expenditure	◄►

Key

◄► Risk level unchanged from prior year

▼ Decreased risk in the year

▲ Increased risk in the year

2. Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and our findings ("our results") from those procedures in order that the Trust's governors as a body may better understand the process by which we arrived at our audit opinion. These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

	The risk	Our response

Valuation of land and buildings
(£55.0 million; 2019: £51.9 million)
 	
Refer to page 38 (Audit & Assurance Committee Report), page 126 (accounting policy) and page 145 (financial disclosures)
	Subjective valuation
	Land and buildings are required to be held at current value. As ambulance stations are specialised assets and there is no active market for them, they are valued on the basis on the cost to replace them with an equivalent asset. 86.7% of the Trust's land and buildings related to specialised assets.
	
	When considering the cost to build a replacement asset the Trust may consider whether the asset would be built to the same specification or in the same location. Assumptions about changes to the asset must be realistic.
	
	The Trust revalues 20% of its estate each year. Valuations are completed by an external expert engaged by the Trust using construction indices and accurate records of the current estate.
	
	Valuations are inherently judgemental, therefore our work focused on whether the valuer's methodology, assumptions and underlying data were appropriate and correctly applied..
	
	The effect of these matters is that, as part of our risk assessment, we determined that the valuation of land and buildings has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole.
	
	Disclosure of sensitivity
	Following RICS published guidance issued to the profession, material uncertainty clauses have been noted within valuation reports due to the impact of Covid-19. Appropriate disclosure will be required to note the uncertainty and the sensitivity of the estimates and judgements applied in the valuation of land and buildings. The financial statements (note 1.9) disclose the sensitivity estimated by the Trust.
		Our procedures included:
		— **Assessing valuer's credentials:** We considered the scope, qualifications and experience of the valuer, to identify whether the valuer was appropriately experienced and qualified to provide relevant indices;
		— **Benchmarking assumptions**: We critically assessed the assumptions used within the valuation by assessing the assumptions used to derive the carrying value of assets against BCIS all in tender price index and industry norms;
		— **Tests of details:** We undertook the following tests of details:
		  — We considered the carrying value of the land and buildings, including any material movements from the previous revaluations;
		  — We tested the completeness of the estate covered by the valuation to the Trust's underlying estate records, including additions to land and buildings during the year;
		  — We re-performed the gain or loss on revaluation for all applicable assets and assessed whether the accounting entries were consistent with the DHSC Group Accounting Manual; and
		  — For a sample of assets added during the year we agreed that an appropriate valuation basis had been adopted when they became operational and that the Trust would receive future benefits.
		— **Assessing transparency:** We assessed the completeness and accuracy of the matters covered in the valuations disclosure, including the Trust's disclosures of the sensitivity of the valuation.
		
		Our results:
		— From the evidence obtained, we considered the valuation of land and buildings to be acceptable.(2019: acceptable)

2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of NHS and non-NHS income (£262.2 million; 2019: £239.4 million) *Refer to page 38 (Audit & Assurance Committee Report), page 124 (accounting policy) and page 137 (financial disclosures)*	**Effects of Irregularities** Of the Trust's reported total income, £228.8 million (2019: £224.7 million) came from commissioners (Clinical Commissioning Trusts (CCG), other NHS Bodies and NHS England). Income from CCGs, other NHS Bodies and NHS England make up 94% of the Trust's income. The majority of this income is contracted on an annual basis, however actual income is based on completing actual levels of activity completed during the year. An agreement of balances (AoB) exercise is undertaken between all NHS bodies to agree the value of transactions during the year and the amounts owed at the year end. 'Mismatch' reports are produced setting out discrepancies between the submitted balances and transactions between each party, with variances over £300,000 being required to be reported to the National Audit Office to inform the audit of the DHSC consolidated accounts. The Trust reported total other income of £14.7 million (2019: £13.5 million) from other activities principally, education and training and non-patient care activities. Much of this income is generated by contracts with other NHS and non-NHS bodies which are based on achieving financial targets, varied payment terms, including payment on delivery, milestone payments and periodic payments. The amount also includes £1.9 million (2019: £nil) Provider Sustainability Funding (PSF) received from NHS Improvement. This is received subject to achieving defined financial and operational targets on a quarterly basis. As such there is a fraudulent risk of revenue recognition over both NHS and Non-NHS income.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over revenue recognition; — **Tests of details:** We undertook the following tests of details: — We agreed commissioner income to the signed contracts and selected a sample of the largest balances (comprising 96% of income from patient care activities) to the supporting invoice and payments to the bank receipts; — We inspected invoices for material income in the month prior to and following 31 March 2020 to determine whether income was recognised in the correct accounting period, in accordance with the amounts billed to corresponding parties; — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant income recorded in the Trust's financial statements to the expenditure balances recorded within the accounts of Commissioners. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising income; — We assessed the judgements made to received the transformation funding recorded in the financial statements as part of the Trust's performance against the required targets to confirm eligibility for the income and agreed bonus amounts to correspondence from NHS Improvement; and — We tested material other income balances by agreeing a sample of income transactions through to supporting documentation and/or cash receipts. **Our results:** — The results of our testing were satisfactory and we considered the amount of NHS and non-NHS income recognised to be acceptable.(2019:acceptable)

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2. Key audit matters: our assessment of risks of material misstatement (cont.)

	The risk	Our response
Recognition of non-pay and non-depreciation expenditure (£56.4 million; 2019: £55.3 million) *Refer to page 38 (Audit & Assurance Committee Report), page 125 (accounting policy) and page 139 (financial disclosures)*	**Effects of Irregularities:** As most public bodies are net spending bodies, then the risk of material misstatement due to fraud related to expenditure recognition may be greater than the risk of fraud related to revenue recognition. There is a risk that the Trust may manipulate expenditure to meet externally set targets and we had regard to this when planning and performing our audit procedures. The incentives for fraudulent expenditure recognition relate to achieving financial targets and the key risks relate to the manipulation of recognition of non-pay and non-depreciation expenditure at the year-end. There may therefore be an incentive to defer non-pay and non-depreciation expenditure or recognise commitments at a reduced value in order to achieve financial targets.	Our procedures included: — **Control observations:** We tested the design and operation of process level controls over expenditure approval; — **Tests of details:** We undertook the following tests of details: — We agreed a specific item sample of non pay expenditure transactions to supporting evidence and cash; — We inspected invoices for material expenditure in the month prior to and following 31 March 2020 to determine whether expenditure was recognised in the correct accounting period relevant to when services were delivered; — We assessed the completeness and judgements made within the expenditure balance, specifically accrued expenditure, through comparison to historical performance; and — We inspected confirmations of balances provided by the Department of Health as part of the AoB exercise and compared the relevant payables recorded in the Trust's financial statements to the receivables balances recorded within the accounts of other providers and other bodies within the AoB boundary. Where applicable, we investigated variances and reviewed relevant correspondence to assess the reasonableness of the Trust's approach to recognising expenditure with other providers and other bodies within the AoB boundary. **Our results:** — The results of our testing were satisfactory and we considered the amount of non-pay expenditure recognised to be acceptable. (2019: acceptable)

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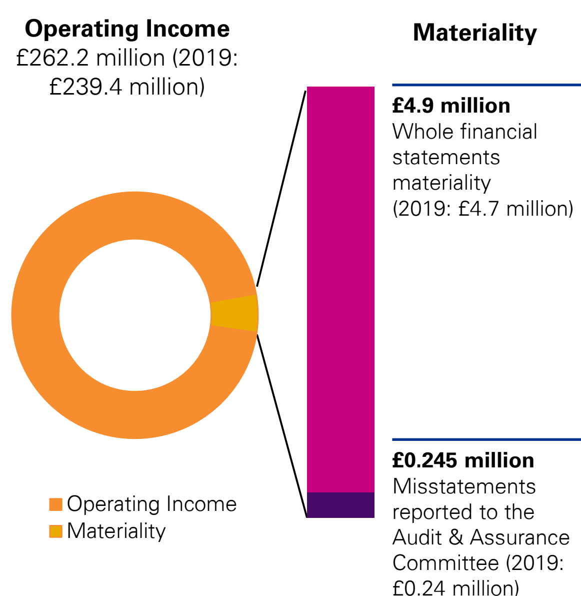
3. Our application of materiality

Materiality for the Trust financial statements as a whole was set at £4.9 million (2019: £4.7 million), determined with reference to a benchmark of operating income (of which it represents approximately 1.9% (2019: 2%)). We consider operating income to be more stable than a surplus- or deficit-related benchmark.

We agreed to report to the Audit & Assurance Committee any corrected and uncorrected identified misstatements exceeding £245,000 (2019: £240,000), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Our audit of the Trust was undertaken to the materiality level specified above and was performed remotely.



4. We have nothing to report on going concern

The Accounting Officer has 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 their 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").

Our responsibility is to conclude on the appropriateness of the Accounting Officer's conclusions and, had there been a material uncertainty related to going concern, to make reference to that in this audit report. 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.

In our evaluation of the Accounting Officer's conclusions, we considered the inherent risks to the Trust's business model, including the impact of Brexit, and analysed how those risks might affect the Trust's financial resources or ability to continue operations over the going concern period. We evaluated those risks and concluded that they were not significant enough to require us to perform additional audit procedures.

Based on this work, we are required to report to you if we have anything material to add or draw attention to in relation to the Accounting Officers statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Trust's use of that basis for a period of at least twelve months from the date of approval of the financial statements.

We have nothing to report in these respects, and we did not identify going concern as a key audit matter.

5. We have nothing to report on the other information in the Annual Report

The directors are 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

Remuneration report

In our opinion the part of the remuneration report to be audited has been properly prepared in accordance with the NHS Foundation Trust Annual Reporting Manual 2019/20.

Corporate governance disclosures

We are required to report to you if:

- we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the directors' statement that they consider that the annual report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for stakeholders to assess the Trust's position and performance, business model and strategy; or
- the section of the annual report describing the work of the Audit & Assurance Committee does not appropriately address matters communicated by us to the Audit & Assurance Committee; or
- the Annual Governance Statement does not reflect the disclosure requirements set out in the NHS Foundation Trust Annual Reporting Manual 2019/20, is misleading or is not consistent with our knowledge of the Trust and other information of which we are aware from our audit of the financial statements.

