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Welsh Ambulance Services
NHS Trust



ACCOUNTABILITY REPORT AND ANNUAL ACCOUNTS

2018-19



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ACCOUNTABILITY REPORT

2018-19

Introduction

The Accountability Report is part of a suite of reports which form the Trust's Annual Report and Accounts. The Accountability Report is intended to meet key accountability requirements to the National Assembly for Wales. The requirements of the Accountability Report are based on the matters required to be dealt with in a Directors' Report, as set out in Chapter 5 of Part 15 of the Companies Act 2006 and Schedule 7 of SI 2008 No 410, and in a Remuneration Report, as set out in Chapter 6 of the Companies Act 2006 and Schedule 8 of SI 2008 No 410.

The requirements of the Companies Act 2006 have been adapted for the public sector context as set out in the 2018-19 Government Financial Reporting Manual (FReM). It will therefore cover such matters as directors' salaries and other payments, governance arrangements and audit certificate and report. The accountability report will be signed and dated by the Accountable Officer.

The Accountability Report consists of three main parts. These are:

The Corporate Governance Report: This Report explains the composition and organisation of the Trust's Board and governance structures and how they support the achievement of the Trust's objectives. The Corporate Governance Report itself is in three main parts; the Directors' Report, the Statement of Accounting Officer's Responsibilities and the Annual Governance Statement.

The Remuneration and Staff Report: The Remuneration and Staff Report contains information about senior managers' remuneration. It will detail salaries and other payments, the Trust's policy on senior managers' remuneration and whether there were any exit payments or other significant awards to current or former senior managers. In addition, the Remuneration and Staff Report sets out the membership of the Trust's Remuneration Committee, and staff information with regards to numbers, composition and sickness absence, together with expenditure on consultancy and off payroll expenditure.

National Assembly for Wales Accountability and Audit Report: The National Assembly for Wales Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.



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CORPORATE GOVERNANCE REPORT

2018-19

Introduction

This Corporate Governance Report is a key feature of the Welsh Ambulance Services NHS Trust Annual Report and Accounts. The Report details the composition of the Trust's Board and governance structures and how they support the achievement of the Trust's objectives. The Report explains the management and control of resources and the extent to which the Trust complies with its own governance requirements, including how the Trust have monitored and evaluated the effectiveness of its governance arrangements. It is intended to bring together in one place matters relating to governance, risk and control.

The Corporate Governance Report therefore aims to provide the reader with a clear understanding of the organisation and its internal control structure, the stewardship of the organisation and an explanation of the risks the organisation is exposed to. Where there are weaknesses reported in the Report, an explanation is provided on how these are being addressed.

The Corporate Governance Report consists of three main parts. These are:

The Directors' Report: This provides details of the Board and Executive Team who have authority or responsibility for directing and controlling the major activities of the Trust during the year. Some of the information which would normally be shown here is provided in other parts of the Annual Report and Accounts and this is highlighted where applicable.

The Statement of Accounting Officer's Responsibilities and Statement of Directors' Responsibilities: This requires the Accountable Officer, Chairman and Director of Finance to confirm their responsibilities in preparing the financial statements and that the Annual Report and Accounts, as a whole, is fair, balanced and understandable

The Annual Governance Statement: This is the main document in the Corporate Governance Report. It explains the governance arrangements and structures within the Trust and brings together how the organisation manages governance, risk and control.

The Directors' Report

The Directors' Report provides details of the Board, Executive Team and any other individuals who were Directors of the Trust and have or had authority or responsibility for directing and controlling the major activities of the Trust at any point during the year.

Some of the information normally presented in this report is discussed elsewhere in the Annual Report and Accounts and where applicable this will be cross-referenced to the information.

Details of Chair, Chief Executive and other Directors.

The details of the Chair, Chief Executive and any other individuals who were Directors of the Trust at any point during the financial year, and up to the date that the Annual Report and Accounts were approved, are provided in the Annual Governance Statement which forms part of this Corporate Governance Report.

The composition of the Trust Board, the names of the Directors forming the Audit Committee and information on personal data related breaches and incidents are also provided in the Annual Governance Statement.

Company Directorships

The following declarations of interest with regards to company directorships and other significant interests were submitted in 2018-19. Voting Members of the Trust are marked with an asterisk in the Table below.

Name	Position	Declaration
Martin Woodford *	Trust Chairman (Interim) and Non Executive Director	Secretary of Llandogo Memorial Green Committee. Secretary/Manager Tintern Sports Club.
Helen Birtwhistle *	Non-Executive Director (Left the Trust 31/10/18)	Director of Wales For Europe. Lay Member of the Governing Body of the Church of Wales. Vice Chair of Standing Committee. Member of the International Advisory Board, Cardiff Business School. Volunteer with Oasis, an organisation to support asylum seekers/refugees.
Emrys Davies *	Non-Executive Director	Director and Chair of Newport Road Maintenance Ltd. Retired Member of Unite.
Kevin Davies *	Non-Executive Director	Army Reservist. Chair ABF The Soldiers Charity (Glamorgan) Member of the International Medical Panel, The HALO Trust. Emeritus Professor, University of South Wales Independent Trustee St John Cymru Wales. Paton - The Motivation and Learning Trust. Deputy Lord Lieutenant South Glamorgan
Pamela Hall *	Non-Executive Director	None
Paul Hollard *	Non-Executive Director	Independent Consultant across NHS Wales.

Name	Position	Declaration
James Mycroft *	Non-Executive Director	Employee of Principality Building Society, Director of Nemo Personal Finance Ltd.
Martin Turner *	Non-Executive Director (Interim) (Joined the Trust 23/7/18)	Management Consultancy (Martin Turner Associates)
Patricia Roseblade *	Chief Executive (Interim) (1/4/18 to 23/9/18) Deputy Chief Executive/ Director of Finance & ICT (Supernumerary) (24/9/18 to 14/10/18) On secondment from the Trust to Powys LHB (15/10/18)	None
Jason Killens *	Chief Executive (Joined the Trust 24/9/18)	Honorary Professorship at Swansea University – College of Human and Health Science
Claire Bevan *	Executive Director Quality and Nursing	Honorary Contract Swansea University: Lecturing.
Brendan Lloyd *	Medical Director and Deputy Chief Executive (Interim)	None
Christopher Turley *	Executive Director Finance and ICT (Interim)	None
Claire Vaughan *	Executive Director of Workforce and OD	None
Hannah Evans	Director of Planning and Performance (On secondment from the Trust to ABMU LHB 6/8/18)	None
Estelle Hitchon	Director of Partnership and Engagement (Inc. responsibility for Planning and Performance for the period 6/8/18-2/12/18)	None
Richard Lee	Director of Operations (Left the Trust 7/11/18)	Examiner for Royal College of Surgeons Edinburgh. Funded by Health Foundation to attend SCIANA leadership programme.
Rachel Marsh	Director of Planning and Performance (Interim) (Joined the Trust on secondment from Cwm Taff LHB 3/12/18)	None
Louise Platt	Director of Operations (Interim) (From 1/11/18)	None

Name	Position	Declaration
Keith Cox	Board Secretary	Treasurer of Thrive – Local Charity, Magistrate Cardiff and Vale.

Note: The Trust Board is the Corporate Trustee of the Welsh Ambulance Services NHS Trust Charity. All voting members of the Trust can act as a corporate trustee of the charity. In addition, four Non-Executive Directors have roles on the Charitable Funds Committee.

Environmental, Social and Community issues

The Trust is aware of the potential impact its operation has on the environment and it is committed to wherever possible:

- ensuring compliance with all relevant legislation and Welsh Government Directives;
- working in a manner that protects the environment for future generations by ensuring that long term and short term environmental issues are considered;
- preventing pollution and reducing potential environmental impact; and
- maintaining for the foreseeable future its ISO 14001 environmental management accreditation.

The Board's Sustainability Report that forms a key part of the Performance Report section of the Trust's Annual Report provides greater detail in relation to the environmental, social and community issues facing the Trust. It also details some of the steps being taken by the Trust to tackle sustainability, these include:

- integrating the principles of sustainable development into every day decision making;
- focusing on reducing the consumption of finite resources and minimising waste where possible; and
- adopting a carbon based management approach specifically aimed at reducing CO2 and meeting the Welsh Government target objective of a 3% year on year reduction in our carbon footprint

During 2018-19 the Trust was once again successful in its external assessment by BSI and remains the only Ambulance Service in the UK to hold the ISO14001:2015 (Environmental Management System) accreditation.

Cost Allocation and Charging Requirements

The Directors confirm that they have complied with the cost allocation and charging requirements set out in HM Treasury guidance.

Statement of Accountable Officer's Responsibilities

The Accountable Officer is required to confirm that, as far as they are aware, there is no relevant audit information of which the Trust's auditors are unaware, and the Accountable Officer has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

The Accountable Officer is also required to confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and that they take personal responsibility for the Annual Report and Accounts and the judgments required for determining that it is fair, balanced and understandable.

Statement

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the Trust.

The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government

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

As Accountable Officer I can confirm that as far as I am aware there is no relevant audit information of which Welsh Ambulance Services NHS Trust's auditors are unaware and that I have taken all the steps that I ought to have taken to ensure that I and the auditors are aware of relevant audit information.

I can confirm that the annual report and accounts as a whole are fair, balanced and understandable and I take personal responsibility for these and the judgement required for doing so.

Chief ExecutiveJason Killens..... Dated 30 May 2019
(Jason Killens)

Statement of Directors' Responsibilities in respect of the accounts

The Directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure of the Trust for that period.

In preparing those accounts, the Directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account

The Directors confirm that they have complied with the above requirements in preparing the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Chairman Martin Woodford..... Dated 30 May 2019

Chief Executive Jason Killens..... Dated 30 May 2019

Director of Finance
and ICT (Interim) Christopher Turley..... Dated 30 May 2019

The Annual Governance Statement

Introduction

This Annual Governance Statement is a key feature of the Welsh Ambulance Services NHS Trust annual report and accounts. It demonstrates how we managed and controlled resources in 2018-19 and the extent to which we complied with our own governance requirements. In doing so, it brings together all disclosures relating to governance, risk and control.

Further information on the corporate health of the organisation can be found in the Trust's 2018-19 Annual Quality Statement, whilst information on our performance over the last twelve months is set out in the Trust's 2018-19 Annual Report.

Looking forward, our targets and ambitions are explained in the Trust's 'Integrated Medium Term Plan (IMTP) 2019/20-2021/22' which continues the programme of reviewing and updating our IMTP on a rolling three-year cycle.

All the above documents are made available at the point of publication on the Trust's website: www.ambulance.wales.nhs.uk

Who we are and what we do

The Welsh Ambulance Service was established in 1998, with NHS Direct Wales becoming part of the Trust in April 2007. Our clinically-led organisation provides a service to some three million people across Wales, an area of almost 8,000 square miles, spread across a diverse and challenging urban, coastal and rural landscape.

We employ over 3,000 staff throughout Wales (comprising allied health professionals including paramedics, clinical services staff, nursing, administrative and clerical and other staff) and we operate from 90 ambulance stations, three clinical contact centres, three regional offices and five vehicle workshops. We also have our own national training facility to ensure our staff maintain high levels of performance and receive regular professional development.

Our services are focused in three main areas – unscheduled care, planned non-emergency transport and telephone and online advice:

- Our unscheduled care services (emergency and urgent care) provide support to patients with illnesses that are immediately life-threatening through to minor injuries and we are increasingly providing pathways to divert patients out of the hospital environment in order to treat people closer to home, where it is appropriate to do so.
- Our planned Non-Emergency Patient Transport Service (NEPTS) helps thousands of patients each year to get to their hospital and medical appointments.
- NHS Direct Wales provides telephone and online advice to patients who feel unwell, helping to signpost patients to, or arrange, the most appropriate care for them. The pathfinder 111 service (see "Governance of hosted organisations" below), introduced in some parts of Wales in 2016 is being

rolled out across Wales incrementally, and provides the basis for a more integrated model of future health care provision.

Emergency Ambulance Services Committee

In July 2013, in response to the recommendations of the McClelland Review, the Minister for Health and Social Services announced a package of reforms which established revised accountability and delivery arrangements for the provision of emergency ambulance services in Wales. The revised arrangements came into being on 1 April 2014 with the establishment of the Emergency Ambulance Services Committee as a joint committee of the seven local health boards (LHBs).

(<http://www.wales.nhs.uk/easc/about-us>)

The Committee is formed by the Chief Executives of the seven local health boards and presided over by an independent Chairperson appointed by the Minister. The Emergency Ambulance Services Committee has appointed a Chief Ambulance Services Commissioner to undertake a lead role in supporting the local health boards in commissioning emergency ambulance services from the Trust within the context of the wider unscheduled care system (and from 2016 Non Emergency Patient Transport Services in Wales). The arrangements effectively create a commissioner/provider relationship in which the seven local health boards are collectively responsible for securing the provision of an effective emergency ambulance service for Wales. The Trust therefore is responsible for supplying the urgent and emergency medical services that the local health boards require against a robust commissioning framework.

The Trust has ensured during the course of the year that it works closely with partner organisations such as local health boards, local authorities, other emergency service providers, and Community Health Councils, to exploit opportunities for joint working and to improve the service we provide to the public in Wales.

NHS Wales Escalation and Intervention Arrangements

In September 2016, the Trust saw its status under the NHS Wales Escalation and Intervention Arrangements de-escalated by the Welsh Government from 'enhanced monitoring' to 'routine arrangements'. This position remained unchanged during 2018-19.

Governance of hosted organisations

In June 2015, the Trust was appointed by Welsh Government as the host organisation for the pilot (and evaluation) phase of the 111 Pathfinder service which aims to improve the delivery of urgent primary care by providing a single access point to help patients get urgent help when they need it, as well as improving access to health information and advice.

A collaboration agreement was signed at the outset of the pilot in October 2016 by the Trust and the then Abertawe Bro Morgannwg LHB (pilot area) that set out the respective roles and responsibilities of each organisation. The pilot programme has now been extended to other Health Board areas with the eventual plan that the 111 service model will be rolled out to all Health Board areas in Wales. During 2018-19 the 111 service model was rolled out in the Hywel Dda LHB area and the Powys

Teaching Health Board area. In 2019-20 it will be rolled out to Aneurin Bevan and Cwm Taf Morgannwg LHB areas.

Regular 111 reports and updates were provided to Trust Board and Finance and Resources Committee during 2018-19 and there has been a number of Board discussions on the role of 111 and the governance arrangements around the future delivery model.

Scope of responsibility

The Trust Board is accountable for governance, risk management and internal control in the organisation. The Chief Executive (and Accountable Officer) of the Trust has responsibility for maintaining appropriate governance structures and procedures. This includes ensuring that the Trust has a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst also safeguarding the public funds and this organisation's assets. During 2018-19 these have been carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

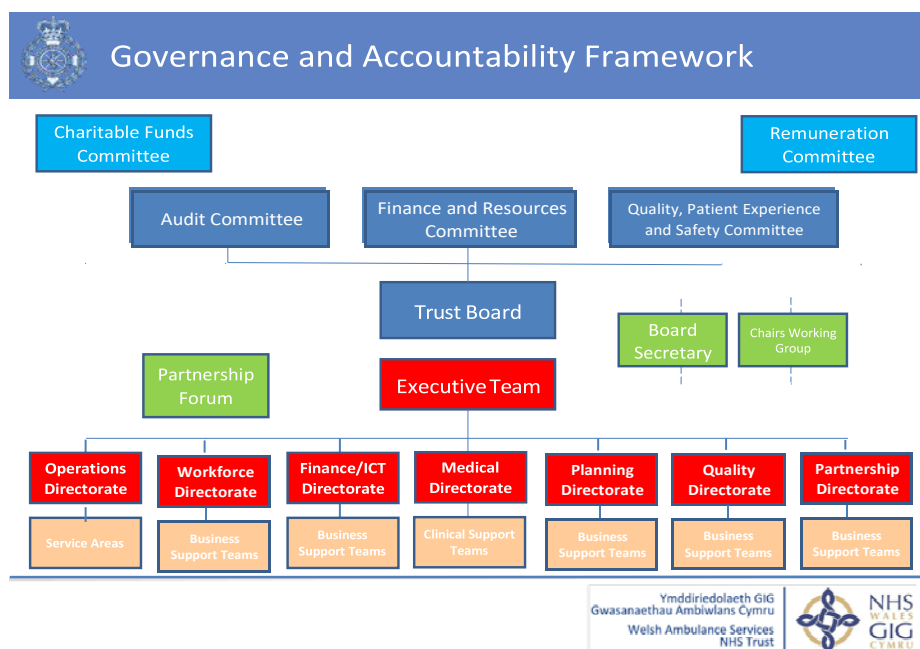
The Board is the senior leadership team and has final oversight for the Trust's governance and assurance systems and sets strategic objectives, monitors progress, agrees actions to achieve these objectives and ensures that appropriate controls are in place and are working properly throughout the organisation. To do this the Board is supported by a number of committees that have been established in accordance with the Trust's Standing Orders and Standing Financial Instructions, and these comply with NHS (Wales) regulations.

During 2018-19, a number of interim appointments were in place amongst Board members and the senior staff. They were for the Trust Chair, Chief Executive, Director of Finance, Director of Planning, Director of Operations, Deputy Director of NEPTS and a Non-Executive Director Board member. In all cases the interim arrangements were properly planned for and, in the main, the Trust was able to draw on expertise from within the organisation to cover the vacancies. Where this was not possible, external skills and experience were brought into the Trust thus ensuring continuity. The Trust therefore considers that good, strong interim arrangements were put in place and that no loss of momentum or a fall in performance was identified.

The Trust appointed a new, permanent Chief Executive with effect from 24 September 2018 and the interim Trust Chair has been appointed substantively for a three year term of office with effect from 1 April 2019. The Trust has also appointed a new, permanent Director of Operations, who will take up appointment in the first quarter of 2019-20. The Trust plans to resolve the remaining interim arrangements early in 2019-20.

The table below sets out the Board governance and accountability framework that was introduced in April 2015 and was operational throughout 2018-19. However, following a review by a Board appointed working group, Trust Board on 13 December 2018 acknowledged that far too much business was being considered by the Finance and Resources Committee and agreed that it be disbanded from 1 April

2019 and replaced by a Finance and Performance Committee, and a People and Culture Committee.



Trust Board

The Trust Board is programmed to meet six times per year in public and comprises individuals from a range of backgrounds, disciplines and areas of expertise. The Board comprises of the Chair, Vice Chair and six other independent members (Non-Executive Directors) and the Chief Executive and four Executive Directors. The Board is supported by the Board Secretary, who acts as principal adviser on all aspects of corporate governance within the Trust, and three further (non-voting) Directors. Two trade union partners also attend Board meetings.

All Trust Board meetings in 2018-19 were appropriately constituted and were quorate. In addition to the scheduled six meetings of the Trust Board, an extra three meetings were held in June 2018, November 2018 and March 2019 due to urgent business (details of meeting dates and members attendance is listed in **Appendix 1**). Agendas and Minutes of the meetings are available to the public and audio recordings of the Board are available via the Trust's website for members of the public to listen to discussions and to understand how decisions have been reached.

The key focus of the Board during the year was delivery of performance and quality assurance and improvement whilst at the same time ensuring the Trust maintained pace in terms of strategic transformation.

Examples of the key governance and control matters addressed by the Trust Board during 2018-19 were:

- Annual report, accounts and governance statements;
- Board assurance framework;
- Engagement and communications framework;
- Integrated medium term plan – delivery and refresh;

- Integrated quality and performance reports
- Minutes of Trust Board committees;
- Quality, safety and patient experience integrated reports;
- Revised Governance and Accountability Framework; and
- Wales Audit Office Structured Assessment and Annual Report
- Winter Plan 2018/19
- 111 Implementation

The full list of items discussed by the Trust Board during 2018-19 are listed in **Appendix 2** (Table 1).

Board Development

The Board Development Programme continued in 2018-19 with bi-monthly meetings that consisted of three key areas: development of the board collectively and individually; statutory and essential knowledge based development and training; and thirdly, strategic discussion.

Examples of issues discussed at Board Development sessions during 2018-19 were:

- Community First Responders/Volunteering
- Emergency Ambulance Services Commissioning Amber Review;
- Handling of legal claims
- Independent advisory group on diversity
- Long term strategic framework
- Organisational security and current threats;
- Patient Experience & Community Involvement Team presentation
- Staff survey results and issues arising; and
- Topical issues including system pressures.

The full list of items discussed Board Development sessions during 2018-19 are listed in **Appendix 2** (Table 7).

Board Committees

The Board has established five standing Board Committees, chaired by Non-Executive Directors, that have key roles in relation to the system of governance and assurance, decision making, scrutiny, development discussions, an assessment of current risks and performance monitoring. Committee papers and minutes for each meeting are published on the Welsh Ambulance Trust website.

Minutes of committee meetings are presented to the Board once approved by the relevant committee.