We have nothing to report in these respects.

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6. **Respective responsibilities**

Accounting Officer's responsibilities

As explained more fully in the statement set out on page 90, the Accounting Officer is 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

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

We have nothing to report on the 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:

- any reports to the regulator have been made under Schedule 10(6) of the National Health Service Act 2006.
- any matters have been reported in the public interest under Schedule 10(3) of the National Health Service Act 2006 in the course of, or at the end of the audit.

We have nothing to report in these respects.

We have nothing to report in respect of our work on the Trust's arrangements for securing economy, efficiency and effectiveness in the 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 the 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

The Trust is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in the use of resources

Under Section 62(1) and Schedule 10 paragraph 1(d), of the National Health Service Act 2006 we have a duty to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in the 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 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.

Report on our review of the adequacy of arrangements for securing economy, efficiency and effectiveness in the use of resources

We are required by guidance issued by the C&AG under Paragraph 9 of Schedule 6 to the Local Audit and Accountability Act 2014 to report on how our work addressed any identified significant risks to our conclusion on the adequacy of the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources. The 'risk' in this case is the risk that we could come to an incorrect conclusion in respect of the Trust's arrangements, rather than the risk of the arrangements themselves being inadequate.

We carry out a risk assessment to determine the nature and extent of further work that may be required. Our risk assessment includes consideration of the significance of business and operational risks facing the Trust, insofar as they relate to 'proper arrangements'. This includes sector and organisation level risks and draws on relevant cost and performance information as appropriate, as well as the results of reviews by inspectorates, review agencies and other relevant bodies.

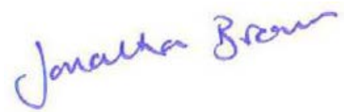
No significant risks were identified during our risk assessment.

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

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006 and the terms of our engagement by the Trust. Our audit work has been undertaken so that we might state to the Council of Governors of the Trust, as a body, those matters we are required to state to them in an auditor's report, and the further matters we are required to state to them in accordance with the terms agreed with the Trust, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council of Governors of the Trust, as a body, for our audit work, for this report, or for the opinions we have formed.

CERTIFICATE OF COMPLETION OF THE AUDIT

We certify that we have completed the audit of the accounts of South Western Ambulance Service NHS Foundation Trust in accordance with the requirements of Schedule 10 of the National Health Service Act 2006 and the Code of Audit Practice issued by the National Audit Office.



Jonathan Brown
for and on behalf of KPMG LLP (Statutory Auditor)

Chartered Accountants
66 Queen Square, Bristol BS1 4BE
24 June 2020

Operating and Financial Review

Summary of Financial Performance

The key highlights for financial performance for 2019/20 are as follows:

- Income of £262.2m, which is above plan by £18.5m. This includes £8.0m funding for the increase in employers pension contributions, £3.0m 'break glass' additional activity contract income, £1.8m COVID-19 funding, £2.4m additional education and training income and £3.3m other income variances;
- The Trust delivered a surplus of £1.9m, in line with the planned surplus of £1.9m;
- Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA) of £13.8m (2019: £5.5m) representing 5.3% of income compared to a plan of 7.3%;
- A year-end cash balance of £30.4m (2019: £29.2m) compared to plan of £16.4m. The net movement from plan is due to lower than planned capital payments and other movements in working capital;
- Net current assets of £2.0m (2019: £2.8m);
- A Use of Resource metric rating of two as set by NHS Improvement (where 1 is the best and 4 is the worst).

During the 2019/20 financial year the Trust managed a number of material issues providing financial context for the financial year including:

- Increase in activity year on year for A&E activity was **3.48%** incidents;
- At a Trust level activity was above the contracted amount by **3.54%;** however this varied by CCG, and ranged from 8.33% over to 2.91% under the agreed contractual split;
- Continued involvement in Ambulance Response Programme (ARP);
- Investment in additional core resources to deliver improved performance against the ARP standards, as set out in 'Our People Plan'
- The impact of the national Agenda for Change pay award;
- Workforce recruitment, particularly for Paramedics and Emergency Care Assistants in support of the Trust People Plan;
- Additional 63 Double Crewed Ambulances (DCA), that were purchased in 2018/19, were brought into operation;
- The Ambulance Airwaves team was hosted on behalf of the DHSC;
- Achievement in year of both recurrent and non-current Cost Improvement Plan schemes;
- The outbreak of the COVID-19 pandemic towards the end of the financial year and the associated impacts including: putting in place emergency infrastructure, enabling different ways of working, Personal Protective Equipment (PPE) purchasing and distribution, resourcing to meet 'surge' demand and cover staff abstractions due to sickness and self-isolation.

The focus of the Operating and Financial Review is how these matters have impacted on the financial health of the organisation, with a particular focus on the Statement of Comprehensive Income.

Analysis of income

The Trust recognised income of £262.2m in 2019/20. This has increased by 9.5% from

£239.4m in 2018/19. The following table provides a summary of the key movements:

Income Movements 2018/19 to 2019/20

	£'m
Income 2018/19	239.40
A&E contract income	18.70
6.3% Pensions Funding	8.00
COVID-19 Funding	1.80
Change in Urgent Care Services (UCS)	(4.80)
Provider Sustainability Funding (PSF)	1.90
Central Pay Award Funding 2018/19	(2.40)
Operation Fairline – Salisbury Incident	(1.20)
Other funding changes	0.80
Income 2019/20	262.20

- A&E income includes £8.0m of commissioner investment to support improvement in performance and patient care, as well as £3.0m 'break glass' income for activity in excess of contract;
- Pensions funding relates to the uplift in employers pension contributions of 6.3% with effect from 1st April 2019. The costs of this increased contribution rate were met by DHSC on behalf of the Trust;
- The COVID-19 funding was reclaimed by the Trust to match the additional pay and non-pay costs (totaling £1.8m) relating to the COVID-19 pandemic in 2019/20;
- The Trust's Urgent Care Services income has reduced by £4.8m as the Trust has ceased to provide a number of these contracts. The reduction in income is matched with a reduction in expenditure;
- The Trust accepted its Control Total in 2019/20 for the first time and the value of Provider Sustainability Funding allocated to the Trust was £1.9m;
- The Trust received non-recurrent funding in 2018/19 for the impact of the pay award of £2.4m (which was included in A&E contract income in 2019/20) and to fund the costs of Operational Fairline (there was a corresponding reduction in expenditure in 2019/20).

Total Income 2019/20

The principal source of income is from local NHS Clinical Commissioning Groups (CCGs) for the provision of A&E services (excluding the Hazardous Area Response Team income). A&E income totaled £216.9m (2019: £198.4m) which represented 82.7% of the Trust's 2019/20 turnover (2019: 82.9%). The following table provides a summary of the key movements:

Trust Income in 2019/20 and 2018/19

	2019/20		2018/19	
	£'m	%	£'m	%
A&E income	216.9	82.7%	198.4	82.9%
Hazardous Area Response Team income	6.8	2.6%	6.7	2.8%
Urgent Care Services income	7.9	3.0%	12.6	5.3%
Patient Transport Services income	0.0	0.0%	0.0	0.0%
Other income	30.6	11.7%	21.7	9.0%
	262.2	100.0%	239.4	100.0%

Analysis of Expenditure

Operating expenditure for 2019/20 was £258.3m. This has increased by £15.3m (6.3%) from £243.0m in 2018/19. The following table provides a summary of the key movements.

	£'m
Expenditure	243.00
Staff Costs	13.40
Establishment	(0.90)
Transport	1.20
Clinical	0.40
Depreciation	0.70
Other changes	0.50
Expenditure	258.30

These movements reflect:

- The pay movement is a net movement including increased costs associated with the Agenda for Change pay award, Pension increase, investment in additional staffing relating to the 'People Plan and additional staff costs associated with COVID-19 offset set by the reduction in costs associated with the urgent care contracts and the workforce provisions included in 2018/19;
- Transport costs changes include increases in vehicle insurance (£1.1m) and increased use of third party crewed ambulances (£0.7m), offset with reductions in fleet maintenance and other costs;
- The increase in Clinical Negligence reflects the increase applied by NHS Resolution for the Trust;
- The increase in depreciation charges is primarily due to the Trust's investment in additional Double Crewed Ambulances (DCA). This is also the main driver of the reduction in establishment costs, with the initial setup costs being incurred in 2018/19.

Operating Expenditure in 2019/20 and 2018/19

	2019/20		2018/19	
	£'m	%	£'m	%
Staff Costs	191.8	74.3%	178.4	73.4%
Supplies and Services	8.3	3.2%	8.1	3.3%
Establishment	2.8	1.1%	3.7	1.5%
Transport	20.6	8.0%	19.4	8.0%
Premises	10.9	4.2%	11.3	4.7%
Depreciation	9.9	3.8%	9.2	3.8%
Impairment	(0.0)	(0.0%)	(0.1)	(0.0%)
Rental under Operating leases	3.4	1.3%	3.0	1.2%
Clinical Negligence	2.4	0.9%	2.0	0.8%
Other	8.2	3.2%	8.1	3.3%
	258.3	100.0%	243.0	100.0%

- It should be noted that the Trust charitable accounts are not consolidated.

Cost Improvement Plan

The delivery of the Cost Improvement Plan (CIP) is one of the most significant factors in delivering the Trust's financial position and maintaining the financial health of the organisation. The Trust has a strong track record of delivering recurrent efficiencies that are extracted from budgets at the start of each year.

During 2019/20, SWASFT delivered a cost improvement plan of £9.5m of which £2.7m was delivered non-recurrently. This challenge reflects the impact of additional pressures

within the A&E service line which will be carried forward.

Capital Investment
The Trust has continued to manage capital spend in line with the five-year capital plan. The total investment in capital for the year to 31 March 2020 was £14.1m (2019: £15.4m).

Details of key elements of spend during the year is detailed below.

Capital Programme 2019/20 and 2018/19

	2019/20		2018/19	
	£'m	%	£'m	%
Fleet	5.0	35.5%	10.7	69.5%
Information Communication and Technology	2.7	19.1%	1.9	12.3%
Estates	2.8	19.9%	1.2	7.8%
Other including Medical Devices	3.6	25.5%	1.6	10.4%
	14.1	100.0%	15.4	100.0%

The key features of the capital expenditure are as follows:

- The fleet expenditure includes purchases of Double Crewed Ambulances (DCA) but reflects the slippage in spend to 2020/21 due to the delays in the production of vehicles;
- The ICT expenditure reflects the continued investment in technology refresh;
- Estates spend includes £1.5m expenditure for additional land at the Ambulance Specialist Operations Centre (ASOC);
- 'Other' includes the restatement of a finance leased asset of £1.2m alongside the purchase of technology refresh for the Electronic Care Summary and Vital Signs Management technology.

Financing and Investment
The Trust has in place an overdraft facility of £5 million to support the management of any unexpected cash timing differences. This was renewed in January 2020. The Trust had no requirement to access this facility during 2019/20, maintaining healthy cash balances throughout the year. The Trust continues to forecast its cash requirements on a rolling 12-month basis and has no plans to use the facility over the next period.

Better Payment Practice Code
The Trust has an excellent record delivering against requirements set out by the Better Payment Practice Code.

The Trust monitors compliance to ensure that suppliers are paid within 30 days. The following table provides a summary of the number and value of the invoices paid within this target

Better Payment Practice Code Performance

	2019/20		2018/19	
	Number	£'m	Number	£'m
Total Non-NHS trade invoices paid in year	33,874	£102.5	39,312	£99.6
Total Non-NHS trade invoices paid within target	33,310	£101.4	38,632	£97.8
Percentage of Non-NHS trade invoices paid within target	98%	99%	98%	98%
Total NHS trade invoices paid in year	1,225	£3.4	1,274	£3.0
Total NHS trade invoices paid within target	1,168	£3.4	1,223	£2.9

Percentage of NHS trade invoices paid within target	95%	99%	96%	97%

Public Dividend Capital

The Trust is required to pay a dividend to the Department of Health based on 3.5% of average relevant net assets. During 2019/20, the Trust recognised a dividend payable of £2.3m within the Statement of Comprehensive Income based on average relevant net assets of £66.0m.

Financial Sustainability Risk Rating

NHS England and Improvement (NHSE/I) measures providers against the NHS Oversight Framework . This covers a wide range of topics; this section covers the Use of Resources element of the framework.

The NHS Oversight Framework aims to oversee and support providers in improving financial sustainability, efficiency and controls relating to high-profile policy imperatives such as agency staffing, capital expenditure and the overall financial performance of the sector.

The NHS Oversight Framework uses financial metrics to oversee financial performance by:

- Scoring providers 4 (poorest) to 1 (best) against each metric;
- Using provider performance average across all the metrics to arrive at an overall view of the provider.

The Trust achieved a score of two as at 31 March 2020.

The Trust's 'adjusted financial performance' is monitored by NHSE/I against an agreed 'control total'. The 'adjusted financial performance' is the Trust's total deficit after removing the impact of impairments, profit on sale of assets, the COVID-19 impact on the Annual Leave provision and Provider Sustainability Funding (PSF).

In 2019/20 the Trust was set an original control total of £0.056m deficit. The Trust achieved the revised control total in year for 2019/20.

	£'m
Reported surplus	1.890
Less: reversal of impairment	(0.040)
Less: PSF	(1.924)
Less: Profit on sale of assets	(0.158)
Add: Annual Leave impact	0.234
'Adjusted Financial Performance'	0.002
Initial Control Total	(0.056)
Variance from Revised Control Total	0.058

Financial Outlook 2020/21

Following the outbreak of the COVID-19 pandemic NHSE/I has suspended the usual NHS financial planning arrangements and associated activities, including health contract negotiations and cost improvements.In its place is an Interim Financial Regime based on the payment of pre-determined block payments (paid monthly in advance to ensure liquidity), a retrospective 'top-up' and COVID-19 cost recovery collection to bring providers back to financial balance. The likely duration of the COVID-19 emergency response phase is still uncertain. Whilst the interim Financial Regime should guarantee financial balance for the period the Trust will need to ensure that strong financial management measures remain in place and that the Trust is well positioned on the exit from the emergency response phase.

The Trust needs to continue to analyse and model the activity of the Trust to respond to changing conditions and the impacts on financial performance. The Finance Committee, a sub-committee of the Board, tests and provides assurance on the financial aspects of the Trust.

The Trust has been working with commissioners to obtain the investment required to deliver the Ambulance Response Programme (ARP) standards. The Trust secured agreement in 2019/20 for a £12 million two-year investment programme (with £8.0m in 2019/20 and a further £4.0m in 2020/21) to improve the Trust's performance. The Trust has accelerated the planned investments in order to deliver the capacity required for COVID-19 'surge' demand. The Trust will continue to work with commissioners to ensure that, once contract arrangements are reinstated, the investment to achieve ARP standards is maintained.

The Interim Financial Regime does not require the Trust to deliver cost improvements. However the Trust will need to ensure that strong financial management measures remain in place, including delivery of cost improvements where this does not affect the Trust's ability to meet demand.

Under the Interim Financial Regime (covering the first six months of 2020/21 initially) the Trust has a financial plan for 2020/21 of:

- Breakeven after COVID-19 cost recovery and retrospective 'top-up';
- Maintaining 'surge' capacity;
- Funding the impact of the pay award;
- Contract negotiations have been paused, but the Trust will remain in close contact with commissioners over performance and in readiness for a return to normal business rules;
- The Trust does not have a formal cost improvement target for this period, but will continue to identify and implement measures to operate efficiently;
- The Trust has a five-year capital plan, the allocation for 2020/21 has been notified to the Trust at a net £17.8m.

Some of the developments expected to impact on the 2020/21 financial outlook include the:

- Continued impact of the COVID-19 pandemic;
- Potential impact of Brexit;
- Continuation or replacement of the Interim Financial Regime;
- Impact of COVID-19 on the planned activity levels of the Trust over the medium term; and the
- Recruitment of additional staff and resources.

South Western Ambulance Service NHS Foundation Trust

Annual report and Accounts for the year ended 31 March 2020

Foreword to the accounts

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

Signed:

Ken Wenman

23-June-2020

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Note	**Year ended 31 March 2020 £000**	Year ended 31 March 2019 £000
Operating income from patient care activities	3.1	**247,536**	225,912
Other operating income	3.1	**14,699**	13,490
Total operating income from continuing operations		**262,235**	239,402
Operating expenses from continuing operations	4.1	**(258,331)**	(242,994)
Operating surplus / (deficit)		**3,904**	(3,592)
Finance costs:			
Finance income	7	**200**	158
Finance costs - interest expense	8	**(63)**	(95)
PDC Dividends payable		**(2,311)**	(2,290)
Net finance costs		**(2,174)**	(2,227)
Gains / (Losses) on disposal of non-current assets		**158**	(84)
Surplus / (Deficit) for the year		**1,888**	(5,903)
Other comprehensive income / (expense)			
Impairments	9.1 & 9.2	**(586)**	(755)
Revaluations	9.1 & 9.2	**2,763**	2,672
Total comprehensive income for the year		**4,065**	(3,986)

The notes on pages 6 to 41 form part of these accounts.

South Western Ambulance Service NHS Foundation Trust

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	31 March 2020 £000	31 March 2019 £000
Non-current assets			
Property, plant and equipment	9.1 & 9.2	**103,478**	97,449
Trade and other receivables	12	**752**	103
Total non-current assets		**104,230**	97,552
Current assets			
Inventories	11	**2,077**	2,170
Trade and other receivables	12	**7,072**	7,040
Non-current assets for sale and assets in disposal groups	9.5	**275**	0
Cash and cash equivalents	20	**30,440**	29,236
Total current assets		**39,864**	38,446
Current liabilities			
Trade and other payables	13.1	**(27,159)**	(25,972)
Borrowings	15	**(487)**	(440)
Provisions	18	**(8,949)**	(8,474)
Other liabilities	14	**(1,225)**	(673)
Total current liabilities		**(37,820)**	(35,559)
Total assets less current liabilities		**106,274**	100,439
Non-current liabilities			
Borrowings	15	**(1,831)**	(1,054)
Provisions	18	**(4,805)**	(4,150)
Total non-current liabilities		**(6,636)**	(5,204)
Total assets employed		**99,638**	95,235
Financed by taxpayers' equity:			
Public Dividend Capital		**50,396**	50,058
Revaluation reserve	19	**15,051**	13,394
Income and expenditure reserve		**34,191**	31,783
Total taxpayers' equity		**99,638**	95,235

The accounts on pages 2 to 40 were approved by the Board on 18 June 2020 and signed on its behalf by:

Signed: ....
Ken Wenman - Chief Executive

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2020

	Note	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total Taxpayers' Equity £000
Changes in taxpayers' equity					
Balance at 1 April 2019		50,058	13,394	31,783	95,235
Surplus for the year		0	0	1,888	1,888
Transfers between reserves		0	(520)	520	0
Impairments	9.1 & 9.2	0	(586)	0	(586)
Revaluations - property, plant and equipment	9.1 & 9.2	0	2,763	0	2,763
Transfer to retained earnings on disposal of assets		0	0	0	0
Public dividend capital received		338	0	0	338
Taxpayers' equity at 31 March 2020		**50,396**	**15,051**	**34,191**	**99,638**

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY
FOR THE YEAR ENDED 31 MARCH 2019

	Public dividend capital £000	Revaluation reserve £000	Income and expenditure reserve £000	Total Taxpayers' Equity £000
Changes in taxpayers' equity				
Balance at 1 April 2018	43,025	11,980	37,183	92,188
Deficit for the year	0	0	(5,903)	(5,903)
Transfers by absorption: transfers between reserves	0	(492)	492	0
Impairments	0	(755)	0	(755)
Revaluations	0	2,672	0	2,672
Transfer to retained earnings on disposal of assets	0	(11)	11	0
Public dividend capital received	7,033	0	0	7,033
Taxpayers' equity at 31 March 2019	50,058	13,394	31,783	95,235