The terms of reference for each of the Board Committees are set out in the Trust's Standing Orders and a summary of each of the committee's responsibilities is given below. Supporting the formal structure set out above, is a Chairs' Working Group that met at the start of each quarterly business cycle to prevent duplication or lack of reporting across the Trust.

The following paragraphs provide highlights of reports received by Committees throughout the year. These highlights provide evidence of the Trust's governance framework working in practice.

Audit Committee

The Audit Committee supports the Trust Board by critically reviewing governance and assurance processes. The Committee met four times during 2018-19 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of the key governance and control matters considered by the Audit Committee during 2018-19 were:

- Annual accounts, accountability report and annual governance statement;
- Audit recommendation trackers;
- Board assurance framework and corporate risk register;
- Brexit preparedness
- Counter fraud annual report and progress reports;
- Internal and external audit reports, opinion and operational plans;
- Governance in recruitment;
- Losses and special payments; and
- Tender update and waiver reports.

The full list of items discussed by the Audit Committee during 2018-19 are listed in **Appendix 2** (Table 3).

Quality, Patient Experience and Safety Committee

The Quality, Patient Experience and Safety Committee supports the Trust Board by providing assurance with regards to the Trust's clinical governance policies and procedures, in particular the arrangements for safeguarding and improving the quality and safety of patient centred healthcare. The Committee met four times during 2018-19 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of key governance and control matters considered by the Quality, Patient Experience and Safety Committee during 2018-19 were:

- Annual quality statement and quarterly quality assurance reports;
- Clinical audit and effectiveness programme;
- Deep dive on reporting injuries, diseases and dangerous occurrence regulations;
- Infection prevention and control policy;
- Integrated performance reports;
- Information Governance Annual Report;
- Health and Safety improvement plan;
- Falls framework;
- Patient experience and community involvement highlight reports;
- Regulation 28 reports; and

- Welsh Language Commissioner Standards – consultation and response

The full list of items discussed by the Quality, Patient Experience and Safety Committee during 2018-19 are listed in **Appendix 2** (Table 6).

Finance and Resources Committee

The Finance and Resources Committee supports the Board by providing assurance with regards to the Trust's statutory financial and workforce responsibilities and has a monitoring role in the delivery and performance of business functions across the Trust. The Committee met five times during 2018-19 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of key governance and control matters considered by the Finance and Resources Committee during 2018-19 were:

- Asset management system implementation;
- Attendance and sickness improvement plan
- Budget updates and savings delivery reports;
- Discretionary capital programme updates
- Finance and workforce policy scrutiny and approval;
- NEPTS commissioning framework;
- Post production lost hours;
- Strategic outline case of electronic patient clinical records;
- Transforming training and development; and
- Workforce performance report.

The full list of items discussed by the Finance and Resources Committee during 2018-19 are listed in **Appendix 2** (Table 5).

Remuneration Committee

The Remuneration Committee provides advice and assurance to the Board in relation to the Trust's arrangements for the remuneration and terms of service for staff, in particular senior staff. The committee met six times during 2018-19 and the list of items discussed are listed in **Appendix 2** (Table 2).

Charitable Funds Committee

The purpose of the Charitable Funds Committee is to make and monitor arrangements for the control and management of the Trust's charitable funds. The Committee met twice during 2018-19 when it discussed a number of issues, including the Charitable Funds Annual Report and Accounts, and an update on the bursary scheme that provides support to staff through continuing professional development. The full list of items discussed by the Charitable Funds Committee during 2018-19 are listed in **Appendix 2** (Table 4).

Trust Board and Committee Membership

The membership of the Trust Board and its Committees is set out in **Appendix 1**, together with the dates of meetings and attendance in 2018-19. This appendix also provides further information on the Trust's constitution and how it complies with NHS (Wales) regulations.

The table below sets out the Non-Executive Director representation on the Trust Board and its Committees at 31 March 2018. At this time, the Trust's Non-Executive Director representation was one short following the departure of Helen Birtwhistle on 31 October 2018. Prior to her departure, Helen Birtwhistle had been a member of the Finance and Resources Committee, the Quality, Patient Experience and Safety Committee, and the Remuneration Committee.

Committee	Emrys Davies	Kevin Davies	Pamela Hall	Paul Hollard	James Mycroft	Martin Turner	Martin Woodford	Vacancy
Audit	✓		Chair	✓		✓		
Charitable Funds	✓	Chair		✓		✓		
Finance & Resources		✓	✓		Chair	✓		✓
Quality, Patient Experience & Safety	Chair	✓		✓	✓			✓
Remuneration			✓		✓		Chair	✓

Senior Management Structure

The table below sets out the senior management structure of the Trust as at 31 March 2018.

Executive Directors (Trust Board Members) are marked with an asterisk.



Advisory Groups

In support of the Board, the Trust has established the Welsh Ambulance Service Partnership Team as a forum where the Trust Executives, Trade Unions and Professional Organisations work together to improve the Trust's services for the people of Wales. It is the principal partnership forum for the discussion of national

priorities and strategies and where key stakeholders engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues.

The Trust does not have a stakeholder reference group or a healthcare professionals' forum (as defined in the IFRS NHS Wales Manual for Accounts) as these are not applicable to the Trust.

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 risks; it can therefore only provide reasonable and not absolute assurances 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, 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 for the year ended 31 March 2019 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust has continued to develop and embed its approaches to risk management as set out in the 2017-18 Annual Governance Statement. The Trust sees active and integrated risk management as a key element in the successful delivery of its business and remains committed to ensuring staff throughout the organisation are trained and equipped to assess, manage, escalate and report risks.

Risk Management Strategy and Framework

The Trust's Risk Management Strategy and Framework 2016-19, has been revised and updated during 2018-19 to reflect the maturing risk management culture within the organisation. The revised strategy (2018-2021) acknowledges the recommendations of Internal Audit into risk management presented to Audit Committee in March 2018 that the Trust would aim to be 'risk managed' by 2018-19 (rather than 2017-18 as stated in the 2016-19 Strategy and Framework), moving towards 'risk enabled' during 2019-2020.



Progression to a risk managed organisation during 2018-19 has been supported through a number of key developments. These include:

- Embedding the Risk Management Development Group into business as usual. Membership includes Directorate Risk Management Leads and the aim of the group is to facilitate and support confidence and capability with risk management processes in the Trust.
- Embedding the Risk Register Advisory Group into business as usual. This forum critiques Directorate Risk Registers and submissions of risks to the Corporate Risk Register. The Group adopts a “critical friend” approach and provides constructive feedback to both Directorate Risk Leads and Directors on their respective risks, ensuring that progress commentaries are robust, target scores are met and controls assurance ratings are considered.
- Development of an electronic risk register. The risk register module of the DATIX platform has been adapted and configured for use in the Trust. The Quality, Safety, Nursing and Patient Experience Directorate have been the first Directorate to migrate to this platform with plans underway for all Directorates to do the same during the first quarter of 2019-20. An electronic risk register will provide additional reporting capacity enabling greater visibility of all risks across the organisation and therefore providing additional assurance.
- A revised risk management process has been agreed by the Executive Management Team that will support further maturity of risk management processes in the Trust. Central to this process is an enhanced role for the Assistant Directors. The Assistant Director Leadership Team will have a key role to consider the suitability of risks for inclusion on the Corporate Risk Register. This will enable a more intelligent and detailed review of high level risks.

Risk Appetite

The Trust recognises that effective risk management is a key component of corporate and clinical governance and is integral to the delivery of our objectives in service provision to the public. Whilst risk is inherent in many of our activities, the Trust will not accept risks that materially impair the ability to deliver services to a high standard of safety and quality. As such, the Trust will not accept risks that materially impair its reputation or cause any disrepute with stakeholders.

However it has to be recognised that, in common with other NHS Providers, the Trust does not have unlimited resources and therefore it determines the appropriateness and cost of resources required to address key risks. This is a major influence in determining the risk appetite of the organisation.

Risk Profile

The risk profile of the Trust is subject to ongoing in-year revision but as at 31 March 2018 there were 13 strategic risks scoring 15 or over on the Trust’s (High Level) Corporate Risk Register, with four of these scoring 20 or above. These are set out below.

The organisation’s risks were assessed using the NHS Wales risk management 5 x 5 scoring matrix, i.e. the impact of the hazard or unwanted outcome multiplied by the likelihood of it happening

Title	Score	Lead Directorate
Increase in sickness absence rate	20	Workforce and OD
Unable to attend to patients in the community who require see and treat services	20	Operations
Patients unable to access secondary care assessment and treatment (patients being delayed on the back of ambulances outside Accident & Emergency)	20	Operations
Safeguarding referral process	20	Quality, Safety and Patient Experience
Station cleanliness across the Trust is not at a consistent level and could impact negatively on Infection, Prevention and Control	16	Operations
The Digital Pen contract will end 31 March 2021. There is a risk that another solution may not be in place by then and the Trust will not have a mechanism for recording PCR information electronically.	16	Medical and Clinical
On call Civil Contingency Act ability to cover 24/7 command - due to changes in strategic and tactical levels the operational level cover out of hours is not consistent	16	Operations
Inadequate resources to support the minimum requirements, professional and clinical practice for NHSDW/111 staff	16	Quality, Safety and Patient Experience
Tier 1 compliance to formal concerns	16	Quality, Safety and Patient Experience
Trust reputation	15	Partnership and Engagement
Vaccine preventable diseases	15	Workforce and OD
Resources required to implement the Mental Health Improvement plan	15	Quality, Safety, and Patient Experience
Unable to achieve risk maturity	15	Quality, Safety and Patient Experience

Risk Review Process

The Trust's Executive Management Team and Audit Committee regularly received, considered and commented on the Risk Register during 2018-19. On each occasion, commentary was provided to explain progress made by the Trust (including partners and stakeholders as appropriate) to mitigate existing risks and to set out all new and emerging risks to the organisation.

Emergency Preparedness

The Trust has a Major Incident Plan that is regularly reviewed and that takes full account of the requirements of the Civil Contingencies Act (2004), Welsh Government Emergency Planning Core Guidance to NHS Wales and relevant best practice guidance.

Working with Partners/Stakeholders (Risks)

Working with partner organisations is becoming a prominent factor and delivering services through partners can bring significant benefits and innovation. However, in doing so, the Trust recognises that it has less direct control than if delivering them alone. An environment where services and projects are increasingly being delivered

through partner organisations can lead to risks around failing to align agendas and ineffective communication.

Board Assurance Framework Report

As part of the work in developing the risk management strategy and framework, the Trust has also developed a board assurance framework document. The Board has discussed and considered the type and level of assurance it would expect to receive, drawing on examples of best practice from other UK health bodies. This has helped inform the development of the risk processes together with the framework document. The Trust Board formally adopted the Board Assurance Framework in September 2017.

Trust Policies

The Trust implemented a new policy process during 2017-18 to bring all Trust Policies up to date and provide assurance to the Board that the Trust is complying with current legislation, is meeting mandatory requirements and is discharging its statutory duty. In addition, a central policy register has been developed to provide tighter governance processes around version control and to track policies through the system.

At the end of 2018-19, the Trust was able to report that 50% of the corporate policies had gone through the policy process and were now in-date. The remainder of the policies are being prioritised and will go through the policy process in 2019-20. The Board also approved amendments to the policy process which allows a lighter touch for those policies that have already been through the new policy process and for which only need relatively small amendments.

As a result of the progress on this matter in 2018-19 the corporate risk to the Trust has been reduced.

The control framework

The Trust Annual Quality Statement (2018-19) has been coordinated to align with the production of this Annual Governance Statement to ensure that the Trust has strengthened the interface of these important documents with a focus on patients, experience and outcomes. This has informed our assurance process and focus on continuous improvement to achieve compliance with the Health and Care Standards and Commissioning Framework with the core quality requirements.

The Health and Care Standards for NHS Wales were published in 2015 for implementation by all organisations. The Trust embeds the Health and Care standards into all planning and reporting arrangements, ensuring that these support “Quality at the Heart”.



Quality Strategy 2016-19

The Trust Board approved the Quality Strategy 2016-19 in March 2016 and the Health and Care Standards are aligned throughout the Strategy as a control framework to operate in. The Quality Strategy will be reviewed and updated in 2019, ensuring that it aligns with the new Quality Governance Bill from Welsh Government. This will enable us to have a greater focus on our Duty of Quality, Duty of Candour and the Citizen Voice.

Commissioning Quality and Delivery Framework

The Commissioning and Quality Delivery Framework was introduced in 2015 and the Trust is working closely with both the Chief Ambulance Services Commissioner and the Emergency Ambulance Service Committee to ensure this important framework agreement translates into demonstrable service improvements for people in Wales who need and use our services.

The framework saw the introduction of a five-step Ambulance Care Pathway. This is a five-step process for the delivery of emergency ambulance services within NHS Wales and more recently for our Non-Emergency Patient Services. The Ambulance Care Pathway encourages the Trust to focus on the patient journey and to work in partnership with a whole systems approach.



The framework also includes a set of core requirements which have been mapped throughout to the Health and Care Standards as our control framework for quality and quality improvement.

During the last 12 months we have built on those structures which were implemented across the Trust in relation to our quality governance, management and controls:

- The Quality Steering Group reports to our Quality, Patient Experience and Safety (QuEST) Committee.
- The Quality Steering Group monitors and measures compliance with the Health and Care Standards, triangulates the quality data and measures, reviews internal and external reports/inspections.
- The sub groups of the QuEST Committee provide quarterly reports to provide assurance, identify risks and actions as well as priorities for improvement in a reporting template to the Quality Steering Group.
- Quality is monitored and assessed by the Quality Steering Group through a quarterly Quality Assurance Report. This is scrutinised at the QuEST committee and assurance is given and priorities for improvements are identified going forward.
- The Health and Care Standards have been mapped with the commissioning core requirements and provide the framework for the Quality Assurance Report.

All recommendations made in the Clinical Risk Assurance Review (published May 2017) were fully implemented during 2018-19.

Governance, Leadership and Accountability (Health and Care Standards)

In 2018-19, the Trust has continued to strengthen governance arrangements to embed the Health and Care Standards into core business:

- The Health and Care Standards are integral to all Local Delivery Plans
- The Quarterly Quality Assurance Report has been matured in its design so that the Health and Care Standards are implicit.
- Strengthened the governance culture through a renewed focus on quality improvement. During 2018-19, we have worked collaboratively across the organisation to design and implement a network for improvement and innovation. Our 'Network for Improvement and Innovation' (WIIN) was launched on the 25 March 2019 and will provide a platform for improvement across the organisation to drive a culture of continuous improvement in an organisation that is constantly looking to learn.

Board Level Self-Assessment

Prior to 2016-17, the Board completed an annual self-assessment on how well the Board considered the governance and accountability arrangements within the Trust have matured. The self-assessment was based on the Governance Accountability Module which was part of the former Health Care Standards. There is no longer a requirement to complete this module, nor is there any separate evaluation of the Board's assessment. The Board also consider that, as the Trust has matured, the self-assessment module, introduced in 2009-10, has become increasingly dated and the whole self-assessment exercise less meaningful.

As a result, for 2016-17, the Board decided not to complete the self-assessment module but, instead, to rely on the more tangible actions taken throughout the year which provided the Board with checks and balances and a gauge to its own level of maturity. This approach has again been taken in 2018-19 and examples of how this has been measured throughout the year is detailed in the following paragraphs.

The Board has continued to work with the Academi Wales on a variety of training and development options, including following their three stage 'Maturity Model for Boards' programme. During 2016-17, the Board completed the Immunity to Change programme, which is the second stage of the maturity model. The Board is now working with Academi Wales on stage 3 of the model, which will focus on developing relationships and includes modules on high performing boards and a maturing board profile. This work will be progressed during 2019-20, delayed slightly from the previous year due to the number of interim Trust appointments in place.

The Board has also worked and engaged with numerous other organisations in Wales and from across the UK. The Board uses these opportunities to compare, contrast and benchmark itself, as well as to learn and, in some cases, challenge its own methods of working. In particular, Board members (Chair and Committee Chairs) again met with their peers from the South Western Ambulance Service and have discussed and compared practices and processes. The Board members were able to compare governance processes, committee structures and portfolios, operating practices and performance management.

Based on learning from these discussions and sharing best practice, the Trust has reviewed its Committee structure and portfolio during the year and a revised Committee structure will be implemented with effect from 1 April 2019.

This engagement will further develop through 2019-20 and will be extended to include other UK Ambulance Trusts. Additionally, the Chief Executive is a member of the UK Ambulance Chief Executives network.

In 2018-19 the Board (Chair, Chief Executive, Executive and Non-Executive Directors and other Directors) met with their counterparts from Velindre NHS Trust, another NHS Wales Trust. During the meeting, the two Boards were able to compare and contrast each other's governance and operating arrangements and to learn and share experiences. A number of actions and further work was agreed at the meeting which has since been followed-up and will continue to be progressed during 2019-20, when further meetings are also due to take place.

The Chair of the Trust's Audit Committee also meets with other NHS Wales Audit Chairs, enabling open and frank discussions on matters of common interest and learning. Auditors and other stakeholders attend part of the meetings which allows for independent feedback as well as sharing of best practice.

The Audit Committee Chair also attended, as an observer, an Audit Committee meeting in an NHS England Foundation Trust. This allowed the Chair not only to compare and benchmark our own Audit Committee's performance, but also to report

findings and ideas to the Trust's Audit Committee with the view to strengthen arrangements.

The Board also has a programme of engagement and partnership working with the Trust's NHS Wales colleagues. For example, Board Members are aligned to Health Board areas and engage regularly with Health Board officials including attending their Board meetings. Additionally, the Trust's formal Board meetings are held in Health Board areas and include engagement sessions with local officials, stakeholders and members of the public. The Board receives valuable feedback from these sessions. All the NHS Wales Chairs, Chief Executives, Audit Committee Chairs and Board Secretaries meet regularly and are further examples of how the Board benchmarks, learns and shares best practice.

The Board receives feedback, information and assurance from independent sources. The Wales Audit Office, for example, carry out an annual assessment of our governance arrangements (see page 31). This assessment not only helps inform the Board of the Trust's progress to date but also of development needs going forward. The Trust also has an effective Internal Audit plan which ensures all areas of the Trust has a level of independent assessment.

The Board has also been proactive in measuring its maturity and effectiveness. The Board and Committee Chairs meet regularly and discuss matters of common interest. Committee Chairs have taken time to examine, scrutinise and challenge the level, detail and scope of the information going to the Board and the Board has also set up separate meetings to thoroughly scrutinise key functions such as the Standing Orders and the Board Assurance Framework.

As part of the Board's review of the Trust's governance and accountability framework (see page 12) , Committee Chairs sought feedback from those who regularly attend Committee meetings to get feedback on how well others feel the Committees were working and fulfilling their roles. Findings were taken into account and helped inform and shape the review of Committee structures and portfolios mentioned above. A survey of the Board's performance is planned to place in the first quarter of 2019-20.

Overall, the Board has noted some good progress in our systems and processes during 2018-19 and that governance and accountability matters are working effectively. However, the Board also recognise that there is still improvement to be made and take assurance that plans are in place to address and implement improvements during 2019-20

UK Corporate Governance Code

The Trust is required to comply with the UK Corporate Governance Code: *corporate governance in central government departments: code of good practice 2011*. The information provided in this Governance Statement provides an assessment of how the Trust complies with the main principles of the Code as they relate to an NHS public sector organisation in Wales. This assessment has been informed by the Board level self-assessment as detailed in page 23 and also evidenced by internal and external audits. The Trust is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that

not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.

There have been no reported departures from the Corporate Governance Code.

Other control framework elements

The Trust confirms that in accordance with the requirements of the Annual Governance Statement:

- control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with, including the Trust's Strategic Equality Plan and Objectives, contained in our Treating People Fairly Plan, which we report on annually.
- as an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the scheme are in accordance with the scheme rules, and that member pension scheme records are accurately updated in accordance with the timescales detailed in the regulations.
- the Trust has undertaken risk assessments and confirms that carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements as based on UKCIP 2009 weather projections to ensure that the Trust's obligation under the Climate Change Act and the adaption reporting requirements are complied with.

Integrated Medium Term Plan (IMTP)

The Trust's Integrated Medium Term Plan for the three-year period from 2017-18 to 2019-20 was approved by the Cabinet Secretary for Health, Wellbeing and Sport in the Spring of 2017 and ensured the Trust met its statutory planning duty.

In accordance with expectations from Welsh Government, the Trust submitted to Welsh Government in early 2018 a refreshed IMTP for the three year period starting 2018-19 (<http://www.ambulance.wales.nhs.uk/assets/documents/e6022702-1288-4a8d-8f10-329d559bf638636723557831422038.pdf>). This was prepared in consultation with staff, partners and stakeholders, and was approved by Trust Board on 22 March 2018 in accordance with the IMTP timetable requirements and was subsequently approved by Welsh Government.

Achievement against our performance ambitions is monitored through Monthly Integrated Quality and Performance Reports and through Directorate Quarterly Performance Reviews. In addition to this, the Trust Board (and its Committees) (<http://www.ambulance.wales.nhs.uk/Default.aspx?pageId=44&lan=en>), and Welsh Government receive quarterly reports on performance against the delivery of the IMTP.

In 2017-18 the Trust documented 44 strategic actions which we wanted to progress. Whilst we have made good progress, we are also conscious that there remains work to do. Some headlines of the IMTP progress during 2018-19 being:

- Produced a business case for the roll-out of our ground-breaking and award winning Advanced Paramedic Practitioner rotational model, which was successfully piloted in the Betsi Cadwaladr University Health Board area.
- Developed our falls framework, which now provides a long-term strategic direction to address one of the biggest calls on our resources.
- Collaboratively supported the independent, Ministerial commissioned 'Amber Review'. We welcomed this review and the opportunity it brought to work with the wider system to reduce some of the unacceptably long waits which patients sometimes experience.
- Successfully transferred Non Emergency Patient Transport Service (NEPTS) activity commissioned by Cardiff and Vale UHB and Velindre NHS Trust to the Trust as part of the delivery of the NEPTS business case.
- Rolled out the new 111 service in Powys, Pembrokeshire and Ceredigion.
- Took significant strides forward to improve our estate, including the opening of Ty Elwy in St Asaph, the relocation of staff from Lansdowne, including a first Make Ready provision to serve the Vale and Cardiff at Barry with South Wales Fire and Rescue Service (SWFRS). Other co-location sites completed in 2018/19 with SWFRS include Whitland and Llanidloes.
- Published our Annual Quality Statement (2017-18) demonstrating our commitment to listening and learning from patients and carers to improve improvements and experience.
- Produced a Joint Emergency Service Group directory of service which joins up all the activities we are doing with our blue light partners.

Our operational performance has also been encouraging throughout 2018-19. Performance has been maintained above the 65% target pan-Wales in relation to reaching "red" calls (immediately life threatening incidents) in 8 minutes. However, "amber" performance and related patient safety concerns and adverse incidents have become an increasing challenge for the Trust and the wider unscheduled care system.

The financial performance of the organisation for the last twelve months is detailed in the Trust's 2018-19 Annual Accounts. In summary, in accordance with Note 2 of the accounts for NHS Trusts, the organisation met its statutory financial breakeven duty and met the financial duties with regards to the External Financing Limit and Capital Financing Limit set by Welsh Government. The Trust also met the Public Sector Performance Payment performance target in the payment of creditors of at least 95% paid within 30 days.

Data security

The Trust had no reported "serious untoward incidents" during 2018-19 in relation to data security. Additional resources and organisational measures were put in place during 2018-19 to ensure compliance with legislation and statutory obligations, e.g. General Data Protection Regulation (GDPR) that became operational on 25 May 2018.

Ministerial Directions

During 2018-19 no Ministerial Directions were imposed on the Trust.

Further information on Ministerial Directions can be found at the following website: <https://gweddill.gov.wales/legislation/subordinate/nonsi/nhswales/2018/?lang=en>

Welsh Health Circulars (WHCs) were reintroduced in 2014-15 and the Trust has established a process to log and assess those that are applicable to the Trust.

Brexit disclosure

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

As part of the Trust's preparation in connection with this additional contingency stock was purchased with a value of approximately £0.2m.

Indexation

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts.

Review of effectiveness

As Accountable Officer for the Trust, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports. All of which have effectively carried out their duties and responsibilities during 2018-19.

Trust Board

As set out earlier in this report, the Board, functioning as a corporate decision body, regularly considered throughout 2018-19 assurance reports on the financial position of the Trust, performance updates, and details on concerns and claims. Sections later in this report by internal and external audit demonstrates how the Board gains assurance over the quality of its data (financial and performance) from the work undertaken by the two audit functions.

Audit Committee

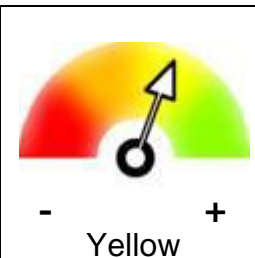
A key duty of the Audit Committee is to provide advice and assistance to the Board on the effectiveness of arrangements in place around strategic governance, assurance framework and processes for risk management and internal control.

Internal Audit

Internal audit provides the Board, through the Audit Committee, with regular assurance on the system of internal control. In 2018-19 the Trust commissioned a programme of audit work which was delivered in accordance with Public Sector Internal Audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance to the Board in reviewing effectiveness and supporting our drive for continuous improvement.

The Head of Internal Audit has concluded:

	The Trust Board can take reasonable assurance that arrangements to secure governance, risk management and internal control, within those areas under review, are suitably designed and applied effectively. Some matters require management attention in control design or compliance with low to moderate impact on residual risk exposure until resolved.
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This conclusion is consistent to the “reasonable assurance” Head of Internal Audit Opinion reported in the Trust’s 2017-18 Annual Governance Statement.

During the 2018-19 financial year Internal Audit produced 27 reports on Trust activities, as summarised in the table below.

IA Assurance Conclusion	No. of Reports
No	0
Limited	7
Reasonable	16
Substantial	2
Not Rated	2
Total	27

The figures in the table above differ from the number of reports presented to Audit Committee in 2018-19 (22). This is due to all of the reports presented to the May 2018 meeting (seven) being concerned with Internal Audit work undertaken in 2017-18 and as such, these were taken into account in the 2017-18 Head of Internal Audit Opinion.

In addition, twelve of the reports included in the total above were completed after the last Audit Committee meeting of the 2018-19 business cycle (March 2019). These will be reported to Audit Committee in its first meeting in the 2019-20 business cycle (May 2019) or as soon as possible thereafter but whose assurance conclusion has been included in the 2018-19 Head of Internal Audit Opinion.

‘No Assurance’ Internal Audit Reports

For the second consecutive year, there has been no ‘No Assurance’ Internal Audit Reports of Trust business.

‘Limited Assurance’ Internal Audit Reports

Set out below are the five reports that had a conclusion of ‘Limited Assurance’ that were reported to Audit Committee during 2018-19.

NB. The Trust develops an annual Internal Audit plan in conjunction with the internal auditors. The plan is risk based which directs the reviews to areas where management suspects there will be weaknesses. Therefore, in many respects, the Trust expects to receive limited assurance reports and these should not detract from the overall progress the Trust continues to make.

Continuous Professional Development Management

Reviewed the recording, tracking and monitoring of allocated time to Continuous Professional Development across the Trust (focusing on Emergency Medical Services staff) and compliance with relevant policies and procedures.

Five recommendations for improvement were identified of which two, concerning compliance and reporting, were categorised as high priority. A management action plan was agreed by Audit Committee in September 2018 who monitored progress on completion at its meetings in December 2018 and March 2019.

At 31 March 2019, none of the recommendations had been completed; however, all were partially complete.

Volunteer Car Drivers Governance Arrangements

Assessed how volunteers are managed within the Non-Emergency Patient Transport Service and identified areas for improvement in both the design and operation of systems and controls associated with the volunteer car drivers’ governance arrangements.

Five recommendations for improvement were identified of which two were categorised as high priority. A management action plan was agreed by Audit Committee in September 2018 who monitored progress on completion at its meetings in December 2018 and March 2019.

At 31 March 2019, one of the recommendations had been completed; with the remaining four being partially complete.

Travel and Subsistence Expenses

Identified areas for improvement with regards to the procedures (and costs incurred) for procuring hotel accommodation; compliance by the Trust with NHS travel and subsistence policies; the requirement for Trust specific guidance notes, and financial savings monitoring.

Four recommendations for improvement were identified of which two were categorised as high priority. A management action plan was agreed by Audit Committee in December 2018 who monitored progress on completion at its meeting in March 2019.

At 31 March 2019, two of the recommendations had been completed with the remaining two not yet due for completion.

Information Systems Security

Identified shortcomings in the controls around security and access to the Trust's information systems, specifically in relation to leavers from the organisation. The review also assessed related salary overpayments and the return of Trust property and assets in respect of leavers from the organisation.

Five recommendations for improvement were identified of which two were categorised as high priority. A management action plan was agreed by Audit Committee in December 2018 who monitored progress on completion at its meeting in March 2019.

At 31 March 2019, two of the recommendations had been completed with the remaining three not yet due for completion.

Health Board Areas/Stations (Follow Up Report)

Identified that whilst progress had been made by the Trust in most areas in implementing the recommendations from a 2017-18 Internal Audit report on this matter, a number of recommendations and actions had not been fully implemented.

Five previous recommendations were found to have been partially implemented of which two were categorised as high priority. An updated management action plan was agreed by Audit Committee in March 2019 and progress will be monitored by the Committee during 2019-20.

Copies of all the Internal Audit reports listed above and progress reports can be obtained in the Audit Committee papers section on the Trust's website www.ambulance.wales.nhs.uk.

The two reports listed below have been agreed with Trust officers with a 'Limited Assurance' conclusion but have yet to be presented to Audit Committee. These are scheduled for scrutiny in May 2019.

- Local Delivery Plans
- Trade Union Release Times

Auditor General for Wales Structured Assessment

The Wales Audit Office 2018 Annual Report and 2018 Structured Assessment were presented and discussed at Audit Committee in December 2018 and Trust Board in January 2019.

The 2018 Structured Assessment concluded that the Trust continues to develop its strategic planning agenda and is committed to operating more efficiently and effectively, but could improve its grip and pace of change in some areas.

Set out below are the key findings and challenges for the Trust from the work undertaken in 2018 by the Wales Audit Office.

Governance

Whilst there have been notable improvements to some aspects of the Trust's governance arrangements, there is scope to further strengthen arrangements in some important areas;

- there are plans to address weaknesses in information to the Board and its committees and the Trust's business cycle
- the Board Assurance Framework continues to develop, and while risk procedures are cohesive, practice is inconsistent
- further work is required to strengthen the Trust's system of assurance, particularly in relation to the use of clinical audit
- there will be a need to manage the impact of the significant turnover at executive officer level and to ensure that there is sufficient capacity in the Trust's corporate functions to support key business processes.

Strategic Planning

The Trust has set a clear strategic vision, continues to develop a long-term strategy and has plans to ensure alignment of and improve underpinning plans;

- the Trust has set a clear strategic vision and continues to develop a long-term strategy
- the Trust developed an approved integrated medium-term plan (IMTP) for 2018-2021 and has plans to improve the clarity and rigour of underpinning plans
- the Trust has a thorough process for monitoring the delivery of its IMTP and continues to improve its project management approach, but the pace of change is affecting the current delivery of its strategic actions

Strategic Assets

There is a strong commitment by the Trust to be more efficient but there is a need for more strategic use of assets and to address long standing issues with sickness absence:

- the Trust has made substantial progress in terms of recruitment to its paramedic workforce and is becoming more strategic in terms of learning and development and workforce planning, however, it has not made planned progress in terms of annual appraisals and reducing levels of sickness absence
- the Trust continues to maintain financial balance and to achieve financial savings targets, but procurement needs to be better owned
- the Trust is committed to managing demand in line with the ambulance care pathway and there are encouraging signs of improvement
- there is scope to strengthen the Trust's strategic approach to asset management.

Structured Assessment Recommendations

The recommendations arising from the 2018 Structured Assessment work are set out below. The management response to the recommendations was considered by Trust Board in January 2019 and can be viewed via this link <http://www.ambulance.wales.nhs.uk/assets/documents/f020a67c-b4a9-48dd-a90e-5bfa9323485f636840968195721777.pdf> Progress by the Trust on these matters will be monitored by Audit Committee throughout 2019-20.

- review the process for Chair's actions and seek opportunities to reduce these where possible. Where Chair's actions are necessary, the Trust should ensure there is sufficient description of Chair's actions within Board papers
- take steps to strengthen the governance arrangements for Information governance and ICT by:
 - a) Increasing regular attendance by core members of the Information Governance Committee; and
 - b) Clarifying and articulating links between information governance and ICT to strengthen the oversight and scrutiny of the Trust's digital business.
- to improve risk practice and provide assurance to the Board and its Committees from the Corporate Risk Register (CRR) and Board Assurance Framework (BAF), the Trust should:
 - a) Provide sufficient detail on the CRR and BAF to describe why risks have been escalated/de-escalated; and
 - b) Ensure risks on the BAF are live and anticipate future risks as well as reflecting on the success of mitigating actions.
- consider ways which it can provide assurance that it is aware of and complying with new legislation and communicate this to the Board either through the Board Assurance Framework or as an item within the annual work programme of the Board and/or its committees
- explore the impact of ongoing vacancy management on the Trust's corporate capacity. We commented on pressures on the Trust's corporate capacity during our 2016 and 2017 Structured Assessment. It is likely that this pressure will worsen because of its annual savings scheme related to non-operational vacancies. The Trust should evaluate the impact of this saving scheme on its corporate capacity
- ensure greater ownership over all procurement activities. While the Trust has some local procurement processes and oversight of some procurement activity e.g. vehicle procurement, the Trust should improve its oversight and ownership of the procurement activity undertaken on its behalf by Trust by NWSSP, including:
 - a) reviewing the Service Level Agreement between the Trust and NWSSP in relation to procurement to ensure it clearly sets out the Trust's expectations; and
 - b) provide greater scrutiny of quarterly performance reports
- the Trust should explore the potential benefits of developing an overarching asset management strategy, including whether an overarching strategy helpfully brings together the individual strands of its current asset management arrangements to ensure value for money and provide clarity to board members.

Accountable Officer Statement

As Accountable Officer for the Welsh Ambulance Services NHS Trust, I confirm that the statements made in this report are correct for the period 1 April 2018 through to 31 March 2019 and that there have been no significant internal control or governance issues and I confirm that there were sound systems of internal control in place to support the delivery of the Trust's policy aims and objectives.

Signed by Chief Executive:

Jason Killens

Date: 30 May 2019

Board and Committee Membership and Attendance

Board and Committee Membership

The Board has been constituted to comply with the National Health Service (Wales) Act 2006 and the National Health Service Trusts (Membership and Procedure) Regulations 1990 (SI 1990 No. 2024). In addition to responsibilities and accountabilities set out in terms and conditions of appointment, Board members also fulfil a number of Champion roles where they act as ambassadors for these matters.

The table below sets out the number of meetings that each Board member has attended (in a formal capacity) during 2018-19. The table excludes the three Directors and the Board Secretary who form part of the Trust's senior management structure (see page 17) but who do not have voting rights at Board meetings.

Name	Position	Board and Committees Attended
Martin Woodford	Non-Executive Director	Trust Board Chair, Remuneration Committee Chair Trust Board (9), Remuneration (6)
Helen Birtwhistle	Non-Executive Director (1/4/18 to 31/10/18)	Trust Board (3), Finance and Resources (1), QuEST (1), Remuneration (2)
Emrys Davies	Non-Executive Director	Quality, Patient Experience and Safety Committee (QuEST) Chair Trust Board (8), Audit (4), Charitable Funds (2), QuEST (4), Remuneration (4)
Kevin Davies	Non-Executive Director	Charitable Funds Committee Chair Trust Board (6), Charitable Funds (2), Finance and Resources (4), QuEST (3), Remuneration (2)
Pamela Hall	Non-Executive Director	Audit Committee Chair Trust Board (7), Audit (3), Finance and Resources (5), Remuneration (5)
Paul Hollard	Non-Executive Director	Trust Board (8), Audit (4), Charitable Funds (2), Finance and Resources (2), QuEST (4), Remuneration (3)
James Mycroft	Non-Executive Director	Finance and Resources Committee Chair Trust Board (9), Finance and Resources (4), QuEST (4), Remuneration (3)
Martin Turner	Non-Executive Director (From 23/7/18)	Trust Board (5), Audit (2), Charitable Funds (1), Finance and Resources (2), Remuneration (2)
Jason Killens	Chief Executive (From 24/9/18)	Trust Board (6), Remuneration (3)
Patricia Roseblade	Chief Executive (Interim) (1/4/18 to 23/9/18)	Trust Board (3), Remuneration (2)
Claire Bevan	Executive Director (Quality and Nursing)	Trust Board (4), QuEST (3)
Chris Turley	Executive Director Finance and ICT (Interim)	Trust Board (9), Audit (4), Charitable Funds (1), Finance and Resources (5)

Name	Position	Board and Committees Attended
Brendan Lloyd	Executive Director Medical and Deputy Chief Executive (Interim)	Trust Board (7), Audit (1), QuEST (1), Remuneration (1)
Claire Vaughan	Executive Director (Workforce and OD)	Trust Board (8), Charitable Funds (1), Finance and Resources (4), Remuneration (6)

Directorate and Locality Champions

In December 2017, Trust Board received a paper that set out the directorate and geographic area that each Non Executive Director has lead responsibility for. This role includes the board champion duties that fall within each respective directorate, e.g. violence and aggression is championed by the designated Non Executive Director lead for Workforce and OD directorate. In addition to the directorate champion roles set out in the table below, some Non Executive Directors have specific lead roles, e.g. Paul Hollard is the Older Person, Young People's and Midwifery champion and supports the Safeguarding agenda. Emrys Davies is the Welsh Language champion.

Non Executive Director	Directorate	Geographic Area
Helen Birtwhistle/Vacancy	Partnerships and Engagement	Powys
Emrys Davies	Quality, Safety and Patient Experience	ABMU
Kevin Davies	Operations	Hywel Dda
Pamela Hall	Planning and Performance	Betsi Cadwaladr
James Mycroft	Workforce and OD	Cardiff and Vale
Martin Woodford	Finance and ICT	Aneurin Bevan
Paul Hollard	Medical Directorate	Cwm Taf

Governance Framework

The Trust has agreed Standing Orders for the regulation of proceedings and business. These are designed to translate the statutory requirements set out in the NHS (Wales) Act 2006 and the National Health Service Trusts (Membership and Procedure) Regulations 1990 (SI 1990 No. 2024), into day to day operating practice and together with the adoption of a scheme of matters reserved to the Board; a scheme of delegations to officers and others; and Standing Financial Instructions, they provide the regulatory framework for the business conduct of the Trust and define its 'ways of working'. These documents together with the range of corporate policies set by the Board make up the Trust's Governance Framework.

The Trust's governance structure accords with the governance e-manual and the Welsh Government's citizen-centres governance principles and Standards for Health Services in Wales, together with its planning and performance management frameworks. These arrangements comply with the principles included in HM Treasury's "Corporate Governance in Central Government Departments: Code of Good Practice 2011".

Board and Committee Timetable

The Board has a cycle of business that supports the Governance Framework. This cycle of business ensures appropriate sequencing of meetings to schedule business satisfactorily throughout the year. The calendar runs from April to March each year to link with the financial timetable. The Trust has an established forward plan of business which is reviewed by the Management Team and Board/Committee Chairs on a regular basis and at pre-agenda meetings. In addition, annual plans of business are part of the standard agenda for review at Board/Committees.

The following table provides the dates of Board and Committee meetings for 2018-19. All meetings were quorate.

The Trust's Annual General Meeting was held on 19 July 2018.