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 trust. Additional PDC may also be issued to NHS foundation trusts by the Department of Health. A charge, reflecting the cost of capital utilised by the NHS foundation 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.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Note	Year ended 31 March 2020 £000	Restated Year ended 31 March 2019 £000
Cash flows from operating activities			
Operating surplus / (deficit) from continuing operations		**3,904**	(3,592)
Operating surplus / (deficit)		**3,904**	(3,592)
Non cash income and (expense)			
Depreciation	4.1	**9,907**	9,203
Impairments	4.1	**(40)**	(64)
(Increase)/decrease in trade and other receivables	12.1	**(838)**	262
Decrease (increase) in Inventories	11.1	**93**	(140)
Increase in trade and other payables	13.1	**2,570**	470
Increase in other liabilities	14	**552**	189
Increase in provisions	18	**1,139**	5,518
Net cash generated from operations		**17,287**	11,846
Cash flows from investing activities			
Interest received	7	**200**	158
Purchase of property, plant and equipment	9.1 & 13.1	**(14,260)**	(10,529)
Sales of Property, Plant and Equipment	4.1, 9.1 & 9.2	**294**	329
Net cash used in investing activities		**(13,766)**	(10,042)
Cash flows from financing activities			
Public dividend capital received		**338**	7,033
Loans repaid to the Department of Health	15	**(428)**	(428)
Loans repaid	15	**0**	0
Interest paid		**(17)**	(27)
Interest element of finance lease		**(56)**	(54)
PDC Dividend paid		**(2,154)**	(2,456)
Net cash used from financing activities		**(2,317)**	4,068
Net increase in cash and cash equivalents		**1,204**	5,872
Cash and cash equivalents at the start of the year		**29,236**	23,364
Cash and cash equivalents at end of the year		**30,440**	29,236

Notes to the Accounts - 1. Accounting Policies

1.1 Accounting Policies

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

1.2 Accounting convention

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

1.3 Going Concern

In the preparation of the year end accounts the Board of Directors is required to undertake an assessment confirming the Trust will continue as a going concern (i.e. that it will continue in the business of healthcare provision for the foreseeable future).

The Trust has prepared its financial plans and cash flow forecasts for the coming year on the assumption that funding will be received from the Department of Health and Social Care consistent with the revised funding arrangements in response to the COVID-19 pandemic. Discussions to date indicate this funding will be forthcoming. These funds are expected to be sufficient to enable the Trust to meet its obligations as they fall due; and will be accessed through the nationally agreed process published by NHS Improvement and the Department of Health and Social Care.
The NHS Improvement Foundation Trust Annual Reporting Manual 2019/20 states that financial statements should be prepared on a going concern basis unless management either intends to apply to the Secretary of State for the dissolution of the NHS foundation trust without the transfer of the services to another entity, or has no realistic alternative but to do so.

There has been no application to the Secretary of State for the dissolution of the Trust and following the preparation of detailed financial plans for 2020/21, no such application is planned.

The Board of Directors has therefore concluded that there is a reasonable expectation that the Trust will have access to adequate resources to continue in operational existence for the next 12 months. The Board of Directors has therefore concluded that these financial statements should be prepared on a going concern basis as there is a reasonable expectation that the Trust will have adequate resources to continue in operational existence for the next 12 months.

1.4 Acquisitions and discontinued operations

Activities are considered to be ‘acquired’ only if they are taken on from outside the public sector. Activities are considered to be ‘discontinued’ only if they cease entirely. They are not considered to be ‘discontinued’ if they transfer from one public sector body to another.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the Trust’s accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affectsonly that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.5.1 Critical judgements in applying accounting policies

The following are the critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the Trust's accounting policies and which have the most significant effect on the amounts recognised in the annual report and accounts.

Provisions

Information provided by the NHS Litigation Authority has been used to determine provisions required for potential employer liability claims and disclosure of Clinical Negligence liability.

The NHS Pensions Agency has provided information with regard to disclosure and calculation of ill health retirement liability.

Provisions for pensions are estimated by using the interim life tables available from the National Statistics web site.

The 2019/20 accounts include provisions for workforce changes.

The Trust has made a provision for a contract dispute.

The Trust has made a provision for the potential dilapidation costs for one leased building where notice has been given on the lease.

Property, plant and equipment revaluation

The Trust has used the professional services of the Local District Valuer to value all Land and Buildings as at 31 March 2020. Indexation has not been applied to any non current assets (i.e. vehicles and equipment). The key assumptions for the valuation are set out in note 1.9.

Accruals

Accruals for services received not yet invoiced are estimated on the basis of past experience.

Within the holiday accrual the NIC is estimated at the standard rate and that all employees are in the pension scheme.

Overtime accrual is estimated on the previous month and adjusted for any known movements within the rostering system.

Other critical judgements

The Trust reviews all lease contracts to determine whether they are operating or finance leases.

The bad debt provision has been calculated based on a detailed review of each balance over 60 days and for all salary overpayments for employees that have left the Trust

Income has been deferred where expenditure will take place during the year ended 31 March 2021.

1.5.2 Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A discount rate of -0.50% (2019: 0.29%) has been used to calculate the Injury Benefit provision of £4.992 million (2019: £4.317 million).

Non current asset lives have been reassessed by the District Valuer at 31 March 2020.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.6 Revenue from contracts with customer

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 thepassage of time.

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

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

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

Where income is received for a specific activity that is to be delivered in the following year, such income is deferred. This is a combination of NHS and non NHS income which is not material in 2019/20.

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 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.7 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.

1.8 Expenditure on 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

● 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 will be supplied to, the Trust;
● it is expected to be used for more than one financial year;
● the cost of the item can be measured reliably; and
● the item has cost at least £5,000; or
● Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
● Items form part of the initial equipping and setting-up cost of a new building or ambulance station, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives e.g. plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

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

All assets are measured at the depreciated historic cost. With the exception of land and buildings, which are held at fair value.

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

● Land and non-specialised buildings – market value for existing use
● Specialised buildings – depreciated replacement cost.

All other assets are measured subsequently at fair value. Valuations are carried out by professionally qualified valuers in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual in accordance with the Red Book standards. This means that specialised property, for which market value cannot be readily determined, should be valued at depreciated replacement cost (DRC) on a modern equivalent asset basis. The latest full revaluation of the Trusts specialised buildings was undertaken as at 31 March 2020.

In accordance with the Treasury accounting manual, valuations are now carried out on the basis of modern equivalent asset replacement cost for specialised operational property and existing use value for non-specialised operational property.

Alternative open market value figures are only used for operational assets scheduled for closure and subsequent disposal.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Property, plant and equipment (Continued)

Specialised buildings - depreciated replacement cost
HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and where it would meet the location requirements of the service being provided, analternative site can be used as the replacement cost.

Assets in the course of construction (AUC) are initially valued at cost and are subsequently valued byprofessional valuers when the estate's construction is completed if there is evidence that the construction costis not a good approximation of fair value. For 2019/20 AUC includes vehicles, ICT projects and estate works,which has been assessed and this impairment is not material.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment. Cost includes professional fees but not borrowing costs, which are recognised as expensesimmediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciationcommences when they are brought into use.

Until 31 March 2009, fixtures and equipment were carried at replacement cost, as assessed by indexation and depreciation of historic cost. From 1 April 2009 indexation has ceased. The carrying value of existing assetsat that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

Non-property assets
For non-property assets the depreciated historical cost basis has been adopted as a proxy fair value in respectof assets which have short lives or low values. Where appropriate, assets assessed to be either high value orlong life have been revalued to their current depreciated replacement cost using estimations of current marketvalue.

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

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of ComprehensiveIncome as an item of ‘other comprehensive income’.

It is impracticable to disclose the extent of the possible effects of an assumption or another source ofestimation uncertainty at the end of the reporting period. On the basis of existing knowledge, outcomes withinthe next financial year that are different from the assumption around the valuation of our land, property, plantand equipment could require a material adjustment to the carrying amount of the asset or liability recorded innote 9.1 and note 19.

The valuation exercise was carried out in March 2020 with a valuation date of 31 March 2020. In applying theRoyal Institute of Chartered Surveyors (RICS) Valuation Global Standards 2020 (‘Red Book’), the valuer hasdeclared a ‘material valuation uncertainty’ in the valuation report. This is on the basis of uncertainties inmarkets caused by COVID-19. The Valuer has quoted "Less certainty – and a higher degree of caution –should be attached to our valuation than would normally be the case. Given the unknown future impact thatCOVID-19 might have on the real estate market, we recommend that you keep the valuation of this property /these properties under frequent review". The values in the report have been used to inform the measurementof property assets at valuation in these financial statements. With the valuer having declared this materialvaluation uncertainty, the valuer has continued to exercise professional judgement in providing the valuationand this remains the best information available to the Trust.

● A 7.53% change in the valuation would have £4 million impact on the statement of financial position with a £0.140 million reduction on the PDC dividend due to be paid next year and accrued in these financial statements.
● Of the £54.985 million net book value of land and buildings subject to valuation, £47.686 million relates to specialised assets valued on a depreciated replacement cost basis. Here the valuer bases their assessment on the cost to the Trust of replacing the service potential of the assets. The uncertainty explained above relates to the estimated cost of replacing the service potential, rather than the extent of the service potential to be replaced.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.9 Property, plant and equipment (Continued)

Subsequent expenditure

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

1.10 Depreciation

Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Trust, respectively.

Otherwise, depreciation is charged to write off the costs or valuation of property and plant and equipment, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service delivery benefits. The estimated useful life of an asset is the period over which the Trust expects to obtain economic benefits or service potential from the asset. This is specific to the Trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

Freehold land is considered to have an infinite life and is not depreciated.

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 arising from a loss of economic benefit or 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 income 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.

1.11 Donated assets

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

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

1.12 Software

Software which is integral to the operation of hardware, e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware, e.g. application software, is charged to software in the Statement of Comprehensive Income.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.13 Useful Economic lives of property, plant and equipment

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

	Min life Years	Max life Years
Buildings, excluding dwellings	**1**	**99**
Plant & machinery	**5**	**15**
Transport equipment	**2**	**9**
Information technology	**3**	**5**
Furniture & fittings	**5**	**10**

During 2019/20 the Trust changed the useful life for the Trust's Mercedes Dual Crew Ambulances from eight to nine years.

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

1.14 Leases

Finance leases

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

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

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

Notes to the Accounts - 1. Accounting Policies (Continued)

1.14 Leases (Continued)

Operating leases
Other leases are recognised as operating leases and the rentals are charged to operating expenses on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

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

The Trust as lessor
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 on a straight-line basis over the lease term.

1.15 Inventories
Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula with the exception of fleet parts which are valued using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.
A review is made where necessary for obsolete, slow moving and defective stocks and written off where considered appropriate.