CALENDAR OF MEETINGS 2018-19									
Trust Board	31/5/18	7/6/18	19/7/18	27/9/18	13/11/18	13/12/18	29/1/19	6/3/19	22/3/19
Audit	24/5/18	13/9/18	6/12/18	7/3/18					
Charitable Funds	13/9/18	7/3/19							
QuEst	22/5/18	4/9/18	27/11/18	26/2/19					
Finance and Resources	10/5/18	5/7/18	20/9/18	25/10/18	10/1/19				
Remuneration	19/4/18	5/6/18	20/9/18	6/11/18	4/12/18	28/3/19			
Board Development	12/14/18	1/5/18	29/6/18	31/7/18	9/10/18	13/11/18	15/1/19	19/2/19	

BOARD AND COMMITTEE ITEMS OF BUSINESS 2018/9
(Excluding Procedural Matters, Minutes of Committees)

TABLE 1 - TRUST BOARD

Open Items - Report Title	31/5/18	7/6/18	19/7/18	27/9/18	13/11/18	13/12/18	29/1/19	6/3/19	28/3/19
Annual Accounts and Accountability Report 2017/18	✓								
WAO – Audit of Financial Statements Report 2017/18	✓								
Chief Executive Appointment		✓							
WAST Strategic Planning 2019/20			✓						
Update Mental Health Improvement Plan 2017/19			✓						
Risk Management Strategy and Framework 2018/21			✓						
Cardiff Make Ready Depot Business Case			✓						
Advance Practice Model Business Case			✓						
Finance Performance Report			✓	✓		✓	✓		✓
Integrated Medium Term Plan – Outturn 2017/18			✓						
Integrated Quality and Performance Report			✓	✓		✓	✓		✓
Engagement and Communication Framework Delivery Plan			✓	✓					
Board Assurance Framework			✓	✓		✓			✓
General Data Protection Regulation			✓						
WAST Annual Report			✓						
Annual Quality Statement			✓						
Development of a Long Term Strategic Framework - Update				✓		✓			✓
Strategic Outline Case for Electronic Patient Clinical Records				✓					
Falls Framework				✓					
WAST Winter Plan 2018/19				✓					
PTR Regulation Compliance - WAST Assurance Framework				✓					
Integrated Medium Term Plan – Delivery Report				✓		✓			✓
Information Governance Annual Report				✓					
EASC Amber Review					✓				
IMTP 2019/22						✓	✓		
Revised Governance and Accountability Framework						✓			

Open Items - Report Title	31/5/18	7/6/18	19/7/18	27/9/18	13/11/18	13/12/18	29/1/19	6/3/19	28/3/19
Charitable Funds Accounts						✓			
Leadership and Management Strategy						✓			
Vehicle Procurement SOP and Supporting 2019/20 BJC						✓			
EASC Minutes						✓			
Project and Programme Management Framework						✓			
NHS Wales Collaborative Leadership Forum						✓			
Transfer of Non-WAST NEPTS Work To WAST – Hywel Dda									
Treating People Fairly- 6 Monthly Update							✓		
Welsh Language Statutory Standards: Compliance Notice – Section 44 Welsh Language (Wales) Measure 2011							✓		
Wales Audit Office Reports: Structured Assessment Annual Report Management Response							✓		
Capital Slippage								✓	
Board Committees Revised Terms of Reference and Operating Arrangements									✓
Identifying and Managing Frequent Callers									✓
Initial 2019/20 Revenue Budget									✓
Trust Policies									✓

Closed Items - Report Title	31/5/18	7/6/18	19/7/18	27/9/18	13/11/18	13/12/18	29/1/19	6/3/19	28/3/19
Quality, Safety And Patient Experience Integrated Highlight Report			✓	✓		✓			✓
WAST Winter Assurance Panel			✓						
Winter 2018/18 Focus on Patient Safety			✓						
Long Term Strategy for Ambulance Services in Wales			✓						
Learning from Prior Concerns			✓						
WAST Significant Claims				✓		✓	✓		
111 Implementation – Progress Updates				✓		✓			✓
Serious Adverse Incidents Aggregated Review						✓			
NHS Strategic Service Changes						✓			
Executive Management Team: Review of Portfolios						✓			
Strategic Service Change – An assessment from a WAST perspective/Update							✓		✓
Brexit Preparedness							✓		✓

Closed Items - Report Title	31/5/18	7/6/18	19/7/18	27/9/18	13/11/18	13/12/18	29/1/19	6/3/19	28/3/19
Interim Director of Finance									✓
Update on Director of Operations Appointment									✓
Counter Fraud Update									✓

TABLE 2 - REMUNERATION COMMITTEE

Open Items - Report Title						
This Committee is held in Private Session						

Closed Items - Report Title	19/4/18	5/6/18	20/9/18	6/11/18	4/12/18	28/3/19
Remuneration of Interim Vice Chair of the Trust Board	✓					
VER Application	✓					
Draft 2017/8 Remuneration Report	✓					
Executive Director PDRs	✓					
Chief Executive Remuneration		✓				
Directors PADRS 17/18			✓			
Directors PADRS 18/19			✓			
Chief Executive Designate Remuneration - Request for payment of Removal Expenses			✓			
Director of Planning and Performance Interim arrangements			✓			
Executive Management Arrangements - Transition to a new Chief Executive			✓			
Director of Operations – Interim Arrangements				✓		
Review of Executive Management Team Portfolios					✓	
Interim Director of Planning and Performance Remuneration					✓	
Director of Operations – Recruitment Timeline					✓	
Remuneration Committee Terms of Reference						✓
Director of Operations Appointment						✓
Interim Director of Finance and ICT – Appointment Extension						✓
VERS Application						✓
Senior Managers Remuneration Schedule						✓

TABLE 3 - AUDIT COMMITTEE

Open Items - Report Title	24/5/18	13/9/18	6/12/18	7/3/19
Draft Annual Accounts and Accountability Report 2017/8	✓			
WAO – Audit of Financial Statements Report 2017/18	✓			
Head of Internal Audit Opinion and Report 2017/18	✓			
Internal Audit – Health and Safety (Ltd Assurance)	✓			
Internal Audit – Rest Breaks (Ltd)	✓			
Internal Audit – Handover to Emergency Depts. (Ltd)	✓			
Internal Audit – NEPTS Report (Reasonable Assurance)	✓			
Internal Audit – Health and Care Standards (Substantial Assurance)	✓			
Internal Audit – Staff Engagement (Reasonable)	✓			
Internal Audit – Welsh Risk Pool (Substantial)	✓			
Internal Audit – Fleetwave System (Substantial)		✓		
Internal Audit – Annual Quality Statement (Assurance Not Applicable)		✓		
Internal Audit – Continuous Professional Development Management (Ltd)		✓		
Internal Audit – Volunteer Car Drivers Governance Arrangements (Ltd)		✓		
Internal Audit – Environmental Sustainability (Assurance Not Applicable)		✓		
Internal Audit Plan 2018/19	✓			
Audit Recommendation Trackers	✓	✓	✓	✓
Losses and Special Payments	✓	✓	✓	✓
Corporate Risk Register	✓	✓	✓	✓
Freedom of Information Monitoring Report	✓			
Governance in Recruitment	✓			
WAO Report ‘Informatics Systems in NHS Wales’	✓			
No Purchase Order, No Payment	✓			
Counter Fraud Policy	✓			
WAO Report - Embedding the sustainable development principle into ways of working		✓		

Open Items - Report Title	24/5/18	13/9/18	6/12/18	7/3/19
Trust Procedures for Internal and External Audit Recommendations		✓		
Gifts and Hospitality Policy		✓		
Research and Innovation Non-Executives Directors Report		✓		
Internal Audit – Travel and Subsistence Expenses (Ltd)			✓	
Internal Audit – General Data Protection Regulations (Substantial)			✓	
Internal Audit – Information Systems Security (Ltd)			✓	
Internal Audit – Clinical Contact Centre Hear and Treat (Reasonable)			✓	
WAO Update			✓	✓
WAO Structured Assessment 2018			✓	
WAO Annual Audit Report			✓	
Handover Delays Update Report			✓	✓
Board Assurance Framework			✓	✓
Charitable Funds Annual Report and Accounts			✓	
Committee Terms of Reference				✓
Internal Audit – Progress Report 2018/19				✓
Internal Audit – Policies Management (Reasonable)				✓
Internal Audit – 111 Service Provision (Reasonable)				✓
Internal Audit – Mortality Reviews (Reasonable)				✓
Internal Audit – Escalation Procedures (Reasonable)				✓
Internal Audit – Business Continuity (Reasonable)				✓
Internal Audit – HB Areas/ Stations Follow Up (Ltd)				✓
Internal Audit Draft Audit Plan 2019/20				✓
WAO Draft Audit Plan 2019				✓
Preparations for a No Deal Brexit				✓
Weir Report				✓
Finance Update				✓

Closed Items - Report Title	24/5/18	13/9/18	6/12/18	7/3/19
Tender Update Report and Single Tender Waiver Requests	✓	✓	✓	✓

Closed Items - Report Title	24/5/18	13/9/18	6/12/18	7/3/19
Counter Fraud Update Report	✓	✓	✓	✓

TABLE 4 – CHARITABLE FUNDS COMMITTEE

Open Items - Report Title	13/9/18	7/3/19
2017/18 Charitable Funds Summary of Income and Expenditure Account for the period April 2017 - March 2018	✓	
Charitable Funds Annual Report and Accounts 2017/18	✓	
Bursary Scheme Update	✓	✓
Feedback from the Advisory Group/Expenditure Planning Group	✓	
Charitable Funds Investment Policy	✓	
Charitable Funds summary of income and expenditure for the twelve months from 1 April 2018 to 31 Jan 2018		✓
Accessing Charitable Funds Guidance		✓
Committee Terms of Reference		✓
Closed Items - Report Title		
No Items		

TABLE 5 – FINANCE AND RESOURCES COMMITTEE

Open Items - Report Title	10/5/18	5/7/18	20/9/18	25/10/18	10/1/19
Monthly Integrated Quality and Performance Report	✓	✓	✓	✓	✓
Finance Performance Report	✓	✓	✓	✓	✓
Savings Delivery Update	✓			✓	✓
Capital Programme Update	✓		✓		✓
Workforce Performance Report	✓	✓		✓	✓
111 Update	✓			✓	
Emergency Mobile Communications Programme and Radio Programme	✓				
Cardiff Make Ready Depot	✓	✓			
NEPTS Transfer of Work	✓				
Post Production Lost Hours	✓	✓			✓
Flexible Working Policy	✓				
NHS Research and Development Policy	✓				
Vehicle Telematics Policy	✓				
Shared Parental Leave Policy	✓				
Paternity Policy	✓				
Maternity and Adoption Leave Policy	✓				
Risks Relevant to FRC	✓	✓			
Qlik Sense		✓			
NEPTS Commissioning Framework		✓			
Computer Aided Dispatch		✓			✓
Cefn Coed Business Case		✓			
Transforming Training and Development		✓			✓
Transformational Operational Update		✓			
Asset Management System Implementation		✓			✓
Vehicle Disposal Policy		✓			
Adverse Weather Conditions Policy		✓			
Estates Programme Board		✓			
Strategic Outline Case for Electronic Patient Clinical Records			✓		
NHS Wales Capability Policy And Procedure			✓		
Update on Draft Budget 2019/20				✓	

Open Items - Report Title	10/5/18	5/7/18	20/9/18	25/10/18	10/1/19
Attendance and Sickness Absence Improvement Plan				✓	
NEPTS Quality and Assurance Delivery Framework				✓	
Training School Update				✓	
Fleet Strategic Outline Programme Refresh				✓	
Electronic Asset Management for Clinical Equipment				✓	
Business Cases – Governance Arrangements				✓	
Update on DigiPen Outage				✓	
Information Governance Policy				✓	
Access Control Policy				✓	
Records Management Policy				✓	
Recruitment and Selection Policy				✓	
Redeployment Policy				✓	
NHS Wales Managing Attendance at Work Policy				✓	
Revised Governance and Accountability Framework					✓
Integrated Medium Term Plan 2019/20 - Update					✓
ICT Steering Group Update					✓
EPCR Update					✓
Organisational Change Policy					✓
MPDS Quality Assurance Policy					✓
Professional Regulation Policy					✓
Relocation Policy					✓
All Wales Menopause Policy					✓

Closed Items - Report Title	10/5/18	5/7/18	20/9/18	25/10/18	10/1/19
Workforce Planning – Bridging The Relief Capacity Gap	✓				
Cefn Coed/Conwy House Relocation Project	✓				
Employment Tribunal Claim Bank Paramedic A				✓	

TABLE 6 – QUALITY, PATIENT EXPERIENCE AND SAFETY COMMITTEE

Open Items - Report Title	22/5/18	4/9/18	27/11/18	26/2/19
Patient Story	✓	✓	✓	✓
Patient Experience and Community Involvement Highlight Report	✓	✓	✓	
Quarterly Quality Assurance Report	✓	✓	✓	✓
Monthly Integrated Performance Report	✓	✓	✓	✓
Risk Management Strategy and Framework	✓			
Annual Welsh Language Scheme Monitoring Report	✓			
Welsh Language Annual Report	✓			
Annual Quality Statement	✓	✓		
Health and Safety Improvement Plan - Final	✓			
Deep Dive on Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR)	✓			
Nursing Career Framework Presentation	✓			
Mortality Reviews	✓			
Operations Update (Including NEPTS)	✓	✓	✓	✓
Infection Prevention and Control Policy	✓			
Medical Devices Policy	✓			
Internal Audit - Risk Management Strategy & Framework	✓			
Nursing Staffing Levels (Wales) Act	✓			
Institute for Healthcare Improvement Presentation		✓		
Paramedic Career Development		✓		
Deep Dive on Display Screen Equipment		✓		
Independent Investigation Into The Care And Treatment Provided On Tawel Fan Ward, BCU Health Board		✓		
Falls Framework		✓		
Winter Assurance Update (Including Action Plan)		✓		
Welsh Language Commissioner Standards – Update on Consultation Process		✓		
Nursing and Midwifery Council Revalidation and Registration Policy Review		✓		
Driving at Work Policy		✓		

Open Items - Report Title	22/5/18	4/9/18	27/11/18	26/2/19
Management of Frequent Callers Policy		✓		
Internal Audit - Health and Safety		✓		
Internal Audit - Health and Care Standards		✓		
Internal Audit - Claims		✓		
2017/18 Mental Health Update		✓		
Emergency Medical Retrieval and Transfer Service		✓		
Wales Air Ambulance Charity – Annual Review 2017/18		✓		
Information Governance Annual Report		✓		
Safeguarding Annual Report		✓		
Healthcare Inspectorate Wales Annual Report 2017/18		✓		
Quality Steering Group Notes		✓	✓	
Response to Regulation 28 Report			✓	
Clinical Supervision Guidelines			✓	
Accessible Communication & Information For People With Sensory Loss			✓	
WAST Notification Procedure			✓	
Putting Things Right Scrutiny Panel Action Log			✓	
Safeguarding Referral Process			✓	
The Annual Quality Statement for NHS Wales			✓	
Annual Quality Statement – Internal Audit Report			✓	
WHC/2018/042 Validated core service user questions and updated Framework for Assuring Service User Experience			✓	
Terms of Reference and Minutes for Putting Things Right Scrutiny Panel			✓	
Welsh Ambulance Services NHS Trust Mental Health Improvement Plan & Dementia Plan			✓	
Quality Governance in Health Care (Wales) Bill update			✓	
Committee Terms of Reference				✓
Quality Data Intelligence Annual Programme				✓
Clinical Audit Programme Update				✓
Response to Regulation 28 Report				✓
Learning from Ombudsman Investigations				✓
Emergency Medical Retrieval and Transfer Service				✓

Open Items - Report Title	22/5/18	4/9/18	27/11/18	26/2/19
Serious Adverse Incidents Aggregated Review Report				✓
Response to "Everybody's Business - A report on suicide prevention in Wales"				✓
Feedback on Duty of Candour following Regulatory Developments and the Welsh Context Seminar				✓
Management of Compensation Claims Policy				✓
Quarter 3 Mental Health Update for WG				✓
Quarter 3 Dementia Update for WG				✓
WHC Annual Quality Statement				✓
Project A - December 2018 Update				✓
Shoctober Evaluation				✓

Closed Items - Report Title	22/5/18	4/9/18	22/11/18	26/2/19
Current Themes and Trends	✓			
Response to Support Regulation 28 Reports to Prevent Future Deaths		✓		
Serious Adverse Incident Aggregated Review			✓	
Winter Pressures Analysis 2017/18			✓	

TABLE 7 – BOARD DEVELOPMENT

Items	12/4/18	1/5/18	29/6/18	31/7/18	9/10/18	13/11/18	15/1/19	19/2/19
Topical Issues	✓	✓	✓	✓	✓	✓	✓	
Strategic Direction (including 111 and Parliamentary Review)	✓							
Training School, Strategic Direction	✓							
Independent Advisory Group on Diversity	✓							
Clinical Directorate Update		✓						
2018/19 Board Assurance Framework Arrangements		✓						
Long Term Strategic Framework			✓			✓		
Amber Review				✓	✓			
Committee Structures Working Group Update				✓	✓			
PECI Team Presentation				✓				
Handling of Legal Claims				✓				
WAST Improvement Innovation Network				✓		✓		
Staff Survey					✓			
Engagement					✓			✓
Mental Health (World Mental Health Day 10/10/18)					✓			
Workforce/Leadership and Management Strategies						✓		
Environment and Sustainability Update						✓		
Health and Social Care Leadership Group						✓		
IMTP (Including Long Term Strategy)							✓	
Presentation on Sickness Planning							✓	
Organisational Security and Current Threats							✓	
Regional Partnership Boards							✓	
Tour of Barry Ambulance Station								✓
Safeguarding								✓
Community First Responders/Volunteers								✓

NB Table 7 - the items above are the scheduled matters but on the day additional items may have been added



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Gwasanaethau Ambiwylans Cymru
Welsh Ambulance Services
NHS Trust

REMUNERATION AND STAFF REPORT

2018-19

Introduction

The Remuneration and Staff Report contains information about senior manager's remuneration. It will detail salaries and other payments, the Trust's policy on senior managers remuneration and whether there were any exit payments or other significant awards to current or former senior managers.

The definition of senior managers is: *'those persons in senior positions having authority or responsibility for directing or controlling the major activities of the NHS body. This means those who influence the decisions of the entity as a whole rather than the decisions of individual directorates or departments.'*

For the Trust, the senior managers are considered to be the Boards members, i.e. the Executive and Non-Executive Directors including the Chair and Chief Executive; three further (non-voting) Directors and the Board Secretary.

In addition to presenting data on senior manager's remuneration, the Remuneration and Staff Report sets out the membership of the Trust's Remuneration Committee, and staff information with regards to numbers, composition and sickness absence, together with expenditure on consultancy and off payroll expenditure.

Membership of the Remuneration and Terms of Services Committee

Details of the members of the Remuneration and Terms of Services Committee are shown in the Annual Governance Statement.

Statement of Policy on the Remuneration of Senior Managers

All senior manager pay and terms and conditions of service have been, and will be, determined by the Remuneration Committee within the framework set by the Welsh Government. Performance of senior managers is assessed against personal objectives and the overall performance of the Trust. The process sets objectives for the year and assesses individual performance against the objectives. The Trust does not make performance or other related bonus payments. In keeping with the Welsh Government directive on pay for senior managers in NHS Wales, a 2% consolidated pay uplift was applied from 1 April 2018 to all pay scales for individuals holding executive and senior posts.

Policy on Duration of Contracts and Notice Periods

The Trust utilises permanent and fixed term contracts of employment as well as secondment opportunities.

The Chair and other Non-Executive Directors can be appointed up to 4 year terms, which may be extended to a maximum of 8 years in total. Senior managers are appointed to permanent contracts in line with Welsh Government guidance and are required to give 3 months' notice of termination of employment.

For other staff on the Trust, the contractual notice employees are required to give to Welsh Ambulance Services NHS Trust and which employees are entitled to receive, is as follows:

Bands 1-6 - 4 weeks

Bands 7 - 8 weeks

Bands 8 & 9 - 12 weeks

The notice provisions for Pay Bands 1-7 outlined above are the normal notice periods of notice. However, these provisions do not override the statutory notice requirements Welsh Ambulance Services NHS Trust is required to provide employees. According to length of service employees may be entitled to a greater period of notice and receive 1 weeks' notice for each completed year of service up to and including a maximum of 12 weeks' notice after 12 years of continuous employment.

This refers to the notice periods employees must give; however, this does not preclude individuals requesting an earlier release from their post. This does not affect the right of either party to terminate the contract without notice by reason of the conduct of the other party. The Trust may, depending on circumstances, pay salary in lieu of notice.

Details of the Senior Manager Service Contracts and awards

Details of the service contracts, compensation for early termination and any continuing liability are shown in the tables below. There were no compensation payments or awards for senior managers during 2018-19.

Remuneration Relationship

Details of the Trust's remuneration relationship are set out in Note 10.6 of the 2018-19 Annual Accounts.

1, Senior Managers in Post 2018-19

Name	Position Title	Assignment Category	Start Date in Position	Fixed Term End Date
Martin Woodford	Chairman (Interim)	Fixed Term	7 April 2014	31 March 2022
Helen Birtwhistle	Non-Executive Director	Fixed Term	1 April 2017	31 March 2021
Emrys Davies	Non-Executive Director	Fixed Term	1 April 2014	31 March 2021
Kevin Davies	Non-Executive Director	Fixed Term	5 January 2015	31 December 2022
Pamela Hall	Non-Executive Director	Fixed Term	1 April 2014	31 March 2022
Paul Hollard	Non-Executive Director	Fixed Term	1 April 2016	31 March 2020
James Mycroft	Non-Executive Director	Fixed Term	1 April 2014	31 March 2020
Martin Turner	Non-Executive Director	Fixed Term	23 July 2018	Until a substantive appointment is made.
Jason Killens	Chief Executive (CEO)	Permanent	24 September 2018	Not Applicable
Claire Bevan	Executive Director	Permanent	Prior to 1 April 2018	Not Applicable
Brendan Lloyd	Executive Director/ Interim Deputy CEO	Permanent	Prior to 1 April 2018	Not Applicable
Patricia Roseblade **	CEO	Interim	Prior to 1 April 2018	Not Applicable
Christopher Turley	Executive Director	Interim	Prior to 1 April 2018	Not Applicable
Claire Vaughan	Executive Director	Permanent	Prior to 1 April 2018	Not Applicable
Keith Cox	Board Secretary	Permanent	Prior to 1 April 2018	Not Applicable
Hannah Evans	Director	Permanent	Prior to 1 April 2018	Not Applicable
Richard Lee	Director	Permanent	Prior to 1 April 2018	Not Applicable
Estelle Hitchon	Director	Permanent	Prior to 1 April 2018	Not Applicable
Louise Platt	Director	Interim	1 November 2018	Not Applicable
Rachel Marsh	Director	Interim	3 December 2018	Fixed Term to 2 December 2019

Notes: ** Patricia Roseblade returned to the post of Deputy Chief Executive/Director of Finance & ICT (Supernumerary) on 23 September 2018 until 15th October 2018 when she began an external secondment to Powys Teaching Health Board.