1.16 Cash and cash equivalents
Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than twenty four hours. Cash equivalents are investments that mature in three 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.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.17 Provisions

Provisions are recognised when the Trust has a present legal or constructive obligation as a result of a past event and it is probable that the Trust will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the discount rates published and mandated by HM Treasury.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

1.18 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 isadministratively responsible for all clinical negligence cases, the legal liability remains with the Trust. Thetotal value of clinical negligence provisions carried by NHS resolution on behalf of the trust is disclosed within Note 18 but is not recognised in the Trust's accounts.

1.19 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 the 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.

1.20 Contingencies

Contingent liabilities are not recognised, but are disclosed in Note 21, unless the probability of a transfer of economic benefit is remote.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation 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.

Where the time value of money is material, contingencies are disclosed at their present value.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.21 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.

De-recognition
All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.
Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Classification and measurement
Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.
Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.
Financial assets are classified as subsequently measured at amortised cost, fair value through income and expenditure
Financial liabilities classified as subsequently measured at fair value through income and expenditure.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. They are included within current assets.
The Trust's loans and receivables comprise: cash and cash equivalents, NHS Receivables, accrued income and other receivables.

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

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

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

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

Notes to the Accounts - 1. Accounting Policies (Continued)

1.22 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.

1.23 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.

1.24 Corporation Tax

The Trust is a Health Service Body within the meaning of s986 Corporation Taxes Act 2010. Accordingly is not liable to pay corporation tax. The Trust is also exempt from tax on chargeable gains under S271(3) Taxation of Chargeable Gains Act 1992.

There is, however, a power for HM Treasury to submit an order to Parliament which will dis-apply the corporation tax exemption in relation to particular activities of a NHS foundation Trust (s987 CorporationTaxes Act 2010). Accordingly, the Trust is potentially within the scope of corporation tax in respect ofactivities to be specified in the order which are not related to, or ancillary to, the provision of healthcare, andwhere the profits there from exceed £50,000 per annum. Until the order is approved by Parliament, theTrust has no corporation tax liability.

1.25 Foreign exchange

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions.

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

- monetary items are translated at the spot exchange rate on 31 March 2020;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

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

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

Notes to the Accounts - 1. Accounting Policies (Continued)

1.26 Public Dividend Capital (PDC) and PDC dividend

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

At any time, the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, except for
(i) donated assets (including lottery funded assets),
(ii) average daily cash balances held with the Government Banking Services (GBS) and National Loans Fund (NLF) deposits, excluding cash balances held in GBS accounts that relate to a short-term working capital facility, and
(iii) any PDC dividend balance receivable or payable.

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

1.27 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 and includes losses where the Trust has chosen to bear risks rather than acquire insurance cover (which would have been included as normal revenue expenditure).

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

1.28 Accounting standards that have been issued but have not yet been adopted

At the date of authorisation of these annual report and accounts, the Department of health group accounting manual does not require the following Standards and Interpretations to be applied in these annual report and accounts. These standards are still subject to HM Treasury FRem adoption.

Standards applicable from 2021/22
IFRS 16 Leases.

Standards applicable from 2022/23
IFRS 17 Insurance contracts.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.28 Standards, amendments and interpretations in issue but not yet effective or adopted

At the date of authorisation of these annual report and accounts, the Department of health group accounting manual does not require the following Standards and Interpretations to be applied in these annual report and accounts. These standards are still subject to HM Treasury FRem adoption.

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.

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

On transition to IFRS 16 on 1 April 2021, the trust will apply the standard retrospectively with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust’s incremental borrowing rate (1.27%). The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments.

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 19March 2020. Due to the need to reassess lease calculations, together with uncertainty on expected leasingactivity in from April 2021 and beyond, a quantification of the expected impact of applying the standard in2021/22 is currently impracticable. However, the trust does expect this standard to have a material impacton non-current assets, liabilities and depreciation.

Notes to the Accounts - 2. Operating Segments

The Trust has assessed that the chief operating decision maker is the Board of Directors.

The Board receives a detailed Integrated Corporate Performance Report (ICPR) on a monthly basis; this includes segmental analysis of the Trust's service lines. However segmented information is not provided for asset and liabilities. This analysis is also received by the Finance Committee (FC), a sub-committee of the Board of Directors.

The Accident and Emergency Ambulance (A&E) service line accounts for 85.30% (2019:85.65%)of total income received by the Trust during the year ended 31 March 2020. The A&E service lineincludes HART income for 2019-20. Urgent Care Services (UCS) including Integrated UrgentCare – Clinical Advice and Assessment Service accounts for 3.01% (2019: 5.27%) of the totalincome received by the Trust during the same year.

	31 March 2020 £000	31 March 2019 £000
A&E income	**223,747**	205,039
PTS income	**25**	25
UCS income	**7,903**	12,607
Other income	**30,560**	21,731
Total income	**262,235**	239,402
Operating expenses	**(258,331)**	(242,994)
Operating surplus	**3,904**	(3,592)

Other income includes hosting of the Ambulance Radio Programme (ARP) team, Winter Pressures, Road Traffic Collision and Injury Recovery (RTC), ECS Project, Medical Transport Service (MTS), Provider sustainability fund (PSF), Covid Funding and Training Income.

Emergency Ambulance Service (A&E)

The Trust provides an emergency response to 999 Category injuries and illnesses, which are likely to require treatment and immediate transport to a hospital or other facility. Provision is provided across the entire Trust area being the South West region.

Urgent Care Service (UCS)

The Trust provides non-emergency responses to people who require, or perceive the need for, urgent (but not emergency) advice, care, diagnosis or treatment. The Intergrated Urgent Care - Clinical Advice and Assessment (CAAS) service is delivered across Dorset. The CAAS service provided in Dorset will cease from April 2020 and be transfered to Dorset Health Care University NHS Foundation Trust.

Patient Transport Service (PTS)

The Trust provided ambulance non-emergency medical patient transport services, such as to and from out-patient appointments. The Trust now only provides services on the Isles of Scilly.

The Board in approving the Finance Strategy periodically undertakes a review to evaluate contracts against the investment/ disinvestment criteria and the commercial principles. This is particularly pertinent for UCS and PTS contacts which are competitively tendered.

Notes to the Accounts - 3. Operating Income

3.1. Operating income from patient care activities (by classification)	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Income from activities		
Income from Commissioner Requested Services		
A&E income	**223,747**	205,039
PTS income	**25**	25
Income from non-Commissioner Requested Services		
Other income	**15,805**	18,428
AfC pay award central funding	**0**	2,420
Additional Pension Contribution	**7,959**	0
Total income from patient care activities	**247,536**	225,912

Other Income

The other income from non-Commissioner requested services of £15.805 million (2019: £18.428 million) can be further broken down as follows:

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Out of Hours (OOH)	**0**	9,361
NHS 111 / Intergrated Urgent Care -Clinical Advice and Assessment Service (CAAS)	**7,903**	3,246
Other	**7,902**	5,821
Total Other Income	**15,805**	18,428

The Trust stopped providing the Out of Hours (OOH) service March 2019.

Other income includes Winter pressure income of £1.8 million (2019: £1.8 million), CBRN of £0.5 million (2019: £0.5 million), Tiverton MIU £1.1 million (2019: £0.9 million), Road Traffic Collision and Injury Recovery Income £0.6 million (2019: £0.6 million), Somerset GP Car 0.7 million (2019: £0.5 million), MTS Income £0.5million (2019: £0.5 million), Covid 1.8million (2019 Nil).

	Year ended 31 March 2020 £'000	Year ended 31 March 2019 £'000
Other operating income (by source)		
Research and development	**122**	142
Education and training	**2,677**	2,019
Provider sustainability fund (PSF)	**1,924**	
Income in respect of staff costs	**1,928**	2,758
Other	**7,952**	8,548
Rental revenue from operating leases	**96**	23
Total other operating income	**14,699**	13,490
Total operating income	**262,235**	239,402

Included in other operating income of £7.952 million (2019: £8.548 million) is £5.6 million relates to Ambulance Radio Programme (ARP) for hosting the team (2019: £4.8 million), £Nil million Operation Fairline (2019: £1.3 million) , MEDIVAC £0.682 million (2019: £0.822 million) , Events £0.690 million (2019: £0.610 million)

3.2. Income from patient care activities `	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
NHS Foundation Trusts	**7,535**	305
NHS Trusts	**0**	0
NHS England	**10,291**	681
Clinical Commissioning Groups	**228,802**	221,426
Local Authorities	**219**	358
Non-NHS:		
Road Traffic Collision and Injury Recovery (RTC)	**556**	562
Other	**133**	159
Total Income from patient care activities	**247,536**	223,491

Notes to the Accounts - 3. Operating Income (continued)

3.3 Operating lease income

The 2019/20 Operating lease income relates to the Chippenham aerial site and associated telecommunication companies. The 2019/20 Operating lease income included previous years invoices for aerial sites.

Operating lease income	**Year ended 31 March 2020 £000**	Year ended 31 March 2019 £000
Rents recognised as income in the year	**96**	23
Total	**96**	23

Future minimum lease payments receivable	**Year ended 31 March 2020 £000**	Year ended 31 March 2019 £000
Not later than one year	**96**	23
Later than one year and not later than five years	**125**	56
Later than five years	**9**	11
Total	**230**	90

3.4 Income from sale of goods

Income is wholly from the supply of services, there is no income from the sale of goods.

3.5 Income generation activities

The Trust undertakes income generation activities with an aim of reinvesting any profit in patient care. No income generation activities exceeded £1 million.

Notes to the Accounts - 4. Operating Expenses from continuing operations

4.1. Operating Expenses from continuing operations	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Purchase of healthcare from non NHS bodies	**197**	251
Employee Expenses - Non-executive directors	**152**	153
Employee Expenses - Executive directors & Staff	**191,824**	178,265
Drug costs	**451**	639
Supplies and services - clinical (excluding drug costs)	**6,071**	5,879
Supplies and services - general	**2,227**	2,185
Establishment	**2,843**	3,690
Transport	**20,599**	19,375
Premises	**10,902**	11,251
Increase in provision for impairment of receivables	**44**	136
Change in provision discount rate and increase in other provisions	**1,059**	377
Inventories write down	**76**	82
Rentals under operating leases	**3,415**	3,029
Depreciation on property, plant and equipment	**9,907**	9,203
Impairments of property, plant and equipment	**(40)**	(64)
Audit fees payable to the external auditors:-		
audit services- statutory audit	**65**	60
other auditors remuneration (external auditors only)	**1**	1
Clinical negligence	**2,371**	1,978
Legal fees	**448**	676
Other professional fees	**1,149**	1,236
Internal Audit Fees	**120**	124
Training, courses and conferences	**2,423**	2,479
Redundancy	**687**	535
Early retirements	**5**	4
Insurance	**113**	111
Other services, e.g. external payroll	**234**	234
Car parking and security	**47**	50
Losses, ex gratia and special payments	**136**	92
Other	**805**	963
	258,331	242,994

Audit Fee paid to KPMG is £0.054 million (2019: £0.050 million), the financial accounts include the VAT as not reclaimable £0.065 million (2019: £0.060 million).

Notes to the Accounts - 4. Operating Expenses from continuing operations (continued)

4.2 Other auditors remuneration

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Other auditors remuneration paid to the external auditors:		
1. Audit of accounts of any associate of the trust	0	0
2. Audit-related assurance services	1	1
3. Taxation compliance services	0	0
4. All taxation advisory services not falling within item 3 above	0	0
5. Internal audit services	0	0
6. All assurance services not falling within items 1 to 5	0	0
7. Corporate finance transaction services not falling within items 1 to 6 above	0	0
8. Other non-audit services not falling within items 2 to 7 above	0	0
Total	**1**	**1**

4.3 Limitation on auditors' liability

The Trust's contract with its auditors, as set out in the engagement letter signed February 2019, states that the liability of KPMG, its members, partners and staff (whether in contract, negligence or otherwise) shall in no circumstances exceed £1 million in aggregate in respect of all services (2019: £1 million).

4.4 Arrangements containing an operating lease

The Trust leases property, vehicles and equipment under operating leases. Lease terms vary from less than one year to seventy one years remaining,which relates to properties in Axminster, Cirencester and Paulton.

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Minimum lease payments	**3,415**	3,029

Future minimum lease payments due	**Year ended 31 March 2020**			
	Land £000	**Buildings £000**	**Other £000**	**Total £000**
Not later than one year	**44**	**1,770**	**277**	**2,091**
Later than one year and not later than five years	**177**	**5,677**	**227**	**6,081**
Later than five years	**2,550**	**7,167**	**0**	**9,717**
Total	**2,771**	**14,614**	**504**	**17,889**

	Year ended 31 March 2019			
	Land £000	Buildings £000	Other £000	Total £000
Not later than one year	34	1,854	392	2,280
Later than one year and not later than five years	134	5,117	278	5,529
Later than five years	1,888	7,787	0	9,675
Total	2,056	14,758	670	17,484

Notes to the Accounts - 5. Employee costs

5.1 Employee benefits

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Salaries and wages	150,479	146,556
Social Security Costs	13,853	13,025
Apprenticeship levy	720	684
Employer contributions to NHS Pe	18,270	17,520
Pension cost - employer contributions paid by NHSE on provider's behalf (6.3%)	7,959	0
Agency/contract staff	543	480
Total	**191,824**	178,265

Included in salaries and wages for 2018/19 is a £6.0 million workforce provision.

5.2 Remuneration and other benefits received by Directors

The aggregate remuneration and other benefits receivable by Directors and Non Executive Directors the financial year including pension related benefits totalled £1.266million (to 31 March 2019; £1.185 million).

Benefits are accruing under the NHS defined benefit pension scheme to 6 directors (2019: 5 directors). No benefits are accruing under any money purchase schemes.

There were no other advances or guarantees existing with any of the Directors as at 31 March 2020 (2019: Nil).

During the year to 31 March 2020, the highest paid Director for the Trust was the Chief Executive who was paid a salary between £0.175 million and £0.180 million (2019:
£0.170 million and £0.175 million) and benefits in kind of £0.003 million (2019: £0.005 million).

5.3 Retirements due to ill-health

During the year to 31 March 2020 there were 1 early retirement from the Trust agreed on the grounds of ill-health (31 March 2019: 6 early retirements). The estimated additional pension liabilities of this ill-health retirements will be £0.019 million (31 March 2019: £0.472 million). The cost of this ill-health retirement will be borne by the NHS
Business Services Authority - Pensions Division.

5.4 Exit Packages for staff leaving during the year ending March 2020

Eight staff left the Trust during the year ending 31 March 2020 (2019: 14 staff), they received exit packages totalling £0.226 million (2019: £0.587 million).

5.5 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 fromemployees. 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.

Notes to the Accounts - 6. 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 31 March 2018, 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. The employer contribution rate for 2019/20 is 20.6%.

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.

Notes to the Accounts - 6. Pension Costs (Continued)

c) National Employment Savings Trust (NEST)

There are a small number of staff who are not entitled to join the NHS pension scheme, for example:
- those already in receipt of an NHS pension
- those who work full time at another Trust
- employees who are absent from work due to sickness, maternity leave, etc, when the statutory duty to automatically enrol applies.

The National Employment Savings Trust (NEST) has been set up specifically to help employers to comply with the Pensions Act 2008. Those employees in the categories above are automatically enrolled in the NEST scheme. NEST Corporation is the Trustee body that has overall responsibility for running NEST; it is a non-departmental public body that operates at arm's length from government and is accountable to Parliament through the Department of Work and Pensions (DWP).

In 2019/20 employee contributions to NEST were 5.0% of pensionable pay and employer contributions were 3.0% of pensionable pay.

NEST levies a contribution charge of 1.8% and an annual management charge of 0.3% which is paid for from the employee contributions. There are no separate employer charges levied by NEST and the Trust is not required to enter into a contract to utilise NEST qualifying pension schemes.

Notes to the Accounts - 7. Finance income

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Interest on bank accounts	**200**	158
Total	**200**	158

8. Finance costs - interest expense	**Year ended 31 March 2020 £000**	Year ended 31 March 2019 £000
Loans from the Department of Health	**16**	27
Finance leases	**56**	56
Interest on late payment of commercial debt	**0**	0
Unwinding of discount on provisions	**(9)**	12
Total	**63**	95

Notes to the Accounts - 9. Property, plant and equipment

9.1 Property, plant and equipment

For the year ended 31 March 2020	Land	Buildings excluding dwellings	Assets under construction	Plant and machinery	Transport equipment	Information technology	Furniture and fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2019	17,554	34,374	3,263	8,051	75,994	9,849	986	150,071
Additions - purchased	0	718	7,766	100	3,392	820	81	12,877
Additions - finance leased	0	1,250	0	0	0	0	0	1,250
Impairments	(276)	(310)	0	0	0	0	0	(586)
Revaluation	(57)	1,274	0	0	0	0	0	1,217
Reclassifications	0	733	(3,037)	0	1,729	575	0	0
Transfer to asset held for sale	(218)	(57)	0	0	0	0	0	(275)
Disposals	0	0	0	0	(5,311)	(880)	0	(6,191)
At 31 March 2020	**17,003**	**37,982**	**7,992**	**8,151**	**75,804**	**10,364**	**1,067**	**158,363**
Accumulated depreciation at 1 April 2019	0	0	0	4,994	41,866	4,970	792	52,622
Provided during year	0	1,586	0	775	5,521	1,942	83	9,907
Impairments	57	458	0	0	0	0	0	515
Reversal of impairments	0	(555)	0	0	0	0	0	(555)
Revaluation	(57)	(1,489)	0	0	0	0	0	(1,546)
Disposals	0	0	0	0	(5,178)	(880)	0	(6,058)
Accumulated depreciation at 31 March 2020	**0**	**0**	**0**	**5,769**	**42,209**	**6,032**	**875**	**54,885**
Net book value								
Owned	17,003	36,097	7,992	2,382	33,595	4,332	192	101,593
Finance leased	0	1,885	0	0	0	0	0	1,885
Total at 31 March 2020	**17,003**	**37,982**	**7,992**	**2,382**	**33,595**	**4,332**	**192**	**103,478**

Notes to the Accounts - 9. Property, plant and equipment (continued)

9.2 Property, plant and equipment

For the year ended 31 March 2019	**Land**	**Buildings excluding dwellings**	**Assets under construction**	**Plant and machinery**	**Transport equipment**	**Information technology**	**Furniture and fittings**	**Total**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
Cost or valuation at 1 April 2018	16,254	34,856	1,394	7,238	71,482	9,073	964	141,261
Additions	0	470	3,190	1,329	9,408	1,001	22	15,420
Impairments	(10)	(745)	0	0	0	0	0	(755)
Revaluation	1,345	(135)	0	0	0	0	0	1,210
Reclassifications	0	6	(1,321)	0	1,315	0	0	0
Disposals	(35)	(78)	0	(516)	(6,211)	(225)	0	(7,065)
At 31 March 2019	**17,554**	**34,374**	**3,263**	**8,051**	**75,994**	**9,849**	**986**	**150,071**
Accumulated depreciation at 1 April 2018	0	0	0	4,827	42,837	3,223	711	51,598
Provided during year	0	1,559	0	683	4,908	1,972	81	9,203
Impairments	0	611	0	0	0	0	0	611
Reversal of impairments	(352)	(323)	0	0	0	0	0	(675)
Revaluations	352	(1,814)	0	0	0	0	0	(1,462)
Disposals	0	(33)	0	(516)	(5,879)	(225)	0	(6,653)
Accumulated depreciation at 31 March 2019	**0**	**0**	**0**	**4,994**	**41,866**	**4,970**	**792**	**52,622**
Net book value								
Owned	17,554	34,091	3,263	3,057	34,128	4,879	194	97,166
Finance leased	0	283	0	0	0	0	0	283
Total at 31 March 2019	**17,554**	**34,374**	**3,263**	**3,057**	**34,128**	**4,879**	**194**	**97,449**

Notes to the Accounts - 9. Property, plant and equipment (cont.)

9.3 Property, plant and equipment

The Trust's land and buildings were revalued by the District Valuer at 31 March 2020. Non specialised operational property was valued at Market Value assuming existing use. Specialised operational property was valued at Depreciated Replacement Cost.