2. Senior Managers who left the Trust during 2018-19

Name	Position Title	Assignment Category	Start Date in Position	Leaving Date
Helen Birtwhistle	Non-Executive Director	Fixed Term	1 April 2017	31 October 2018
Richard Lee	Director	Permanent	Prior to 1 April 2018	7 November 2018 **
James Mycroft	Non-Executive Director	Fixed Term	1 April 2014	31 March 2019

Notes: ** Richard Lee left the Trust on 7 November 2018 however was paid until 3 December 2018 due to accrued annual leave.

3. Senior Managers seconded from the Trust during 2018-19

Name	Position Title	Assignment Category	Start Date in Position	Leaving Date
Hannah Evans	Director	Permanent	Prior to 1 April 2018	6 August 2018
Patricia Roseblade	Deputy Chief Executive/ Director of Finance & ICT (Supernumerary)	Permanent	Prior to 1 April 2018	15 October 2018

Notes: Patricia Roseblade went on secondment to Powys Teaching Health Board. Hannah Evans went on secondment to ABMU Local Health Board.

4. Hutton Report Information

	2018-2019	2017-2018
Band of Highest paid Director's Total Remuneration £000	155-160**	147.5
Median Total Remuneration £000	30	30
Ratio	5.32	4.99

Notes: ** Based on guidance the presentation of the 2018-19 highest paid director is now shown as a banded amount and not the mid-point of the band

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

The banded remuneration of the highest-paid director in post at 31st March 2019 in the Welsh Ambulance Services NHS Trust in the financial year 2018-19 was £155k to £160k (2017-18, £147,500). This was 5.32 times (2017-18, 4.99 times) the median remuneration of the workforce, which was £29,608 (2017-18, £29,536).

In 2018-19, 0 (2017-18, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17,460 to £157,500 (2017-18 £16,523 to £147,500).

The reason for both the increase in remuneration together with the upward rise in ratio compared to 2017-18 are the result of a change in remuneration of the Chief Executive.

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

Overtime payments are included for the calculation of both elements of the relationship.

Salary and Pension Entitlements of Senior Managers

Remuneration Report

Name and Title	2018-19				2017-18			
	Salary	Benefits in Kind	Pension benefits	Total	Salary	Benefits in Kind	Pension benefits	Total
	(bands of £5000)	Rounded to the nearest £100	£'000 (to nearest £1000)	(bands of £5000)	(bands of £5000)	Rounded to the nearest £100	£'000 (to nearest £1000)	(bands of £5000)
Martin Woodford (Interim Chairman) (Note 1)	40-45			40-45	15-20			15-20
Michael Giannasi (Chairman) (Note 2)					50-55			50-55
Kevin Davies (Non Executive Director)	5-10			5-10	5-10			5-10
Pamela J Hall (Non Executive Director)	5-10			5-10	5-10			5-10
James Mycroft (Non Executive Director) (Note 3)	5-10			5-10	5-10			5-10
Emrys Davies (Non Executive Director)	5-10			5-10	5-10			5-10
Paul Hollard (Non Executive Director)	5-10			5-10	5-10			5-10
Helen Birtwhistle (Non Executive Director) (Note 4)	5-10			5-10	5-10			5-10
Martin Turner (Non Executive Director) (Note 5)	5-10			5-10				
Jason Killens (Chief Executive) (Note 6)	80-85	1,600	61	140-145				
Tracy Myhill (Chief Executive) (Note 7)					130-135	2,600	105	235-240
Patricia Roseblade (Former Interim Chief Executive) (Note 8)	70-75	4,100	27	100-105	110-115	6,200	48	165-170
Christopher Turley (Interim Executive Director of Finance & ICT)	95-100	4,600	95	195-200	15-20	600	5	20-25
Dr Brendan Lloyd (Medical Director / Interim Deputy Chief Executive)	145-150	3,300		150-155	135-140	2,500		140-145
Claire Vaughan (Executive Director of Workforce & OD)	90-95	-	20	110-115	90-95	-	22	110-115
Claire Bevan (Executive Director of Quality & Nursing) (Note 9)	100-105	3,500		105-110	110-115	2,800	197	310-315
Estelle Hitchon (Director of Partnership & Engagement) (Note 10)	85-90	-	25	115-120	85-90	-	21	105-110
Hannah Evans (Director of Planning & Performance) (Note 11)	30-35	-	16	45-50	90-95	-	36	125-130
Rachel Marsh (Interim Director of Planning & Performance) (Note 12)	30-35	-	2	30-35				
Richard Lee (Director of Operations) (Note 13)	65-70	-	10	75-80	100-105	-	27	125-130
Louise Platt (Interim Director of Operations) (Note 14)	35-40	-	24	60-65				
Keith Cox (Board Secretary)	85-90	-		85-90	80-85	-		80-85

Remuneration Report (Notes)

Note 1 - Martin Woodford was appointed Interim Chairman on 1st April 2018

Note 2 - Michael Giannasi left the Trust on 31st March 2018

Note 3 - James Mycroft left the Trust 31st March 2019

Note 4 - Helen Birtwistle left the Trust on 31st October 2018

Note 5 - Martin Turner joined the Trust on 23rd July 2018

Note 6 - Jason Killens joined the Trust as Chief Executive on 24th September 2018

Note 7 - Tracy Myhill left the Trust on 31st January 2018

Note 8 - Patricia Roseblade was Interim Chief Executive until 23rd September. Patsy then returned to Deputy Chief Executive/Director of Finance & ICT (Supernumerary) until 15th October when she began an external secondment to Powys Teaching Health Board

Note 9 - Claire Bevan prior year salary included a back pay element hence the higher amount in 2017-18 and blank element in pension benefits for 2018-19. Pension benefits for 2017-18 has been amended from £198k to £197k to take account of a correction

Note 10 - Estelle Hitchon held additional responsibilities for Planning and Performance for the period 6th August 2018 to 2nd December 2018

Note 11 - Hannah Evans left the Trust on external secondment to Abertawe Bro Morgannwg University Health Board on 6th August 2018

Note 12 - Rachel Marsh joined the Trust as Interim Director of Planning & Performance on 3rd December 2018

Note 13 - Richard Lee left the Trust on 7th November 2018 however was paid until 3rd December 2018 due to accrued annual leave

Note 14 - Louise Platt was appointed Interim Director of Operations on 1st November 2018

Pension Benefits

Name and title	Real increase in pension at age 60 (bands of £2,500)	Real increase in Lumpsum at aged 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2019 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2019 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2019	Cash Equivalent Transfer Value at 31 March 2018	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jason Killens (Chief Executive)	2.5-5	7.5-10	30-35	95-100	585	408	73	12
Patricia Roseblade (Former Interim Chief Executive)	0-2.5	2.5-5	25-30	85-90	643	506	56	11
Christopher Turley (Interim Executive Director of Finance & ICT)	2.5-5	7.5-10	35-40	90-95	683	513	142	14
Dr Brendan Lloyd (Medical Director / Interim Deputy Chief Executive) *	0	0	0	0	-	-	-	-
Claire Vaughan (Executive Director of Workforce & OD)	0-2.5	-2.5-0	20-25	45-50	354	283	50	13
Estelle Hitchon (Director of Partnership & Engagement)	0-2.5	0-2.5	25-30	60-65	488	397	67	13
Claire Bevan (Executive Director of Quality & Nursing)	-5--2.5	-10--7.5	40-45	125-130	956	904	10	15
Hannah Evans (Director of Planning & Performance)	0-2.5	0-2.5	20-25	45-50	337	251	23	5
Rachel Marsh (Interim Director of Planning & Performance)	0-2.5	-2.5-0	35-40	50-55	551	462	20	4
Richard Lee (Director of Operations)	0-2.5	0-2.5	40-45	100-105	718	598	60	10
Louise Platt (Interim Director of Operations)	0-2.5	0-2.5	25-30	60-65	441	332	36	6
Keith Cox (Board Secretary) **	0	0	0	0	-	-	-	-

Notes

* Dr Brendan Lloyd chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year

**Keith Cox chose not to be covered by the NHS pension arrangements in the current reporting year, having left the pension scheme on 16th July 2017

Staff Report

Staff Numbers

An analysis of staff numbers by category during 2018-19 are set out below. The figures relate to the average number of employees under contract of service in each month of the financial year, divided by 12 (and rounded to nearest fte). The table below excludes agency and seconded in staff.

Category	2018-19	2017-18
Additional Clinical Services	1,467	1,428
Administrative & Clerical	483	470
Allied Health Professionals	983	982
Estates & Ancillary	56	45
Medical & Dental	2	4
Nursing and Midwifery	149	130
Total	3,140	3,059

Staff Composition

An analysis of the number of persons of each sex who are senior managers of the Trust as at 31 March 2019 are set out below (excludes secondees out of the Trust, includes secondees into the Trust). This compares to a Trust wide staff composition of 43.2% female, 56.8% male.

Gender	Headcount	%
Female	6	37.5
Male	10	62.5
Grand Total	16	100

Sickness Absence Data

	2018-19	2017-18
Days lost (long term)	60,459.52	58,437.04
Days lost (short term)	21,760.66	21,604.64
Total days lost	82,220.18	80,041.68
Average working days lost	16.37	16.27
Total staff employed in period (headcount)	3,378	3,274
Total staff employed in period with no absence (headcount)	1,123	836
Percentage staff with no sick leave	32.67%	26.76%

Note: The percentage and total number of staff without absence in the year has been sourced from the standard ESR Business Intelligence (BI) report. With regard to the reporting in relation to the percentage of staff with 'no sickness', the standard BI report excludes new entrants and also bank and locum assignments. Therefore, the number of staff who have had a whole year with no sickness absence is being divided into a smaller number than the total headcount at the end of the year

The Trust continues to performance manage absence robustly and has implemented a number of actions in 2018-19. These include:

- Implementation of the new All Wales Attendance at Work Policy, including training developed collaboratively with Trade Union Colleagues
- Development of a nine point action plan to improve attendance at work
- Proactive management of individual long-term sickness cases;
- The launch of a Fast Track musculoskeletal (MSK) service across Wales
- Implementation of SilverCloud on line Cognitive Behavioural Therapy (CBT) Service
- Review and refresh of the sickness audit toolkit

The top reasons for absence in 2018-19 were; anxiety/stress/depression and other psychiatric illnesses, and musculoskeletal problems. These are consistent with those reported in 2017-18.

The nine point action plan has set out a number of actions that aim to provide longer term benefits to the health and wellbeing of Trust employees which include an option appraisal on the re-instatement of fitness testing and undertake research in collaboration with Swansea Centre for Health Economics.

Staff Policies Applied During the Year

The Trust has a policy framework in place which covers policies, procedures and processes and how these should be introduced, amended, replaced and approved (see page 21). These policies address all matters relating to the Trust and cover

such issues as employment, health and safety and infection control. The Trust has policies on recruitment and selection, training and flexible working and a treating people fairly strategy. All these are designed to ensure that equality and diversity issues are fully considered in the recruitment, selection and employment of staff. Staff can access these policy documents through the Trust's Intranet.

Expenditure on Consultancy

Expenditure during 2018-19 in respect of consultancy costs was £0.12m (2017-18 £0.153m) across the following six areas:

- Finance
- Human Resource, Training and Education
- Information Technology/Information Strategy
- Marketing and Communication
- Organisation and Change Management
- Strategy

Off-Payroll Engagements

The Trust has a nil return in 2018-19 for off-payroll engagements. This is consistent to that reported in 2017-18.

Exit Packages

During 2018-19, one exit package was agreed at a total cost of £0.072m (2017-18, three packages were agreed at a total cost of £0.119m). This is described in Note 10.5 within the financial statements.



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Gwasanaethau Ambiwylans Cymru
Welsh Ambulance Services
NHS Trust

NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

2018-19

Introduction

The National Assembly for Wales Accountability and Audit Report provides information on such matters as regularity of expenditure, fees and charges, and the audit certificate and report.

Regularity of expenditure

The Trust is required to ensure regularity of its income and expenditure. Sufficient evidence of the assurance of this has been provided as part of the audit of the accounts process and the audit certificate for the accounts concludes that in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and that the financial transactions recorded in the financial statements conform to the authorities which govern them.

Fees and charges

The Trust is required by Welsh Government to ensure that the full cost of providing commercial services is passed on in its fees and charges and confirms that proper controls were in place in 2018-19 over how, when and at what level charges were levied.

Material remote contingent liabilities

The Trust has no material remote contingent liabilities within its 2018-19 accounts. This is consistent to that reported in 2017-18.

Audit certificate and report

The certificate and report of the Auditor General to the National Assembly of Wales is attached on the following pages.

The Certificate and independent auditor's report of the Auditor General for Wales to the National Assembly for Wales

Report on the audit of the financial statements

Opinion

I certify that I have audited the financial statements of the Welsh Ambulance Services NHS Trust for the year ended 31 March 2019 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Cash Flow Statement and the Statement of Changes in Tax Payers Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the Welsh Ambulance Services NHS Trust as at 31 March 2019 and of its surplus for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

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

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

Other information

The Chief Executive is responsible for the other information in the annual report and accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on regularity

In my opinion, in all material respects, the expenditure and income in the financial statements have been applied to the purposes intended by the National Assembly for Wales and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report on other requirements

Opinion on other matters

In my opinion, the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

In my opinion, based on the work undertaken in the course of my audit:

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Annual Governance Statement has been prepared in accordance with Welsh Ministers' guidance;
- the information given in the Foreword and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Foreword and Accountability Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Foreword and Accountability Report or the Annual Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

I have no observations to make on these financial statements.

Responsibilities

Responsibilities of Directors and the Chief Executive

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

In preparing the financial statements, the Directors and Chief Executive are responsible for 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report

that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Responsibilities for regularity

The Chief Executive is responsible for ensuring the regularity of financial transactions.

I am required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Adrian Crompton
Auditor General for Wales
11 June 2019

24 Cathedral Road
Cardiff
CF11 9LJ



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NHS Trust



ANNUAL ACCOUNTS

2018-19

Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2019 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Welsh Ambulance Services NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

Statutory background

The Trust was established in 1998. Spread over an area of 20,640 kilometres and serving a population of around 3 million, our diverse area encompasses tranquil rural retreats, busy seaside resorts and large urban boroughs.

But our varied and modern services are tailor-made for each community's differing environmental and medical needs, from cycles to fast response cars, frontline ambulances and nurses in our control centres.

We attend more than 250,000 emergency calls a year, over 50,000 urgent calls and transport over 1.3 million non-emergency patients to over 200 treatment centres throughout England and Wales.

Our dedicated staff are our biggest asset, and we employ over 3000 people. Approximately 70% of our workforce is within our emergency medical services which include our Clinical Contact Centres, and around 640 staff work in our Non-Emergency Patient Transport Service (NEPTS). Our patient facing services are also supported by colleagues working within our corporate and support functions (approximately 500 staff) and our valued extended volunteer workforce, including over 1,000 Community First Responders (CFRs) and circa 300 Volunteer Car Drivers.

We operate from 90 ambulance stations, three control centres, three regional offices and five vehicle workshops.

We also have our own National Training College to ensure our staff remain at the top of their game and receive regular professional development.

We provide access to high quality, on-going training, regular continuous professional development opportunities and personal annual development reviews

We are also the host for the 111 service, which is an amalgamation of NHS Direct Wales (a 24 hour health advice and information service for the public) and the front end call handling and clinical triage elements of the GP out-of-hours services.

Performance Management and Financial Results

This Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2018-19. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-17.

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-17, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2019

	Note	2018-19 £000	2017-18 £000
Revenue from patient care activities	3	180,274	167,173
Other operating revenue	4	7,540	10,749
Operating expenses	5.1	(187,976)	(177,951)
Operating (deficit)/surplus		(162)	(29)
Investment revenue	6	98	36
Other gains and losses	7	212	218
Finance costs	8	(91)	(155)
Retained surplus	2.1.1	57	70
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		333	5,048
Net gain/(loss) on revaluation of intangible assets		0	0
Net gain/(loss) on revaluation of financial assets		0	0
Movements in other reserves		0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0
Impairments and reversals		(510)	(861)
Transfers between reserves		0	0
Net gain/loss on Other Reserve		0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0
Sub total		(177)	4,187
Items that may be reclassified subsequently to net operating costs			
Net gain/(loss) on revaluation of financial assets held for sale		0	0
Sub total		0	0
Total other comprehensive income/(expenditure) for the year		(177)	4,187
Total comprehensive income/(expenditure) for the year		(120)	4,257

The notes on pages 6 to 68 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	31 March 2019	31 March 2018
		£000	£000
Non-current assets			
Property, plant and equipment	13	79,336	79,051
Intangible assets	14	5,713	4,270
Trade and other receivables	17.1	523	566
Other financial assets	18	0	0
Total non-current assets		85,572	83,887
Current assets			
Inventories	16.1	1,418	1,228
Trade and other receivables	17.1	7,372	13,475
Other financial assets	18	0	0
Cash and cash equivalents	19	13,626	10,126
		22,416	24,829
Non-current assets held for sale	13.2	130	0
Total current assets		22,546	24,829
Total assets		108,118	108,716
Current liabilities			
Trade and other payables	20	(23,673)	(20,680)
Borrowings	21	(941)	(1,526)
Other financial liabilities	22	0	0
Provisions	23	(4,884)	(8,768)
Total current liabilities		(29,498)	(30,974)
Net current assets/(liabilities)		(6,952)	(6,145)
Total assets less current liabilities		78,620	77,742
Non-current liabilities			
Trade and other payables	20	0	0
Borrowings	21	0	(942)
Other financial liabilities	22	0	0
Provisions	23	(6,974)	(7,258)
Total non-current liabilities		(6,974)	(8,200)
Total assets employed		71,646	69,542
Financed by Taxpayers' equity:			
Retained earnings		(6,254)	(6,311)
Public dividend capital		68,386	66,162
Revaluation reserve		9,514	9,691
Other reserves		0	0
Funds Held on Trust Reserves			
Total taxpayers' equity		71,646	69,542

The financial statements were approved by the Board on 30th May 2019 and signed on behalf of the Board by:

Chief Executive : Jason Killens.....

Date: 30th May 2019

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2018-19	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2018-19					
Balance as at 31 March 2018	66,162	(6,311)	9,691	0	69,542
Adjustment for Implementation of IFRS 9	0	0	0	0	0
Balance at 1 April 2018	66,162	(6,311)	9,691	0	69,542
Retained surplus/(deficit) for the year		57			57
Net gain/(loss) on revaluation of property, plant and equipment		0	333	0	333
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Impairments and reversals		0	(510)	0	(510)
Movements in other reserves		0	0	0	0
Transfers between reserves		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
Net gain/loss on Other Reserve (specify)				0	0
In year movement	0	57	(177)	0	(120)
New Public Dividend Capital received	2,224				2,224
Public Dividend Capital repaid in year	0				0
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
Balance at 31 March 2019	68,386	(6,254)	9,514	0	71,646

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2017-18	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Changes in taxpayers' equity for 2017-18					
Balance at 1 April 2018	65,599	(8,375)	7,498	0	64,722
Retained surplus/(deficit) for the year		70			70
Net gain/(loss) on revaluation of property, plant and equipment		0	5,048	0	5,048
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0	0
Impairments and reversals		0	(861)	0	(861)
Movements in other reserves		0	0	0	0
Transfers between reserves		1,994	(1,994)	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
Net gain/loss on Other Reserve (specify)				0	0
In year movement	0	2,064	2,193	0	4,257
New Public Dividend Capital received	960				960
Public Dividend Capital repaid in year	(397)				(397)
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
Balance at 31 March 2018	66,162	(6,311)	9,691	0	69,542

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2019

		2018-19	Reclassified 2017-18
	Note	£000	£000
Cash flows from operating activities			
Operating surplus/(deficit)	SOCI	(162)	(29)
Movements in working capital	30	8,017	(4,953)
Other cash flow adjustments	31	19,517	23,657
Provisions utilised		(5,917)	(2,611)
Interest paid		(91)	(137)
Net cash inflow (outflow) from operating activities		21,364	15,927
Cash flows from investing activities			
Interest received		98	36
(Payments) for property, plant and equipment		(18,892)	(13,983)
Proceeds from disposal of property, plant and equipment		233	218
(Payments) for intangible assets		0	(3,269)
Proceeds from disposal of intangible assets		0	0
(Payments) for investments with Welsh Government		0	0
Proceeds from disposal of investments with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
Rental proceeds		0	0
Net cash inflow (outflow) from investing activities		(18,561)	(16,998)
Net cash inflow (outflow) before financing		2,803	(1,071)
Cash flows from financing activities			
Public Dividend Capital received		2,224	960
Public Dividend Capital repaid		0	(397)
Loans received from Welsh Government		0	0
Other loans received		0	0
Loans repaid to Welsh Government		0	0
Other loans repaid		0	0
Other capital receipts		0	0
Capital elements of finance leases and on-SOFP PFI		(1,527)	(1,492)
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow (outflow) from financing activities		697	(929)
Net increase (decrease) in cash and cash equivalents		3,500	(2,000)
Cash [and] cash equivalents at the beginning of the financial year	19	10,126	12,126
Cash [and] cash equivalents at the end of the financial year	19	13,626	10,126

The cash flow statement has been represented in 2018-19 for the introduction of the single summarised account.

The notes on pages 6 to 68 form part of these accounts.

Notes to the Accounts

Accounting policies

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of NHS Trusts in Wales shall meet the accounting requirements of the NHS Trust Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2018-19 NHS Trust Manual for Accounts. The accounting policies contained in that manual follow the European Union version of the 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 NHS Trusts Manual for Accounts permits a choice of accounting policy, the accounting policy which 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 by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention and basis of consolidation

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

1.2 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.

1.3 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable.

Where income is received from Non NHS bodies for a specific activity that is to be delivered in the following year that income is deferred. Only non-NHS income may be deferred.

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

From 2018-19, IFRS 15 Revenue from Contracts with Customers is applied, as interpreted and adapted for the public sector, in the Financial Reporting Manual (FReM). It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. Upon transition the accounting policy to retrospectively restate in accordance with IAS 8 has been withdrawn. All entities applying the FReM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayer's equity. A review consistent with the portfolio approach was undertaken by the NHS Technical Accounting Group members, which

- identified that the only material income that would potentially require adjustment under IFRS 15 was that for patient care provided under Long term Agreements (LTAs) for episodes of care which had started but not concluded as at the end of the financial period;
- demonstrated that the potential amendments to NHS Wales NHS Trust and Local Health Board Accounts as a result of the adoption of IFRS 15 are significantly below materiality levels.

Under the Conceptual IFRS Framework due consideration must be given to the users of the accounts and the cost restraint of compliance and reporting and production of financial reporting. Given the income for LTA activity is recognised in accordance with established NHS Terms and Condition, affecting multiple parties across NHS Wales, it was considered reasonable to continue recognising in accordance with those established terms, on the basis that this provides information that is relevant to the user and to do so does not result in a material misstatement of the figures reported.

1.4 Employee Benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not yet 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.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is 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, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the trust commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs.

NEST Pension Scheme

The NHS Trust has to offer an alternative pension scheme for employees not eligible to join the NHS Pension scheme. The NEST (National Employment Savings Trust) Pension scheme is a defined contribution scheme and therefore the cost to the NHS body of participating in the scheme is equal to the contributions payable to the scheme for the accounting period.

1.5 Other expenses

Other operating expenses for goods or services are recognised when they have been received. They are measured at the fair value of the consideration payable.

1.6 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 the Trust, or service potential will be supplied;
- 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 of 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, vehicle or unit, 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, the components are depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are 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.

Land and buildings used for the trust's services or for administrative purposes are stated in the balance sheet at their revalued amounts 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 balance sheet date. Fair values are determined as follows:

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

From 1 April 2009 the depreciated replacement cost valuation applies the Modern Equivalent Asset (MEA) cost basis of estimation to arrive at the cost of replacing the capacity and utility of a building rather than a like for like replacement cost.

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

From 2015-16, IFRS 13 Fair Value Measurement must be complied with in full. However, IAS 16 and IAS 38 have been adapted for the public sector context which limits the circumstances under which a valuation is prepared under IFRS 13. Assets which are held for their service potential and are in use should be measured at their current value in existing use. For specialised assets current value in existing use should be interpreted as the present value of the assets remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential. Where there is no single class of asset that falls within IFRS 13, disclosures should be for material items only.

In accordance with the adaptation of IAS 16 in table 6.2 of the FREM, for non-specialised assets in operational use, current value in existing use is interpreted as market value for existing use which is defined in the RICS Red Book as Existing Use Value (EUV).

Assets which were most recently held for their service potential but are surplus should be valued at current value in existing use, if there are restrictions on the entity or the asset which would prevent access to the market at the reporting date. If the Trust could access the market then the surplus asset should be used at fair value using IFRS 13. In determining whether such an asset which is not in use is surplus, an assessment should be made on whether there is a clear plan to bring the asset back into use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing use should be maintained. Otherwise the asset should be assessed as being surplus and valued under IFRS13.

In 2017-18 a formal revaluation exercise by the District Valuation Office was applied to the Land and Properties of NHS Wales Trusts. The carrying value of existing assets at that date was written off over their remaining useful lives, new fixtures and equipment were carried at depreciated historic cost as this was not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. The accounting policy for this treatment changed in 2014/15, prior to which all impairments were taken to the revaluation reserve to the extent that a balance was held for that asset and thereafter to expenditure. However, to ensure that the outcome as reflected in the reserves figure on the Statement of Financial Position is consistent with the requirements of IAS 36 had this adaptation not been applied, the balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 should be transferred to Retained earnings.

Assets which are not held for their service potential should be valued in accordance with IFRS 5 or IAS 40 depending on whether the asset is actively held for sale. Where an asset is not being used to deliver services and there is no plan to bring it back into use, with no restrictions on sale, and it does not meet the IAS 40 and IFRS 5 criteria, these assets are surplus and are valued at fair value using IFRS 13.

Subsequent expenditure

Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to the trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8 Depreciation, amortisation and impairments

Freehold land, assets under construction and assets held for sale are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. 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 the shorter of the lease term and estimated useful lives.

At each reporting period end, the trust checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

References in IAS 36 to the recognition of an impairment loss of a revalued asset being treated as a revaluation decrease to the extent that impairment does not exceed the amount in the revaluation surplus for the same asset, are adapted such that only those impairment losses that do not result from a clear consumption of economic benefit or reduction of service potential (including as a result of loss or damage resulting from normal business operations) should be taken to the revaluation reserve. Impairment losses that arise from a clear consumption of economic benefit should be taken to the Statement of Comprehensive Income.

1.9 Research and development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and the benefits can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCI on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.11 Leases

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

1.11.1 The trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

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

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

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.11.2 The trust as lessor

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

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

1.12 Inventories

Inventories are valued at the lower of cost and net realisable value using the first in first out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.13 Cash and cash equivalents

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

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the trust's cash management.

1.14 Provisions

Provisions are recognised when the trust has a present legal or constructive obligation as a result of a past event, 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 a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using discount rates supplied 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 amount 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. Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the trust has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical Negligence and personal injury costs

The Welsh Risk Pool (WRP) operates a risk pooling scheme which is co-funded by the Welsh Government with the option to access a risk sharing agreement funded by the participative NHS Wales bodies. The risk sharing option was not implemented in 2018-19. The WRP is hosted by Velindre NHS Trust.

1.15. Financial Instruments

From 2018-19 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales bodies, will be to change the calculation basis for bad debt provisions, changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

All entities applying the FReM shall recognise the difference between previous carrying amount and the carrying amount at the beginning of the annual reporting period that includes the date of initial application in the opening general fund within Taxpayer's equity.

1.16 Financial assets

Financial assets are recognised when the trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred. Financial assets are initially recognised at fair value.

The accounting policy choice allowed under IFRS 9 for long term trade receivables, contract assets which do contain a significant financing component (in accordance with IFRS 15), and lease receivables within the scope of IAS 17 has been withdrawn and entities should always recognise a loss allowance at an amount equal to lifetime Expected Credit Losses. All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

NHS Wales Technical Accounting Group members reviewed the IFRS 9 requirements and determined a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS9 to construct a provision matrix.

1.16.1 Financial assets are classified into the following categories: financial assets 'at fair value through SoCI'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.16.2 Financial assets at fair value through SoCI

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCI. They are held at fair value, with any resultant gain or loss recognised in calculating the trust's surplus or deficit for the accounting period. The net gain or loss incorporates any interest earned on the financial asset.

1.16.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.16.4 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the income statement on de-recognition.

1.16.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

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

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset. At the end of the reporting period, 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 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.

1.16.6 Other financial assets

Listed investments are stated at market value. Unlisted investments are included at cost as an approximation to market value. Quoted stocks are included in the balance sheet at mid-market price, and where holdings are subject to bid / offer pricing their valuations are shown on a bid price. The shares are not held for trading and accordingly are classified as available for sale. Other financial assets are classified as available for sale investments carried at fair value within the financial statements.

1.17 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired. Loans from the Welsh Government are recognised at historical cost.

1.17.1 Financial guarantee contract liabilities

Financial guarantee contract liabilities are subsequently measured at the higher of: - the premium received (or imputed) for entering into the guarantee less cumulative amortisation; - the amount of the obligation under the contract, as determined in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

1.17.2 Financial liabilities at fair value through SoCI

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the trust's surplus/deficit. The net gain or loss incorporates any interest payable on the financial liability.

1.17.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method, except for loans from the Welsh Government, which are carried at historic cost. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.18 Value Added Tax

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

1.19 Foreign currencies

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. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the trust's surplus/deficit in the period in which they arise.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the trust has no beneficial interest in them.

1.21 Losses and Special Payments

Losses and special payments are items that the Welsh Government 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 each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the income statement on an accruals basis, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses and compensations register which is prepared on a cash basis.

The Trust accounts for all losses and special payments gross (including assistance from the Welsh Risk Pool). The Trust accrues or provides for the best estimate of its future payouts for certain or probable liabilities and discloses all other potential payments as contingent liabilities, except those with a probability of less than 5%.

All claims for losses and special payments are provided for, where the probability of settlement of an individual claim is over 50%. Where reliable estimates can be made, incidents of clinical negligence against which a claim has not, as yet, been received are provided in the same way. Expected reimbursements from the Welsh Risk Pool are included in debtors. For those claims where the probability of settlement is between 5% and 50%, the liability is disclosed as a contingent liability.

1.22 Pooled budgets

The trust has not entered into any pooled budget arrangements with Local Authorities.

1.23 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 affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24 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.

The amount recognised as provisions give rise to significant judgement and uncertainty. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking in to account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. A change in the assumptions could cause an increase or decrease in the amounts recognised as a provision which could materially impact the results of operations.

The NHS trust provides for legal or constructive obligations for clinical negligence, personal injury and defence costs that are of uncertain timing or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Claims are funded via the Welsh Risk Pool Services (WRPS) which receives an annual allocation from Welsh Government to cover the cost of reimbursement requests submitted to the bi-monthly WRPS Committee. Following settlement to individual claimants by the Health Board or Trust, the full cost is recognised in year and matched to income (less a £25K excess) via a WRPS debtor, until reimbursement has been received from the WRPS Committee.

Probable & Certain Cases – Accounting Treatment

A provision for these cases is calculated in accordance with IAS 37. Cases are assessed and divided into four categories according to their probability of settlement;

Remote	Probability of Settlement Accounting Treatment	0 – 5% Contingent Liability.
Possible	Probability of Settlement Accounting Treatment	6% - 49% 25% Defence Fee - Provision Contingent Liability for all other estimated expenditure.
Probable	Probability of Settlement Accounting Treatment	50% - 94% Full Provision
Certain	Probability of Settlement Accounting Treatment	95% - 100% Full Provision

The provision for probable and certain cases is based on case estimates of individual reported claims received by Legal & Risk Services within NHS Wales Shared Services Partnership.

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.75%.

Future liabilities for certain & probable cases with a probability of 95%-100% and 50%- 94% respectively are held as a provision on the balance sheet. Cases typically take a number of years to settle, particularly for high value cases where a period of development is necessary to establish the full extent of the injury caused.

Annual leave payments for employees working in the NHS

Included within provisions is an amount in respect of an evaluation of recent employment legislation and case law affecting the calculation of annual leave payments for employees working in the NHS.

An assessment has been made in respect of the level of financial impact the most recent and relevant case namely, *Flowers Vs East of England Ambulance Trust*, would have on organisations within NHS Wales. This has been based on the full costs incurred in 2017/18. This has then been used to estimate the impact in 2018/19. The two year impact for this Trust is assessed to be £1.505m.

1.25 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.26 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value. Remote contingent liabilities are those that are disclosed under Parliamentary reporting requirements and not under IAS 37 and, where practical, an estimate of their financial effect is required.

1.27 Carbon Reduction Commitment Scheme

The trust is not a member of the Carbon Reduction Commitment Scheme.

1.28 Absorption Accounting

Transfers of function are accounted for as either by merger or by absorption accounting, dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required. For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC or General Reserve as appropriate. The trust has none to report.

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

The following accounting standards have been issued and / or amended by the IASB and IFRIC but have not been adopted because they are not yet required to be adopted by the FReM .

IFRS14 Regulatory Deferral Accounts (The European Financial Reporting Advisory Group recommended in October 2015 that the Standard should not be endorsed as it is unlikely to be adopted by many EU countries.),

IFRS 16 Leases, HMT have confirmed that IFRS 16 Leases, as interpreted and adapted by the FReM is to be effective from 1st April 2020.

IFRS 17 Insurance Contracts,

IFRIC 23 Uncertainty over Income Tax Treatment.

1.30 Accounting standards issued that have been adopted early

During 2018-19 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charity not consolidated as NHS Trust is not corporate trustee

Following Treasury's agreement to apply IAS 27 to NHS Charities from 1 April 2013, the NHS trust has established that as the trust is the corporate trustee of the linked Welsh Ambulance Services NHS Trust Charity, it is considered for accounting standards compliance to have control of Welsh Ambulance Services NHS Trust Charity as a subsidiary and therefore is required to consolidate the results of Welsh Ambulance Services NHS Trust Charity within the statutory accounts of the trust.

However, the transactions are immaterial in the context of the group and transactions have not been consolidated. Details of the transactions with the charity are included in the related parties' notes

1.32 Subsidiaries

The trust has no subsidiaries.

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

Public Dividend Capital represents taxpayers' equity in the NHS Trust. At any time the Minister for Health and Social Services with the approval of HM Treasury can issue new PDC to, and require repayments of, PDC from the NHS Trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

From 1 April 2010 the requirement to pay a public dividend over to the Welsh Government ceased.

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4(2).

The Trust is required to achieve financial breakeven over a rolling 3 year period.

Welsh Health Circular WHC/2016/054 replaced WHC/2015/014 'Statutory and Financial Duties of Local Health Boards and NHS Trusts' and further clarifies the statutory financial duties of NHS Wales bodies.

2.1.1 Financial Duty

	Annual financial performance			2016-19 Financial duty £000
	2016-17 £000	2017-18 £000	2018-19 £000	
Retained surplus	44	70	57	171
Less Donated asset / grant funded revenue adjustment	0	0	0	0
Adjusted surplus/(deficit)	44	70	57	171

The Welsh Ambulance Services NHS Trust has met its financial duty to break even over the 3 years 2016-17 to 2018-19.

2.1.2 Integrated Medium Term Plan (IMTP)

The NHS Wales Planning Framework issued to NHS Trusts places a requirement upon NHS Trusts to prepare and submit Integrated Medium Term Plans to the Welsh Government.

The Trust has submitted an Integrated Medium Term Plan for the period 2018-19 to 2020-21 in accordance with NHS Wales Planning Framework.

The Minister for Health and Social Services approval status

**Financial duty
2018-19
to
2020-21
Status

Approved**

The Welsh Ambulance Services NHS Trust has met its annual financial duty to have an approved financial plan for the period 2018-19 to 2020-21.

The Welsh Ambulance Services NHS Trust's 2017-18 to 2019-20 IMTP was approved.

2. Financial Performance (cont)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

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

	31 March 2019 £000	31 March 2018 £000
External financing limit set by the Welsh Government	697	(929)
Cash flow financing	697	(929)
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	<u>697</u>	<u>(929)</u>
Undershoot (overshoot)	<u>0</u>	<u>0</u>

The Trust has achieved its external financing limit .

2.2.2. Creditor payment

The Trust is required to pay 95% of the number of non-NHS bills within 30 days of receipt of goods or a valid invoice (whichever is the later). The Trust has achieved the following results:

	2018-19	2017-18
Total number of non-NHS bills paid	39,395	38,440
Total number of non-NHS bills paid within target	38,194	37,728
Percentage of non-NHS bills paid within target	97.0%	98.1%

The Trust has met the target.

Welsh Ambulance Services NHS Trust Annual Accounts 2018-19

3. Revenue from patient care activities	2018-19	2017-18
	£000	£000
Local health boards	24,923	22,601
Welsh Health Specialised & Emergency Ambulance Services Committees (WHSSC & EASC)	147,684	139,914
Welsh NHS Trusts	675	618
Health Education and Improvement Wales (HEIW)	0	0
Other NHS England bodies	100	196
Foundation Trusts	0	0
Local Authorities	6	2
Welsh Government	6,320	3,319
Welsh Government Welsh Risk Pool Reimbursements	0	0
Other NHS Trusts	2	13
Non NHS:		
Other revenue from activities	206	151
Private patient income	9	6
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	349	353
Total	180,274	167,173

ICR income is subject to a provision for impairment of **21.89%** to reflect expected rates of collection.

4. Other operating revenue	2018-19	2017-18
	£000	£000
Income generation	0	0
Patient transport services	0	0
Education, training and research	960	1,253
Charitable and other contributions to expenditure	0	0
Receipt of donations for capital acquisitions	0	0
Receipt of government grants for capital acquisitions	0	0
Non-patient care services to other bodies	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	121	110
Other revenue:		
Provision of pathology/microbiology services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	212	233
Business unit	0	0
Other	6,247	9,153
Total	7,540	10,749

Other revenue of £6,247k comprises:

Non-ambulance transport for other NHS bodies	0	0
Personal injury benefit scheme (PIBS)	165	339
Air Ambulance paramedic funding	121	121
Hazardous Area Response Team (HART)	2,319	2,288
Other minor services income	1,788	2,672
Ambulance Radio Replacement Programme (ARRP)	0	0
Funding for impairments (as funds flow monies)	1,854	3,733
Total	6,247	9,153

5. Operating expenses	2018-19	2017-18
5.1 Operating expenses	£000	£000
Local Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other NHS bodies	1,060	1,036
WHSSC/EASC	0	0
Local Authorities	0	0
Purchase of healthcare from non-NHS bodies	2,828	2,256
Welsh Government	0	0
Other NHS Trusts	0	0
Directors' costs	1,182	1,233
Staff costs	131,284	124,537
Supplies and services - clinical	3,709	3,079
Supplies and services - general	1,337	780
Consultancy Services	120	153
Establishment	3,925	4,631
Transport	13,791	13,627
Premises	7,025	5,776
Impairments and Reversals of Receivables	0	0
Depreciation	14,443	13,632
Amortisation	1,472	619
Impairments and reversals of property, plant and equipment	1,842	3,744
Impairments and reversals of intangible assets	11	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	152	161
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	828	814
Research and development	0	0
Other operating expenses	2,967	1,873
Total	187,976	177,951

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2018-19	2017-18
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence	(1,921)	2,763
Personal injury	1,479	2,535
All other losses and special payments	183	234
Defence legal fees and other administrative costs	252	130
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	(7)	5,662
Contribution to Welsh Risk Pool	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(20)	23
Less: income received/ due from Welsh Risk Pool	855	(4,871)
Total charge	828	814

Personal injury includes £0.156m in respect of permanent injury benefits (2017-18 £0.343m). This expenditure includes a credit of -£0.140m relating to the change in the rate at which the provision for future payments is calculated.

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6. Investment revenue	2018-19	2017-18
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	98	36
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	98	36
	<hr/>	<hr/>
7. Other gains and losses	2018-19	2017-18
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	212	218
Gain/(loss) on disposal of financial assets	0	0
Gains/(loss) on foreign exchange	0	0
Change in fair value of financial assets at fair value through income statement	0	0
Change in fair value of financial liabilities at fair value through income statement	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	212	218
	<hr/>	<hr/>
8. Finance costs	2018-19	2017-18
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	83	137
Interest on obligations under PFI contracts:		
Main finance cost	0	0
Contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Other interest expense	0	0
Total interest expense	83	137
Provisions unwinding of discount	8	18
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	91	155
	<hr/>	<hr/>

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by the Trust for properties and vehicles.

Payments recognised as an expense	2018-19	2017-18
	£000	£000
Minimum lease payments	1,799	1,732
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,799	1,732

Total future minimum lease payments	2018-19	2017-18
Payable:	£000	£000
Not later than one year	1,345	1,687
Between one and five years	2,231	2,262
After 5 years	2,549	1,689
Total	6,125	5,638

Total future sublease payments expected to be received	0	0
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9. Operating leases (continued)

9.2 Trust as lessor

The Trust leases part of Vantage Point House to Aneurin Bevan LHB in respect of their GP Out of Hours Service.