Any improvements made to properties during the later months of the year were considered when assessing the value at 31 March 2020. Where the improvements were of a significant value, they were individually assessed by the District Valuer. The District Valuer advised that the impairment on these improvements was 10% and this impairment was applied across all other property improvements.

The remaining lives of all properties were also reviewed by the District Valuer at 31 March 2020.

No other classes of non-current assets were revalued during the year.

9.4 Impairment of assets

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Net impairments charged to operating surplus / deficit resulting from:		
Changes in market price	**(40)**	(64)
Total net impairments charged to operating surplus / deficit	**(40)**	(64)
Impairments charged to the revaluation reserve	**586**	755
Total net impairments	**546**	691

The gross carrying amount of fully depreciated assets still in use at 31 March 2020 was £18.971 million (2019: £19.409 million).

9.5 Non-current assets for sale and assets in disposal groups

The £0.275 million for asset held for sale is for Paignton ambulance station.

10. Contractual capital commitments

	Year ended 31 March 2020 £000	Year ended 31 March 2019 £000
Property, plant and equipment	**8,796**	2,395
	8,796	2,395

These commitments relate to purchase of vehicles and IT equipment and estates projects that were not completed due to COVID-19.

Notes to the Accounts - 11. Inventories

11.1. Inventories	**31 March 2020 £000**	31 March 2019 £000
Drugs	**128**	135
Consumables	**1,031**	1,031
Energy	**367**	443
Other	**551**	561
Total	**2,077**	2,170

11.2 Inventories movement	**Year ended 31 March 2020 £000**	Year ended 31 March 2019 £000
Carrying Value at 1 April	**2,170**	2,030
Additions	**8,569**	9,548
Inventories recognised in expenses	**(8,586)**	(9,325)
Write-down of inventories recognised as expenses	**(76)**	(82)
Carrying Value at 31 March	**2,077**	**2,170**

12. Trade and other receivables

12.1 Trade and other receivables	**Current 31 March 2020 £000**	**Non-current 31 March 2020 £000**	Current 31 March 2019 £000	Non-current 31 March 2019 £000
Contract receivables- invoiced	**2,361**	**0**	3,392	0
Trade receivables - not yet invoiced	**2,428**	**0**	958	0
Allowance for impaired contract receivables	**(354)**	**0**	(339)	0
Prepayments	**1,947**	**752**	2,857	103
VAT Receivable	**675**	**0**	0	0
PDC receivable	**15**	**0**	172	0
Total	**7,072**	**752**	7,040	103

The majority of trade receivables are due from Clinical Commissioning Groups, as commissioners for NHS patient care services. As Clinical Commissioning Groups are funded by Government to commission NHS patient care services, there is no need to carry out credit checks.

12.2 Provision for impairment of receivables	**31 March 2020 £000**	31 March 2019 £000
Balance at 1 April 2019	**(339)**	(251)
(Increase) in provision	**(44)**	(136)
Amounts utilised	**29**	48
Unused amounts reversed	**0**	0
Balance at 31 March 2020	**(354)**	(339)

The majority of the provision relates to the recovery of overpaid salaries.

Notes to the Accounts - 13. Trade and other payables

13.1. Trade and other payables	**Current 31 March 2020 £000**	**Non-current 31 March 2020 £000**	Current 31 March 2019 £000	Non-current 31 March 2019 £000
Trade payables	**5,367**	**0**	6,078	0
Other trade payables - capital	**5,203**	**0**	6,586	0
Social Security costs	**2,652**	**0**	2,223	0
VAT Payable	**0**	**0**	88	0
Other taxes payable	**1,582**	**0**	1,430	0
Other payables	**359**	**0**	235	0
Accrued interest on DHSC loans	**0**	**0**	0	0
Accruals	**11,996**	**0**	9,332	0
Total	**27,159**	**0**	25,972	0

13.2 Better Payment Practice Code - measure of compliance	**31 March 2020**		31 March 2019	
	Number	**£000**	Number	£000
Total Non-NHS trade invoices paid in the year	**33,874**	**102,515**	39,312	99,608
Total Non NHS trade invoices paid within target	**33,301**	**101,421**	38,632	97,750
Percentage of Non-NHS trade invoices paid within target	**98%**	**99%**	98%	98%
Total NHS trade invoices paid in the year	**1,225**	**3,442**	1,274	2,991
Total NHS trade invoices paid within target	**1,168**	**3,403**	1,223	2,907
Percentage of NHS trade invoices paid within target	**95%**	**99%**	96%	97%

The Better Payment Practice Code requires the Trust to aim to pay all undisputed invoices by the due date or within 30 days of receipt of goods or a valid invoice, whichever is later.

The Non-NHS trade invoices paid includes £45 million (2018/19; £43 million) for payments to HMRC for 2019/20.

13.3 The late payment of commercial debts (interest) Act 1998

	2019/20 £000	2018/19 £000
Amounts included within interest payable arising from claims made under this legislation	**0**	0
Compensation paid to cover debt recovery costs under this legislation	**0**	0
Total	**0**	0

14. Other liabilities	**Current 31 March 2020 £000**	**Non-current 31 March 2020 £000**	Current 31 March 2019 £000	Non-current 31 March 2019 £000
Deferred income	**1,225**	**0**	673	0
Total	**1,225**	**0**	673	0

15. Borrowings	**Current 31 March 2020 £000**	**Non-current 31 March 2020 £000**	Current 31 March 2019 £000	Non-current 31 March 2019 £000
Loans from Department of Health and Social Care	**434**	**0**	429	434
Other loans	**0**	**0**	0	0
Obligations under finance leases	**53**	**1,831**	11	620
Total	**487**	**1,831**	440	1,054

A loan was taken out by Great Western Ambulance Service NHS Trust (GWAS) during 2010 and was transferred as part of the acquisition. This loan with the Department of Health and Social Care, was a Working Capital loan (£4.500 million) taken out in 2010 at an interest rate of 2.3% due to expire 2021.

The Trust has an agreed £5.0 million Overdraft Facility in place which has not been utilised during the year.

Notes to the Accounts - 16. Finance lease obligations

Finance lease liabilities relate to four leasehold premises with lease periods ranging from 51 to 70 years.

Amounts payable under finance leases:

Buildings and vehicles	**Gross lease liabilities**	**Net lease liabilities**	Gross lease liabilities	Net lease liabilities
	31 March 2020 £000	**31 March 2020 £000**	31 March 2019 £000	31 March 2019 £000
Not later than one year;	**53**	**53**	26	11
Later than one year and not later than five years;	**214**	**203**	104	45
After five years	**2,727**	**1,628**	1,339	575
Less future finance charges	**(1,110)**	**0**	(838)	0
Present value of minimum lease payments	**1,884**	**1,884**	631	631
Included in:				
Current borrowings		53		11
Non-current borrowings		1,831		620
		1,884		631

17. Finance lease commitments

The Trust has no new finance lease commitments as at 31 March 2020 (2019: £nil). Note 16 lays out the existing financial lease obligation. The current four finance leases have been aligned to the discount interest rate issued by NHSE/I (1.81%) for Finance leases.

The movement in the operating expenses and interest expense due to the change in the interest rate for the finance leases from 8.02% to 1.81% are listed below.

	£,000 Interest	**£,000 Depreciation**	**£,000 Total**
2019-20 Interest rate 8.02%	**18**	**56**	**74**
2020-21 Interest rate 1.81%	**34**	**33**	**67**

Notes to the Accounts - 18. Provisions

	Current 31 March 2020 £000	**Non-current 31 March 2020 £000**	Current 31 March 2019 £000	Non-current 31 March 2019 £000
Pensions relating to other staff	**265**	**4,727**	253	4,064
Other legal claims	**330**	**0**	279	0
Redundancy	**590**	**0**	127	0
Other	**7,764**	**78**	7,815	86
Total	**8,949**	**4,805**	8,474	4,150

	Pensions injury benefit £000	**Other legal claims £000**	**Redundancy £000**	**Other £000**	**Total £000**
At 1 April 2019	4,317	279	127	7,901	**12,624**
Change in the discount rate	403	0	0	0	**403**
Arising during the year	819	350	628	824	**2,621**
Utilised during the year - accruals	0	0	0	(115)	**(115)**
Utilised during the year - cash	(375)	(96)	(165)	(24)	**(660)**
Reversed unused	(163)	(203)	0	(744)	**(1,110)**
Unwinding of discount	(9)	0	0	0	**(9)**
At 31 March 2020	4,992	330	590	7,842	**13,754**
Expected timing of cash flows:					
Not later than one year	265	330	590	7,764	**8,949**
Later than one year and not later than five years	1,059	0	0	41	**1,100**
Later than five years	3,668	0	0	37	**3,705**
Total	4,992	330	590	7,842	**13,754**

The provisions represent a material amount in the financial accounts and a more detail breakdown is listed below:

Provision for "Pensions relating to other staff" represents injury benefit pension payable to staff who retired through injury and is payable for the remainder of their lives. The provision has been calculated using current life expectancy tables and a discount factor of -0.50% (2019: 0.29%).

The provision for other legal claims includes information provided by the NHS Resolution.

Other provisions includes provision for non guaranteed overtime, long term sick, contract dispute, historical workforce provision, lease car cancellations, medical gases and dilapidations for one lease due to the termination of the lease.

Included with the provisions of the NHS Resolution at 31 March 2020 is £30.445 million (2019: £46.741 million) in respect of clinical negligence liabilities of the Trust.

Notes to the Accounts - 19. Revaluation reserve

	31 March 2020 **£000** **Property, plant and equipment**	31 March 2019 £000 Property, plant and equipment
At 1 April	**13,394**	11,980
Impairments	**(586)**	(755)
Revaluations	**2,763**	2,672
Transfers to other reserves	**(520)**	(492)
Asset disposals	**0**	(11)
At 31 March	**15,051**	13,394

20. Cash and cash equivalents

	31 March 2020 **£000**	31 March 2019 £000
Balance at 1 April	**29,236**	23,364
Net change in year	**1,204**	5,872
Balance at 31 March	**30,440**	29,236

Represented by:	**31 March 2020** **£000**	31 March 2019 £000
Cash at commercial banks and in hand	**7**	7
Cash with the Government Banking Service	**30,433**	29,229
Cash and cash equivalents as in statement of financial position and statement of cash flows	**30,440**	29,236

21. Contingencies

The Trust is currently managing a number of employment cases and no provision has been made against those which it has been advised are unlikely to succeed. In normal circumstances, a worst case assessment of the outcome of such cases would be disclosed as a contingent liability but the Trust has decided to refrain from doing so in this instance because it considers such disclosure would seriously prejudice its position (31 March 2019: £nil).