Rental Revenue

Receipts recognised as income	2018-19	2017-18
	£000	£000
Rent	0	0
Contingent rent	0	0
Other	115	110
Total rental revenue	115	110

Total future minimum lease payments	2018-19	2017-18
Receivable:	£000	£000
Not later than one year	75	72
Between one and five years	13	84
After 5 years	2	0
Total	90	156

10. Employee costs and numbers

10.1 Employee costs	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Other Staff	2018-19	2017-18
					£000	£000
	£000	£000	£000	£000	£000	£000
Salaries and wages	108,070	409	238	0	108,717	103,823
Social security costs	10,845	0	0	0	10,845	10,226
Employer contributions to NHS Pensions Scheme	13,083	0	0	0	13,083	12,162
Other pension costs	9	0	0	0	9	(5)
Other post-employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	132,007	409	238	0	132,654	126,206
Of the total above:						
Charged to capital					301	568
Charged to revenue					132,353	125,638
Total					132,654	126,206
Net movement in accrued employee benefits (untaken staff leave accrual included above)					95	129

10.2 Average number of employees

10.2 Average number of employees	Permanently Employed	Staff on Inward Secondment	Agency Staff	Other Staff	2018-19	2017-18
					Total	Total
	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	483	5	8	0	496	488
Ambulance staff	0	0	0	0	0	0
Medical and dental	2	0	0	0	2	4
Nursing, midwifery registered	149	0	0	0	149	130
Professional, scientific and technical staff	0	0	0	0	0	0
Additional Clinical Services	1,467	0	0	0	1,467	1,429
Allied Health Professions	983	0	0	0	983	982
Healthcare scientists	0	0	0	0	0	0
Estates and Ancillary	56	0	0	0	56	47
Students	0	0	0	0	0	0
Total	3,140	5	8	0	3,153	3,080

None of the employees of Welsh Ambulance Services NHS Trust are classified within 'Ambulance Staff'. Operational members of staff are included either within the category of 'Additional Clinical Services' or 'Allied Health Professions' dependent upon role.

10.3 Retirement costs due to ill-health

This note discloses the number and additional pension costs for individuals who retired early on ill-health grounds during the year. During 2018-19 there were 8 (2017-18, 3) early retirements from the Trust agreed on the grounds of ill-health. The additional pension costs of these ill-health retirements is £354,668 (2017-18, £104,417). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division. This information has been supplied by NHS Pensions.

10.4 Employee benefits

Employee benefits refer to non-pay benefits which are not attributable to individual employees, for example group membership of a club. The trust does not operate any employee benefit schemes.

10.5 Reporting of other compensation schemes - exit packages

	2018-19	2018-19	2018-19	2018-19	2017-18
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only	Number of departures where special payments have been made Whole numbers only	Total number of exit packages Whole numbers only
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	3
£50,000 to £100,000	0	1	1	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	1	1	0	3

	2018-19	2018-19	2018-19	2018-19	2017-18
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of exit packages £	Cost of special element included in exit packages £	Total cost of exit packages £
less than £10,000	0	0	0	0	0
£10,000 to £25,000	0	0	0	0	0
£25,000 to £50,000	0	0	0	0	118,779
£50,000 to £100,000	0	71,983	71,983	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0
more than £200,000	0	0	0	0	0
Total	0	71,983	71,983	0	118,779

Redundancy and other departure costs have been paid in accordance with the provisions of the NHS Voluntary Early Release Scheme (VERS). Where the Trust has agreed early retirements or compulsory redundancies, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table (see note 10.3 for details of ill health retirement costs).

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts. The expense associated with these departures may have been recognised in part or in full in a previous period.

10.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in post at 31st March 2019 in the Welsh Ambulance Services NHS Trust in the financial year 2018-19 was £155k to £160k (2017-18, £147,500). This was 5.32 times (2017-18, 4.99 times) the median remuneration of the workforce, which was £29,608 (2017-18, £29,536).

In 2018-19, 0 (2017-18, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £17,460 to £157,500 (2017-18 £16,523 to £147,500).

The reason for both the increase in remuneration together with the upward rise in ratio compared to 2017-18 are the result of a change in remuneration of the Chief Executive.

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

Overtime payments are included for the calculation of both elements of the relationship.

11. Pensions

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 for Health 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 2019, is based on valuation data as 31 March 2018, updated to 31 March 2019 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 Department of Health and Social Care have recently laid Scheme Regulations confirming that the employer contribution rate will increase to 20.6% of pensionable pay from this date.

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.

c) National Employment Savings Trust (NEST)

NEST is a workplace pension scheme, which was set up by legislation and is treated as a trust-based scheme. The Trustee responsible for running the scheme is NEST Corporation. It's a non-departmental public body (NDPB) that operates at arm's length from government and is accountable to Parliament through the Department for Work and Pensions (DWP).

NEST Corporation has agreed a loan with the Department for Work and Pensions (DWP). This has paid for the scheme to be set up and will cover expected shortfalls in scheme costs during the earlier years while membership is growing.

NEST Corporation aims for the scheme to become self-financing while providing consistently low charges to members.

Using qualifying earnings to calculate contributions, currently the legal minimum level of contributions is 5% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 2% of this. The legal minimum level of contribution level is due to increase to 8% in April 2019.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,032 and £46,350 for the 2018-19 tax year (2017-18 £5,876 and £45,000).

Restrictions on the annual contribution limits were removed on 1st April 2017.

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

The Welsh Government requires that trusts pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the trust financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery or receipt of a valid invoice, whichever is the later.

	2018-19	2018-19	2017-18	2017-18
	Number	£000	Number	£000
NHS				
Total bills paid in year	781	4,127	730	3,184
Total bills paid within target	667	3,547	629	2,259
Percentage of bills paid within target	85.4%	85.9%	86.2%	70.9%
Non-NHS				
Total bills paid in year	39,395	85,156	38,440	81,132
Total bills paid within target	38,194	83,558	37,728	79,858
Percentage of bills paid within target	97.0%	98.1%	98.1%	98.4%
Total				
Total bills paid in year	40,176	89,283	39,170	84,316
Total bills paid within target	38,861	87,105	38,357	82,117
Percentage of bills paid within target	96.7%	97.6%	97.9%	97.4%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2018-19	2017-18
	£	£
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	8,478	17,982	0	8,072	22,449	70,655	29,016	1,030	157,682
Indexation	167	171	0	0	0	0	0	0	338
Additions - purchased	0	27	0	18,698	(4)	1,071	32	0	19,824
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	580	4,274	0	(16,675)	234	8,721	(975)	748	(3,093)
Revaluation	0	(510)	0	0	0	0	0	0	(510)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(1,764)	0	0	0	(147)	(1)	0	(1,912)
Reclassified as held for sale	(130)	0	0	0	(2,330)	(8,542)	0	0	(11,002)
Disposals other than by sale	0	(53)	0	0	0	50	(197)	0	(200)
At 31 March 2019	9,095	20,127	0	10,095	20,349	71,808	27,875	1,778	161,127
Depreciation									
At 1 April 2018	0	571	0	0	12,577	45,310	19,297	876	78,631
Indexation	0	5	0	0	0	0	0	0	5
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	(33)	0	(134)	0	(167)
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	(51)	0	0	0	(19)	0	0	(70)
Reclassified as held for sale	0	0	0	0	(2,309)	(8,542)	0	0	(10,851)
Disposals other than by sale	0	(53)	0	0	0	50	(197)	0	(200)
Charged during the year	0	791	0	0	2,441	8,261	2,891	59	14,443
At 31 March 2019	0	1,263	0	0	12,676	45,060	21,857	935	81,791
Net book value									
At 1 April 2018	8,478	17,411	0	8,072	9,872	25,345	9,719	154	79,051
Net book value									
At 31 March 2019	9,095	18,864	0	10,095	7,673	26,748	6,018	843	79,336
Net book value at 31 March 2019 comprises :									
Purchased	9,095	18,864	0	10,095	7,673	26,748	6,018	843	79,336
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2019	9,095	18,864	0	10,095	7,673	26,748	6,018	843	79,336
Asset Financing:									
Owned	9,095	18,864	0	10,095	7,673	26,748	4,946	843	78,264
Held on finance lease	0	0	0	0	0	0	1,072	0	1,072
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2019	9,095	18,864	0	10,095	7,673	26,748	6,018	843	79,336
The net book value of land, buildings and dwellings at 31 March 2019 comprises :									
									£000
Freehold									25,059
Long Leasehold									2,900
Short Leasehold									0
Total									27,959

13. Property, plant and equipment :

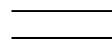
	Land	Buildings, excluding dwellings	Dwellings	Assets under construction and payments on account	Plant & machinery	Transport Equipment	Information Technology	Furniture and fittings	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	7,786	28,098	0	17,425	16,512	67,243	25,136	844	163,044
Indexation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	17,822	51	299	363	0	18,535
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	3,976	0	(27,175)	7,244	7,962	3,936	186	(3,871)
Revaluation	858	(9,833)	0	0	0	0	0	0	(8,975)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(166)	(4,259)	0	0	(15)	0	(165)	0	(4,605)
Reclassified as held for sale	0	0	0	0	(815)	(4,540)	0	0	(5,355)
Disposals other than by sale	0	0	0	0	(528)	(309)	(254)	0	(1,091)
At 31 March 2018	8,478	17,982	0	8,072	22,449	70,655	29,016	1,030	157,682
Depreciation									
At 1 April 2017	0	14,281	0	0	10,217	43,218	16,906	844	85,466
Indexation	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	(258)	0	0	1,261	(1,005)	2	2	2
Revaluation	0	(14,023)	0	0	0	0	0	0	(14,023)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	(815)	(4,540)	0	0	(5,355)
Disposals other than by sale	0	0	0	0	(528)	(309)	(254)	0	(1,091)
Charged during the year	0	571	0	0	2,442	7,946	2,643	30	13,632
At 31 March 2018	0	571	0	0	12,577	45,310	19,297	876	78,631
Net book value									
At 1 April 2017	7,786	13,817	0	17,425	6,295	24,025	8,230	0	77,578
Net book value									
At 31 March 2018	8,478	17,411	0	8,072	9,872	25,345	9,719	154	79,051
Net book value at 31 March 2018 comprises :									
Purchased	8,478	17,411	0	8,072	9,872	25,345	9,719	154	79,051
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2018	8,478	17,411	0	8,072	9,872	25,345	9,719	154	79,051
Asset Financing:									
Owned	8,478	17,411	0	8,072	9,872	25,345	7,575	154	76,907
Held on finance lease	0	0	0	0	0	0	2,144	0	2,144
On-SoFP PFI contract	0	0	0	0	0	0	0	0	0
PFI residual interest	0	0	0	0	0	0	0	0	0
At 31 March 2018	8,478	17,411	0	8,072	9,872	25,345	9,719	154	79,051

The net book value of land, buildings and dwellings at 31 March 2018 comprises :

	£000
Freehold	25,889
Long Leasehold	0
Short Leasehold	0
Total	25,889

The NHS Trust Land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Valuation Standards, 6th Edition. Trusts are required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length



transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in occupation.

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

The Welsh Ambulance Services NHS Trust did not receive any donated assets during the year.

ii) Valuations

The Trust's land and Buildings were revalued by the Valuation Office Agency with an effective date of 1st April 2017. The valuation has been prepared in accordance with the terms of the Royal Institute of Chartered Surveyors' Valuation Standards, 6th edition.

The Trust is required to apply the revaluation model set out in IAS 16 and value its capital assets to fair value. Fair value is defined by IAS 16 as the amount for which an asset could be exchanged between knowledgeable, willing parties in an arms length transaction. This has been undertaken on the assumption that the property is sold as part of the continuing enterprise in operation.

iii) Asset Lives

Tangible fixed assets are depreciated at rates calculated to write them down to estimated residual value on a straight line basis over their estimated useful lives. No depreciation is provided on freehold land, assets in the course of construction and assets surplus to requirements.

Equipment lives range from six to eight years.

Buildings are depreciated on useful lives as determined by the Valuation Office Agency.

iv) Compensation

£1.854 million was received from the Welsh Assembly Government in respect of compensation for assets impaired during the year. This is included in the income statement.

v) The Trust does not hold any property where the value is materially different from its open market value.

vi) Assets Held for Sale or sold in the period.

Assets becoming classified as held for sale are shown in Note 13.2. Those sold in the period are detailed below:-

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale
		£000
Vehicles	No longer serviceable	184
Equipment	No longer serviceable	28
		0
		212

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2018	0	0	0	0	0	0
Plus assets classified as held for sale in year	130	0	21	0	0	151
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	(21)	0	0	(21)
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2019	130	0	0	0	0	130
Balance b/f 1 April 2017	0	0	0	0	0	0
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	0	0	0	0	0	0
Balance c/f 31 March 2018	0	0	0	0	0	0

As at 31 March 2019, one property was included within this category as it became surplus to requirement following the relocation of staff to new office accommodation.

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2018	9,695	0	1,599	0	0	0	11,294
Revaluation		0			0	0	0
Reclassifications	1,533	0	1,560	0	0	0	3,093
Reversal of impairments	0	0	0	0	0	0	0
Impairments	(23)	0	0	0	0	0	(23)
Additions							
- purchased	0	0	0	0	0	0	0
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
At 31 March 2019	11,205	0	3,159	0	0	0	14,364
Amortisation							
At 1 April 2018	5,880	0	1,144	0	0	0	7,024
Revaluation		0			0	0	0
Reclassifications	149	0	18	0	0	0	167
Reversal of impairments	0	0	0	0	0	0	0
Impairments	(12)	0	0	0	0	0	(12)
Charged during the year	1,135	0	337	0	0	0	1,472
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Accumulated amortisation at 31 March 2019	7,152	0	1,499	0	0	0	8,651
Net book value							
At 1 April 2018	3,815	0	455	0	0	0	4,270
Net book value At 31 March 2019	4,053	0	1,660	0	0	0	5,713
Net book value							
Purchased	4,053	0	1,660	0	0	0	5,713
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2019	4,053	0	1,660	0	0	0	5,713

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2017	6,219	0	1,204	0	0	0	7,423
Revaluation		0			0	0	0
Reclassifications	3,476	0	395	0	0	0	3,871
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	0	0	0	0	0	0	0
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
At 31 March 2018	9,695	0	1,599	0	0	0	11,294
Amortisation							
At 1 April 2017	5,384	0	1,023	0	0	0	6,407
Revaluation		0			0	0	0
Reclassifications	(2)	0	0	0	0	0	(2)
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	498	0	121	0	0	0	619
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Accumulated amortisation at 31 March 2018	5,880	0	1,144	0	0	0	7,024
Net book value At 1 April 2017	835	0	181	0	0	0	1,016
Net book value At 31 March 2018	3,815	0	455	0	0	0	4,270
Net book value							
Purchased	3,815	0	455	0	0	0	4,270
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2018	3,815	0	455	0	0	0	4,270

14. Intangible assets

- i) All intangible fixed assets are stated at original cost.
- ii) The useful lives of all intangible fixed assets held are finite and where applicable are in line with the terms of the individual license.

15. Impairments

Impairments in the period arose from:	2018-19		2017-18	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	738	0
Other (Specify)	1,842	11	3,006	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	1,842	11	3,744	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	1,842	11	3,744	0
Revaluation reserve	510	0	5,272	0
Total	2,352	11	9,016	0

Included within the above total of £2.363m (£2.352m plus £0.011m) are the following items:-

- a review undertaken in connection with expenditure incurred on Trust buildings identified that a total impairment of £0.580m was required as there were instances where the value of the buildings had not been enhanced. Of this amount, £0.141m was charged to operating expenses.

- a review of the Estates Strategy resulted in impairments for six Trust sites being identified in respect of future disposals planned in the medium term. This amounted to a total of £0.185m. Of this amount, £0.128k was charged to operating expenses.

- during the year refurbishment work was undertaken on Vantage Point House, following the conclusion of the work a valuation was carried out. This concluded that an impairment based on the total cost of the work done was required of £0.630m as no value had been added, of this amount, £0.616m was charged to operating expenses.

- during the year refurbishment work was carried out in respect of a relocation of staff from Cefn Coed to Matrix 1. Following the conclusion of the work a valuation was carried out. This concluded that an impairment based on the total cost of the work done was required of £0.819m, all of this was charged to operating expenses.

- a review of equipment and vehicles during the year identified £0.149m of obsolete items requiring impairment, of which £0.011m related to intangibles. All of this was charged to operating expense.

16. Inventories

16.1 Inventories

	31 March	31 March
	2019	2018
	£000	£000
Drugs	152	168
Consumables	995	931
Energy	0	0
Work in progress	0	0
Other	271	129
Total	1,418	1,228
Of which held at net realisable value:	0	0

16.2 Inventories recognised in expenses

	31 March	31 March
	2019	2018
	£000	£000
Inventories recognised as an expense in the period	0	0
Write-down of inventories (including losses)	0	0
Reversal of write-downs that reduced the expense	0	0
Total	0	0

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17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2019 £000	31 March 2018 £000
Current		
Welsh Government	1,796	1,595
WHSSC & EASC	11	11
Welsh Health Boards	835	1,904
Welsh NHS Trusts	98	47
Health Education and Improvement Wales (HEIW)	49	0
Non - Welsh Trusts	0	61
Other NHS	6	9
Welsh Risk Pool	2,198	8,347
Local Authorities	6	50
Capital debtors	280	0
Other debtors	838	529
Provision for impairment of trade receivables	(254)	(291)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,509	1,213
Accrued income	0	0
Sub-total	<u>7,372</u>	<u>13,475</u>
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	0	0
Local Authorities	0	0
Capital debtors	0	0
Other debtors	523	566
Provision for impairment of trade receivables	0	0
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	0	0
Accrued income	0	0
Sub-total	<u>523</u>	<u>566</u>
Total trade and other receivables	<u><u>7,895</u></u>	<u><u>14,041</u></u>

The great majority of trade is with the Welsh Government and other NHS bodies. As NHS bodies are funded by Welsh Government, no credit scoring of them is considered necessary.

Other debtors include £0.872m re Compensation Recovery Unit (2017-18 £0.919m).

17.2 Receivables past their due date but not impaired

	31 March	31 March
	2019	2018
	£000	£000
By up to 3 months	209	348
By 3 to 6 months	0	0
By more than 6 months	0	0
Balance at end of financial year	209	348

17.3 Expected Credit Losses (ECL) Previously Allowance for bad and doubtful debts

	31 March	31 March
	2019	2018
	£000	£000
Balance at 31 March 2018	(291)	
Adjustment for Implementation of IFRS 9	0	
Balance at 1 April	(291)	(273)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	17	5
Provision written back during the year no longer required	0	0
(Increase)/Decrease in provision during year	20	(23)
ECL/Bad debts recovered during year	0	0
Balance at end of financial year	(254)	(291)

17.4 Receivables VAT

	31 March	31 March
	2019	2018
	£000	£000
Trade receivables	58	22
Other	0	0
Total	58	22

18. Other financial assets

	31 March	31 March
	2019	2018
	£000	£000
	NHS Trust	
Current		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Total	0	0
Non-Current		
Shares and equity type investments		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Deposits	0	0
Loans	0	0
Derivatives	0	0
Other (Specify)		
Held to maturity investments at amortised costs	0	0
At fair value through SOCI	0	0
Available for sale at FV	0	0
Total	0	0

19. Cash and cash equivalents

	31 March	31 March
	2019	2018
	£000	£000
Opening Balance	10,126	12,126
Net change in year	3,500	(2,000)
Closing Balance	13,626	10,126
Made up of:		
Cash with Government Banking Service (GBS)	300	293
Cash with Commercial banks	20	29
Cash in hand	6	4
Total cash	326	326
Current investments	13,300	9,800
Cash and cash equivalents as in SoFP	13,626	10,126
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	13,626	10,126

20. Trade and other payables at the SoFP Date	31 March	31 March
	2019	2018
Current	£000	£000
Welsh Government	59	89
WHSSC & EASC	426	0
Welsh Health Boards	346	392
Welsh NHS Trusts	277	211
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	1
Local Authorities	8	56
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	127
Other taxes payable to HMRC	1,147	1,052
National Insurance contributions payable to HMRC	1,627	1,547
Non-NHS trade payables - revenue	2,993	1,419
Trade payables - capital	7,650	6,438
Rentals due under operating leases	0	0
Obligations due under finance leases and HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	1,761	1,620
Accruals	7,234	7,653
Deferred Income:		
Deferred income brought forward	75	0
Deferred income additions	70	75
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	0	0
Other liabilities - all other payables	0	0
PFI assets – deferred credits	0	0
PFI - Payments on account	0	0
Sub-total	23,673	20,680

In respect of the Pensions figure shown above, £1.751m relates to the NHS Pension scheme (2017-18 £1.616m) and £0.010m to the NEST pension scheme (2017-18 £0.004m).

20. Trade and other payables at the SoFP Date (cont)

	31 March 2019 £000	31 March 2018 £000
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
National Insurance contributions payable to HMRC	0	0
Non-NHS trade payables - revenue	0	0
Local Authorities	0	0
Trade payables - capital	0	0
Rentals due under operating leases	0	0
Obligations due under finance leases and HP contracts	0	0
Imputed finance lease element of on SoFP PFI contracts	0	0
Pensions: staff	0	0
Accruals	0	0
Deferred Income:		
Deferred income brought forward	0	0
Deferred income additions	0	0
Transfer to/from current/non current deferred income	0	0
Released to the Income Statement	0	0
Other liabilities - all other payables	0	0
PFI assets – deferred credits	0	0
PFI - Payments on account	0	0
Sub-total	<u>0</u>	<u>0</u>
Total	<u>23,673</u>	<u>20,680</u>

The Trust aims to pay all invoices within the 30 day period directed by the Welsh Government.

21. Borrowings	31 March	31 March
Current	2019	2018
	£000	£000
Bank overdraft - Government Banking Service (GBS)	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	941	1,526
Other	0	0
Total	941	1,526
Non-current		
Bank overdraft - OPG	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	0	942
Other	0	0
Total	0	942

21.2 Loan advance/strategic assistance funding

The NHS Trust has not received a loan advance or strategic funding from the Welsh Government.

22. Other financial liabilities

	31 March 2019 £000	31 March 2018 £000
Current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

	31 March 2019 £000	31 March 2018 £000
Non-current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

23. Provisions

	At 1 April 2018	Structured settlement cases transferred to RiskPool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2019
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	4,414	0	0	0	0	1,314	(1,008)	(3,235)	0	1,485
Personal injury	3,821	0	0	0	0	2,719	(4,064)	(1,240)	8	1,244
All other losses and special payments	0	0	0	0	0	285	(183)	(102)	0	0
Defence legal fees and other administration	262	0	0	0	0	383	(248)	(131)	0	266
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	20		0	7	0	9	(16)	0	0	20
Restructurings	0		0	0	0	0	0	0		0
Other	251		0	0	0	1,739	(121)	0		1,869
Total	8,768	0	0	7	0	6,449	(5,640)	(4,708)	8	4,884
Non Current										
Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	7,172	0	0	0	0	0	(277)	0	0	6,895
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	86		0	(7)	0	0	0	0	0	79
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	7,258	0	0	(7)	0	0	(277)	0	0	6,974
TOTAL										
Clinical negligence	4,414	0	0	0	0	1,314	(1,008)	(3,235)	0	1,485
Personal injury	10,993	0	0	0	0	2,719	(4,341)	(1,240)	8	8,139
All other losses and special payments	0	0	0	0	0	285	(183)	(102)	0	0
Defence legal fees and other administration	262	0	0	0	0	383	(248)	(131)	0	266
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	106		0	0	0	9	(16)	0	0	99
Restructurings	0		0	0	0	0	0	0		0
Other	251		0	0	0	1,739	(121)	0		1,869
Total	16,026	0	0	0	0	6,449	(5,917)	(4,708)	8	11,858

Expected timing of cash flows:

	In year to 31 March 2020	Between 1 April 2020 to 31 March 2024	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence	1,485	0	0	1,485
Personal injury	1,244	1,677	5,218	8,139
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	266	0	0	266
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	20	64	15	99
Restructuring	0	0	0	0
Other	1,869	0	0	1,869
Total	4,884	1,741	5,233	11,858

"Other" provisions £1.869m (2017-18 £0.251m) relates to a provision of £1.505m in respect of an evaluation of recent employment legislation and case law affecting the calculation of annual leave payments for employees working in the NHS and £0.364m for dilapidation of leasehold premises.

23. Provisions (continued)

2017-18

	At 1 April 2017	Structured settlement cases transferred to Risk Pool	Transfers to creditors	Transfers between current and non current	Transfers (to)/from other NHS body	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2018
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	2,259	0	0	0	0	6,965	(608)	(4,202)	0	4,414
Personal injury	2,664	0	0	0	0	2,969	(1,471)	(359)	18	3,821
All other losses and special payments	0	0	0	0	0	257	(234)	(23)	0	0
Defence legal fees and other administration	286	0	0	0	0	243	(154)	(113)	0	262
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	22		0	21	0	13	(18)	(18)	0	20
Restructurings	137		0	0	0	0	(126)	(11)		0
Other	253		0	0	0	0	0	(2)		251
Total	5,621	0	0	21	0	10,447	(2,611)	(4,728)	18	8,768
Non Current										
Clinical negligence	0	0	0	0	0	0	0	0	0	0
Personal injury	7,247	0	0	0	0	(75)	0	0	0	7,172
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	107		0	(21)	0	0	0	0	0	86
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	7,354	0	0	(21)	0	(75)	0	0	0	7,258
TOTAL										
Clinical negligence	2,259	0	0	0	0	6,965	(608)	(4,202)	0	4,414
Personal injury	9,911	0	0	0	0	2,894	(1,471)	(359)	18	10,993
All other losses and special payments	0	0	0	0	0	257	(234)	(23)	0	0
Defence legal fees and other administration	286	0	0	0	0	243	(154)	(113)	0	262
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	129		0	0	0	13	(18)	(18)	0	106
Restructurings	137		0	0	0	0	(126)	(11)		0
Other	253		0	0	0	0	0	(2)		251
Total	12,975	0	0	0	0	10,372	(2,611)	(4,728)	18	16,026

"Other" provisions £0.251m (2016-17 £0.253m) relates to a provision for dilapidation of leasehold premises.

24 Contingencies

24.1 Contingent liabilities

Provision has not been made in these accounts for the following amounts:

	31 March	31 March
	2019	2018
	£000	£000
Legal claims for alleged medical or employer negligence	7,147	5,446
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	0	0
Other (Please specify)	0	0
Total value of disputed claims	<u>7,147</u>	<u>5,446</u>
Amount recovered under insurance arrangements in the event of these claims being successful	<u>(5,912)</u>	<u>(3,943)</u>
Net contingent liability	<u>1,235</u>	<u>1,503</u>

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

Contingent liabilities includes claims relating to alleged clinical negligence, personal injury and permanent injury benefits under the NHS Injury Benefits Scheme. The above figures include contingent liabilities for all Health Bodies in Wales.

In addition to the above, provision within the accounts has not been made for remote contingent liabilities arising from legal claims of £0.075m (2017/18 £0.072m).

24.2. Remote contingent liabilities

	31 March	31 March
	2019	2018
	£000	£000
Guarantees	0	0
Indemnities	0	0
Letters of comfort	0	0
Total	<u>0</u>	<u>0</u>

24.3 Contingent assets

The Trust has no contingent assets.

25. Capital commitments

Commitments under capital expenditure contracts at the statement of financial position sheet date were:

	31 March	31 March
	2019	2018
	£000	£000
Property, plant and equipment	452	1,208
Intangible assets	20	3
Total	472	1,211

26. Losses and special payments

Losses and special payments are charged to the Income statement in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during year to 31 March 2019		Approved to write-off year to 31 March 2019	
	Number	£	Number	£
Clinical negligence	8	1,008,497	3	544,470
Personal injury	93	4,340,902	30	497,313
All other losses and special payments	105	182,438	60	228,149
Total	206	5,531,837	93	1,269,932

Analysis of cases:

Case Reference	Case Type	No of cases	Amounts paid out in year	Cumulative amount	Approved to write-off in year
			£	£	£
Cases where cumulative amount exceeds £300,000					
14RT4MN0003	Clinical negligence	1	713,202	713,202	0
14RT4PI0012	Personal injury	1	30,380	382,000	0
15RT4MN0003	Clinical negligence	1	615	533,465	0
15RT4PI0033	Personal injury	1	3,548,813	4,077,610	0
Sub-total		4	4,293,010	5,706,277	0
All other cases		202	1,238,827	9,475,317	1,269,932
Total cases		206	5,531,837	15,181,594	1,269,932

Approved to write-off in the above context means the cash amount paid out to date relating to cases closed during the year.

27. Finance leases

27.1 Finance leases obligations (as lessee)

A contract was entered into with Airwave during 2007-08 in respect of the National Ambulance Radio Re-procurement Project. This contract will be paid in full during the financial year 2019/20.

This is the only asset included within 'Other' below.

Amounts payable under finance leases:

LAND	31 March 2019 £000	31 March 2018 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.1 Finance leases obligations (as lessee) continued

Amounts payable under finance leases:

BUILDINGS

	31 March 2019 £000	31 March 2018 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	0	0
Included in: Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

Present value of minimum lease payments

Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	0	0
Included in: Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

OTHER

	31 March 2019 £000	31 March 2018 £000
Minimum lease payments		
Within one year	971	1,613
Between one and five years	0	984
After five years	0	0
Less finance charges allocated to future periods	(30)	(129)
Minimum lease payments	941	2,468
Included in: Current borrowings	941	942
Non-current borrowings	0	1,526
Total	941	2,468
Present value of minimum lease payments		
Within one year	941	1,526
Between one and five years	0	942
After five years	0	0
Total present value of minimum lease payments	941	2,468
Included in: Current borrowings	941	1,526
Non-current borrowings	0	942
Total	941	2,468

27.2 Finance lease receivables (as lessor)

There are no Finance Lease receivables.

Amounts receivable under finance leases:

	31 March	31 March
	2019	2018
	£000	£000
Gross investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.3 Rental Revenue	31 March	31 March
	2019	2018
	£000	£000
Contingent rent	0	0
Other	0	0
Total rental revenue	0	0

27.4 Finance Lease Commitment

The Welsh Ambulance Services NHS Trust has not entered into any new contracts under finance leases during 2018-19.

28. Private finance transactions

Private Finance Initiatives (PFI) / Public Private Partnerships (PPP)

The Trust has no PFI or PPP schemes deemed to be "on or off SoFP."

29. Financial Risk Management

IFRS 7, Derivatives and Other Financial Instruments, requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

NHS Trusts are not exposed to the degree of financial risk faced by business entities. Financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. NHS Trusts have limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing NHS Trusts in undertaking its activities.

The Trust's treasury management operations are carried out by the finance department within parameters defined formally within the Trust's standing financial instructions and policies agreed by the board of directors. The Trust treasury activity is subject to review by the Trust's internal auditors.

Liquidity risk

The Trust's net operating costs are incurred under annual service agreements with various Health bodies, which are financed from resources voted annually by parliament. NHS Trusts also largely finance their capital expenditure from funds made available from the Welsh Government under agreed borrowing limits. NHS Trusts are not, therefore, exposed to significant liquidity risks.

Interest-rate risks

The great majority of NHS Trust's financial assets and financial liabilities carry nil or fixed rates of interest. NHS Trusts are not, therefore, exposed to significant interest-rate risk.

Foreign currency risk

NHS Trusts have no or negligible foreign currency income or expenditure and therefore are not exposed to significant foreign currency risk.

Credit Risk

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

General

The powers of the Trust to invest and borrow are limited. The Board has determined that in order to maximise income from cash balances held, any balance of cash which is not required will be invested. The Trust does not borrow from the private sector. All other financial instruments are held for the sole purpose of managing the cash flow of the Trust on a day to day basis or arise from the operating activities of the Trust. The management of risks around these financial instruments therefore relates primarily to the Trust's overall arrangements for managing risks to their financial position, rather than the Trust's treasury management procedures.

30. Movements in working capital

	31 March 2019 £000	31 March 2018 £000
Movements in working capital		
Decrease / (increase) in inventories	(190)	(55)
(Increase) in trade and other receivables - non-current	43	(8)
(Increase) / decrease in trade and other receivables -current	6,103	(5,871)
(Decrease) in trade and other payables- non-current	0	0
Increase / (decrease) in trade and other payables- current	2,993	981
Total	8,949	(4,953)
Adjustment for accrual movements in fixed assets -creditors	(1,212)	0
Adjustment for accrual movements in fixed assets -debtors	280	0
Other adjustments	0	0
Total	8,017	(4,953)

31. Other cash flow adjustments

	31 March 2019 £000	31 March 2018 £000
Other cash flow adjustments		
Depreciation	14,443	13,632
Amortisation	1,472	619
(Gains)/Loss on Disposal	0	0
Impairments and reversals	1,853	3,744
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	1,749	5,662
Total	19,517	23,657

32. Third party assets

The trust has no third party assets.

33. Events after reporting period

The Welsh Ambulance Services NHS Trust had no events after the reporting period.

34. Related Party transactions

The Trust is a body corporate established by order of the Welsh Minister for Health and Social Services.

During the year none of the board members or members of the key management staff or parties related to them has undertaken any material transactions with the Trust.

The Welsh Government is regarded as a related party. During the year NHS Trust have had a significant number of material transactions with the Welsh Government and with other entities for which the Welsh Government is regarded as the parent body, namely :-

	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	456	13,990	59	1,796
WHSSC/EASC	0	147,684	426	11
Abertawe Bro Morgannwg University Health Board	180	4,146	16	76
Aneurin Bevan Health Board	183	6,378	58	278
Betsi Cadwaladr Health Board	405	4,993	169	65
Cardiff & Vale University Health Board	38	4,231	3	215
Cwm Taf University Health Board	79	1,309	19	4
Hywel Dda Local Health Board	178	3,093	40	12
Powys Local Health Board	53	1,150	43	185
Public Health Wales NHS Trust	17	44	0	5
Velindre University NHS Trust	1,656	1,386	276	93
Welsh Ambulance Services NHS Trust	0	0	0	0
Health Education and Improvement Wales (HEIW)	0	362	0	49
Welsh Local Authorities	2,014	112	8	6
Cardiff University	7	0	1	0
Swansea University	192	251	0	12
Cardiff Metropolitan University	3	0	0	0
University of South Wales	3	0	0	0
University of Wales	0	0	0	0
Bangor University	0	0	0	0
Glyndwr University	1	0	0	0
	5,465	189,129	1,118	2,807

The Trust Board is the Corporate Trustee of the Welsh Ambulance Services NHS Trust Charity. All voting members of the Trust (marked with an asterisk in the table overleaf) can act as a corporate trustee of the charity. During the year receipts from the Charity amounted to £0.010m (2017/18: £0.010m) with no other transactions being made. Net assets of the charity amount to just over £0.4m.

The Welsh Government income shown above includes £1.854m relating to impairment funding and £2.224m that relates to PDC capital received during 2018/19.

34. Related Party transactions (continued)

A number of the Trust's members have declared interests in related parties as follows:

Name	Position	Declaration
Martin Woodford *	Trust Chairman (Interim) and Non Executive Director	Secretary of Llandogo Memorial Green Committee. Secretary/Manager Tintern Sports Club.
Helen Birtwhistle *	Non-Executive Director (Left the Trust 31/10/18)	Director of Wales For Europe. Lay Member of the Governing Body of the Church of Wales. Vice Chair of Standing Committee. Member of the International Advisory Board, Cardiff Business School. Volunteer with Oasis, an organisation to support asylum seekers/refugees.
Emrys Davies *	Non-Executive Director	Director and Chair of Newport Road Maintenance Ltd. Retired Member of Unite.
Kevin Davies *	Non-Executive Director	Army Reservist. Chair ABF The Soldiers Charity (Glamorgan) Member of the International Medical Panel, Halo Trust. Emeritus Professor, University of South Wales Independent Trustee St John Cymru Wales. Patron - The Motivation and Learning Trust. Deputy Lord Lieutenant South Glamorgan
Pamela Hall *	Non-Executive Director	None
Paul Hollard *	Non-Executive Director	Independent Consultant across NHS Wales.
James Mycroft *	Non-Executive Director	Employee of Principality Building Society, Director of Nemo Personal Finance Ltd.
Martin Turner *	Non-Executive Director (Interim) (Joined the Trust 23/7/18)	Management Consultancy (Martin Turner Associates)
Patricia Roseblade *	Chief Executive (Interim) (1/4/18 to 23/9/18) Supernumerary (24/9/18 to 14/10/18) Left the Trust on secondment to Powys LHB (15/10/18)	None
Jason Killens *	Chief Executive (Joined the Trust 24/9/18)	Honorary Professorship at Swansea University – College of Human and Health Science
Claire Bevan *	Executive Director of Quality and Nursing	Honorary Contract Swansea University: Lecturing.
Brendan Lloyd *	Deputy Chief Executive (Interim) and Medical Director	None
Christopher Turley *	Executive Director of Finance and ICT (Interim)	None
Claire Vaughan *	Executive Director of Workforce and OD	None
Hannah Evans	Director of Planning and Performance (Left the Trust on secondment to ABMU LHB 6/8/18)	None
Estelle Hitchon	Director of Partnership and Engagement (includes responsibility for Planning and Performance for the period 6/8/18-2/12/18)	None
Richard Lee	Director of Operations (Left the Trust 7/11/18)	Examiner for Royal College of Surgeons Edinburgh. Funded by Health Foundation to attend SCIANA leadership programme.
Rachel Marsh	Director of Planning and Performance (Interim) (Joined the Trust on secondment from Cwm Taff LHB 3/12/18)	None
Louise Platt	Director of Operations (Interim) (From 1/11/18)	None
Keith Cox	Board Secretary	Treasurer of Thrive – Local Charity, Magistrate Cardiff and Vale.

Voting Members of the Trust are marked with an asterisk * in the Table above.

No other Trust members provided declarations of interest in related parties during the period.

Welsh Ambulance Services NHS Trust Annual Accounts 2018-19

34. Related Party transactions (continued)

Material transactions between the Trust and related parties disclosed on page 62 during 2018-19 were as follows (unless already reported on page 61) :	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due from related party £000
St John Ambulance	1,724	0	232	0
TOTAL	1,724	0	232	0

35. Pooled budgets

The Welsh Ambulance Services NHS Trust has no pooled budgets.

36. Operating Segments

The Trust's primary remit is the provision of Ambulance and Unscheduled Care services throughout Wales and this is viewed as the only segment that is recognisable under this legislation.

The Chief Operating Decision Maker (CODM) is considered to be the Trust Board. The CODM receives a variety of information in a variety of formats dealing with various aspects of ambulance service and NHS Direct Wales performance. The Trust however considers the provision of services to be ultimately generic, in terms of geography and service.

The Trust therefore is deemed to operate as one segment.

37. Other Information

IFRS15

Work was undertaken by the TAG IFRS sub group, consistent with the 'portfolio' approach allowed by the standard. Each income line in the notes from a previous year's annual accounts (either 2016/17 or 2017/18) was considered to determine how it would be affected by the implementation of IFRS 15. It was determined that the following types of consideration received from customers for goods and services (hereon referred to as income) fell outside the scope of the standard, as the body providing the income does not contract with the body to receive any direct goods or services in return for the income flow.

- Charitable Income and other contributions to Expenditure.
- Receipt of Donated Assets.
- WG Funding without direct performance obligation

Income that fell wholly or partially within the scope of the standard included:

- Welsh LHB & WHSCC LTA Income;
- Non Welsh Commissioner Income;
- NHS Trust Income;
- Foundation Trust Income;
- Other WG Income;
- Local Authority Income;
- ICR Income ;
- Training & Education income ;
- Accommodation & Catering income

It was identified that the only material income flows likely to require adjustment for compliance with IFRS15 was that for patient care provided under Long Term Agreements (LTA's). The adjustment being, for episodes of patient care which had started but not concluded (FCE's), as at period end, e.g. 31 March.

Therefore for The Welsh Ambulance Services NHS Trust there are no material income flows that require adjustment.

37. Other Information (continued)

IFRS 9

For consistency across Wales, the practical expedient provision matrix was used to estimate expected credit losses (ECLs) based on the 'age' of receivables as follows:

- Receivables were segregated into appropriate groups
- Each group, was analysed:
 - a) age-bands
 - 1-30 days (including current)
 - 31-60 days
 - 61-90 days
 - 91-180 days
 - 181- 365 days
 - > 1 year
 - b) at historical back-testing dates (data points)
- For each age-band, at each back-testing date the following were determined:
 - a) the gross receivables
 - b) the amounts ultimately collected/written-off. If material, adjustments should be made to exclude the effect of non-collections for reasons other than credit loss (e.g. credit notes issued for returns, short-deliveries or as a commercial price concession)
- The average historical loss rate by age-band was calculated, and adjusted where necessary e.g. to take account of changes in:
 - a) economic conditions
 - b) types of customer
 - c) credit management practices
- Consideration was given as to whether ECLs should be estimated individually for any period-end receivables, e.g. because information was available specific debtors.
- Loss rate estimates were applied to each age-band for the other receivables.
- The percentages calculated have been applied to those invoices outstanding as at 31st March 2019 (which don't already have a specific provision against them) to recalculate the value of the Trust's non-specific provision under IFRS9.

BREXIT

On 29 March 2017, the UK Government submitted its notification to leave the EU in accordance with Article 50. The triggering of Article 50 started a two-year negotiation process between the UK and the EU. On 11 April 2019, the government confirmed agreement with the EU on an extension until 31 October 2019 at the latest, with the option to leave earlier as soon as a deal has been ratified.

As part of the Trust's preparation in connection with this additional contingency stock was purchased with a value of approximately £0.2m.

Indexation

In 2018-19 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual For Accounts.

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

NHS TRUSTS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2010 and subsequent financial years in respect of the NHS Wales Trusts in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the NHS Wales Trusts shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FRoM), which is in force for the financial year for which the accounts are being prepared, as detailed in the NHS Wales Trust Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the Trust for the year ended 31 March 2010 and subsequent years shall comprise a foreword, an income statement, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FRoM and applied to the NHS Wales Manual for Accounts, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2010 and subsequent years, the account of the Trust shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.

7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated : 17.06.2010

1 Please see regulation 3 of the 2009 No 1558(W.153); NATIONAL HEALTH SERVICE, WALES; The National Health Service Trusts (Transfer of Staff, Property Rights and Liabilities) (Wales)