Notes to the Accounts - 22. Related party transactions

During the year, there were no material transactions relating to the Trust and members of the Trust Board, senior managers, or parties related to any of them.

Key management includes Directors, both executive and non-executive. The compensation paid or payable in aggregate to key management for employment services is shown in note 5.1.

None of the key management personnel received an advance from the Trust. The Trust has not entered into guarantees of any kind on behalf of key management personnel. There were no amounts owing to key management personnel at the beginning or end of the financial year.

The Department of Health is regarded as a related party. During the year the 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. These entities are listed below:

	Income	Income	**Receivables**	Receivables
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Bath And North East Somerset CCG	**7,399**	6,658	**42**	27
Swindon CCG	**7,944**	7,242	**30**	26
Wiltshire CCG	**19,725**	18,232	**65**	79
Dorset Health Care University NHS Foundation Trust	**35,223**	32,224		41
Kernow CCG	**27,542**	25,723	**35**	183
Department of Health and Social Care	**5,743**	7,364	**31**	341
NHS England	**4,474**	2,122	**1,959**	
Devon CCG	**50,422**			
NEW Devon CCG		34,630		74
South Devon & Torbay CCG)		11,776		14
Dorset CCG	**29,658**	40,069	**296**	208
Gloucestershire CCG	**26,760**	24,028	**75**	43
Somerset CCG	**24,707**	22,007	**126**	26
Dorset Health Care University NHS Foundation Trust	**7,365**	87	**1**	27
Other NHS Organisation	**2,911**	2,211	**106**	375
	249,873	234,373	**2,766**	1,464

	Expenditure	Expenditure	**Payables**	Payables
	31 March 2020	31 March 2019	**31 March 2020**	31 March 2019
	£000	£000	**£000**	£000
Dorset Health Care NHS University Foundation Trust	**80**	34	**0**	0
Great Western Hospitals NHS Foundation Trust	**17**	7	**27**	0
NHS Resolution (formaly NHS Litigation)	**2,371**	1,978	**0**	26
Portsmouth Hospitals NHS Trust	**422**	464	**91**	78
University Hospitals Plymouth NHS Trust	**271**	272	**6**	76
Yorkshire Ambulance Service NHS Trust	**0**	(15)	**0**	0
Gloucestershire Hospitals NHS Foundation Trust	**0**	2	**0**	0
Oxford Health NHS Foundation Trust	**23**	22	**1**	1
Royal Devon & Exeter NHS Foundation Trust	**97**	51	**136**	47
Royal United Hospital Bath NHS Foundation Trust	**42**	52	**156**	114
South Central Ambulance Service NHS Foundation Trust	**32**	9	**13**	103
South East Coast Ambulance Service NHS Foundation Trust	**108**	166	**14**	0
Torbay & South Devon NHS Foundation Trust	**47**	50	**1,397**	476
University Hospitals Bristol NHS Foundation Trust	**48**	45	**5**	19
West Midland Ambulance Service NHS Foundation Trust	**54**	49	**0**	2
East Midland Ambulance Service NHS Trust	**0**	16	**0**	0
East of England Ambulance Service NHS Trust	**12**	5	**0**	0
Gloucestershire Care Services NHS Trust	**16**	0	**10**	0
NHS Business Service Authority	**18**	30	**0**	0
NHS Property Service	**377**	504	**127**	227
Care Quality Commission	**171**	169	**0**	1
Other NHS organisations	**424**	273	**172**	288
	4,630	4,183	**2,155**	1,458

Notes to the Accounts - 22. Related party transactions (cont)

The Trust has entered into the following contracts for 2020/21:-

Lead Commissioner	Contract Type	Comments
NHS Dorset CCG	A&E ambulance services	As part of the NHS response to COVID-19 a revised financial regime has been implemented which provides an alternative basis for the contract. The contract negotiations will be reinstated for 2020/21 once this revised regime is completed.
Dorset Healthcare University NHS Foundation Trust	111 / Clinical Assessment Service (CAS)	The Trust is in the process of exiting this contract, and transferring the service provided to Dorset Healthcare NHS Foundation Trust. The transfer date is 1 May 2020, but due to COVID19 the Trust will be continuing to provide some technical support to Dorset Healthcare until they are able to implement their own telephony and replace hardware.
NHS Devon CCG	Urgent care centre	Comparable with the value of the 2018/19 contract.

Charitable Funds

As at 31 March 2020 South Western Ambulance Service NHS Foundation Trust had charitable funds of £0.457 million (2019: £0.537 million).

The Trust acts as Corporate Trustee to the South Western Ambulance Service Foundation Trust Fund Charity (Registered charity number: 1049230). Previously HM Treasury has granted dispensation to the application of IAS 27 (Revised) by NHS Foundation Trusts in relation to the consolidation of NHS Charitable funds. From 2013/14 the Treasury dispensation is no longer available and therefore NHS Foundation Trusts are required to consolidate any material NHS charitable funds determined to be subsidiaries. The Audit Committee has agreed that the level of charitable funds is below materiality and therefore consolidation is not required. The management of the Charitable Funds is the responsibility of the Charitable Funds Committee and its terms of reference state that the committee is made up from the Executives and Non-Executives of the Trust. The Trust's Chairman, Chief Executive and Executive Director of Finance have served as members of the Charitable Funds Committee during the year.

The Trust has also had a number of material transactions with other government departments and other central and local government bodies. Most of these transactions have been with the HM Revenue and Customs.

23. Intra-Government and other balances	**Current receivables £000**	**Non-current receivables £000**	**Current payables £000**	**Non-current payables £000**
Balances with other central government bodies	**715**	**0**	**6,711**	**0**
Balances with local authorities	**0**	**0**	**353**	**0**
Balances with NHS Trusts and FTs	**106**	**0**	**612**	**0**
Balances with Public Corporations and Trading Funds	**2,629**	**0**	**7**	**0**
Intra government balances	**3,450**	**0**	**7,683**	**0**
Balances with bodies external to government	**3,622**	**892**	**19,476**	**0**
At 31 March 2020	**7,072**	**892**	**27,159**	**0**

Notes to the Accounts - 24. Financial Instruments

24.1 Financial assets by category

	Loans and receivables
	£000
Trade and other receivables excluding non financial assets with NHS and DH bodies	**2,766**
Trade and other receivables excluding non financial assets with other bodies	**1,669**
Cash and cash equivalents	**30,440**
Total at 31 March 2020	**34,875**
Trade and other receivables excluding non financial assets with NHS and DH bodies	1,463
Trade and other receivables excluding non financial assets with other bodies	2,547
Cash and cash equivalents	29,236
Total at 31 March 2019	33,246

The book value of loans and receivables detailed above is equal to the fair value of the financial assets. This is due to the short term nature of the assets.

24.2 Financial liabilities by category

	Other financial liabilities
	£000
DHSC loans	**434**
Obligations under finance leases	**1,884**
Trade and other payables excluding non financial liabilities with NHS and DH bodies	**551**
Trade and other payables excluding non financial liabilities with with other bodies	**19,198**
Provisions under contract	**8,763**
Total at 31 March 2020	**30,830**
Borrowings excluding finance lease and PFI liabilities	863
Obligations under finance leases	631
Trade and other payables excluding non financial liabilities with NHS and DH bodies	830
Trade and other payables excluding non financial liabilities with with other bodies	21,401
Provisions under contract	8,306
Total at 31 March 2019	32,031

The book value of financial liabilities detailed above is equal to the fair value of the financial assets. This is due to the short term nature of the liabilities.

Notes to the Accounts - 25. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the yearin creating or changing the risks a body faces in undertaking its activities. Due to the continuing service providerrelationship that the Trust has with Clinical Commissioning Groups and the way those Clinical Commissioning Groupsare financed, the Trust is not exposed to the degree of financial risk faced by business entities. Financial instrumentsalso play a much more limited role in creating or changing risk than would be typical of listed companies, to which thefinancial reporting standards mainly apply. The Trust has limited powers to borrow or invest surplus funds and financialassets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facingthe Trust in undertaking its activities.

The Trust’s treasury management operations are carried out by the finance department, within parameters definedformally within the Trust’s standing financial instructions and policies agreed by the Board of Directors. The Trust'streasury 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 theUK and sterling based. The Trust has no overseas operations. The Trust therefore has low exposure to currency ratefluctuations.

Interest rate risk

The Trust's borrowings comprise of finance leases so the Trust is not considered to be exposed to interest rate risk.

Credit risk

As the majority of the Trust’s income comes from contracts with other public sector bodies, the Trust has low exposureto credit risk. The maximum exposures as at 31 March 2020 are in receivables from customers, as disclosed in thetrade and other receivables note. The Trust procurement process is robust and the Trust restricts prepayments tosuppliers.

Liquidity risk

The Trust’s operating costs are incurred under contracts with Clinical Commissioning Groups (CCGs), which arefinanced from resources voted annually by Parliament. The Trust funds its capital expenditure from funds obtainedwithin its prudential borrowing limit. The Trust is not, therefore, exposed to significant liquidity risks. The Trust investssurplus funds in line with its Treasury Management policy. The Trust produces a twelve month rolling cash flow tomanage liquidity risk.

26. Losses and Special Payments

There were 841 (2019: 751) cases of losses and special payments totalling £0.445 million (2019: £0.443 million) paidduring the year ended 31 March 2020.

	Number of Cases 2019/20	**Value of Cases 2019/20 £'000**	Number of Cases 2018/19	Value of Cases 2018/19 £000
Losses				
Salary Overpayments	**327**	**269**	338	297
Bad Debt	**72**	**7**	74	10
Other	**433**	**125**	332	114
Total Losses	**832**	**401**	744	421
Special payments				
Personal Injury with advice	**9**	**44**	7	22
Special Severance Payments	**0**	**0**	0	0
Total Special Payments	**9**	**44**	7	22
Total Losses and Special Payments	**841**	**445**	751	443

Other losses include insurance excess payments for vehicles and damage to property.