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Welsh Ambulance Services
NHS Trust



ACCOUNTABILITY REPORT AND ANNUAL ACCOUNTS

2016-17



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ACCOUNTABILITY REPORT

2016-17

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 2016-17 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

2016-17

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 2016-17.

First Name	Last Name	Position	Declaration
Michael	Giannasi *	Chairman	Director of Poolbank Consulting Ltd. Honorary Professor School of Human and Health Sciences, Swansea University
Emrys	Davies *	Non-Executive Director	Director and Chair of Newport Road Maintenance Ltd. Retired Member of Unite. Community Councillor Vale of Glamorgan.
Kevin	Davies *	Non-Executive Director	Army Reservist. Paton - The Motivation and Learning Trust. Chair ABF The Soldiers Charity (Glamorgan).
Pamela	Hall *	Non-Executive Director	Independent member of Joint Audit Committee for North Wales Police. Chair of Steering Group for the Welsh Government Information Quality Improvement initiative. Secretary of Llandudno and Area Women's Group.
James	Mycroft *	Non-Executive Director	Director of Nemo Personal Finance Ltd (subsidiary of Principality Building Society). Owner – Rapid High Impact Ltd (not trading).

David	Scott *	Non-Executive Director	Volunteer with Community and Voluntary Support Conwy (CVSC).
Martin	Woodford *	Non-Executive Director	Tax Return preparation for self-employed individuals. Secretary of Llandogo Memorial Green Committee. Secretary Tintern Football Club.
Paul	Hollard *	Non-Executive Director	Independent Consultant for NHS Wales.
Tracy	Myhill *	Chief Executive	Director of Omnimark Ltd. Company does not trade and never commenced trading.
Claire	Bevan *	Executive Director Quality, Safety and Patient Experience	None
Brendan	Lloyd *	Executive Director Medical	None
Patsy	Roseblade*	Executive Director Finance and ICT/Deputy Chief Executive	None
Claire	Vaughan *	Executive Director of Workforce and OD	None
Richard	Lee	Director of Operations	Examiner for Royal College of Surgeons.
Hannah	Evans	Director of Planning and Performance	None
Estelle	Hitchon	Director of Partnership and Engagement	None
Keith	Cox	Board Secretary	None

Note: 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 above) can act as a corporate trustee of the charity. In addition, three Non-Executive Directors have roles on the Charitable Funds Committee.

Environmental, Social and Community issues

During 2016/17, the Trust has continued to roll out its environmental governance system (EGS) in the Central & West Region. Environmental champions and environmental auditors were trained in the region and this led to a successful audit by the British Standards Institution during summer 2016.

The Trust is presently working with British Standards Institution to agree our preparedness and timetable to switch over from the 2004 standard to the new 2015 standard for Environmental Management Systems (ISO 14001). The Trust remains the only UK ambulance service accredited under ISO 14001 environmental management systems.

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.

Tracy Myhill, Chief Executive Dated 1 June 2017

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:

Mick Giannasi,
Chairman Dated 1 June 2017

Tracy Myhill, Chief
Executive Dated 1 June 2017

Patsy Roseblade,
Director of
Finance and ICT Dated 1 June 2017

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 2016-17 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 2016-17 Annual Quality Statement, whilst information on our performance over the last twelve months is set out in the Trust's 2016-17 Annual Report. Looking forward, our targets and ambitions are explained in the Trust's Integrated Medium Term Plan 2016-2019 and in the 2017/18-2019/20 refreshed plan submitted to Welsh Government in March 2017.

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 an integral part of the Trust in April 2007, and provides a service to a population of three million, spread over an area of almost eight thousand square miles.

The Trust provides two types of service – unscheduled care and planned patient care services, in addition to providing telephone and web advice services through NHS Wales Direct Service. Our unscheduled care services (emergency and urgent care) provide support to patients with illnesses that are immediately life threatening through to minor injuries. Our planned patient care services help millions of patients each year to get to their hospital and medical appointments.

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. 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. 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 positive change in escalation status reflects the organisation's improved performance since the implementation of the new clinical response model and the approval of the Trust's integrated medium term plan in 2016.

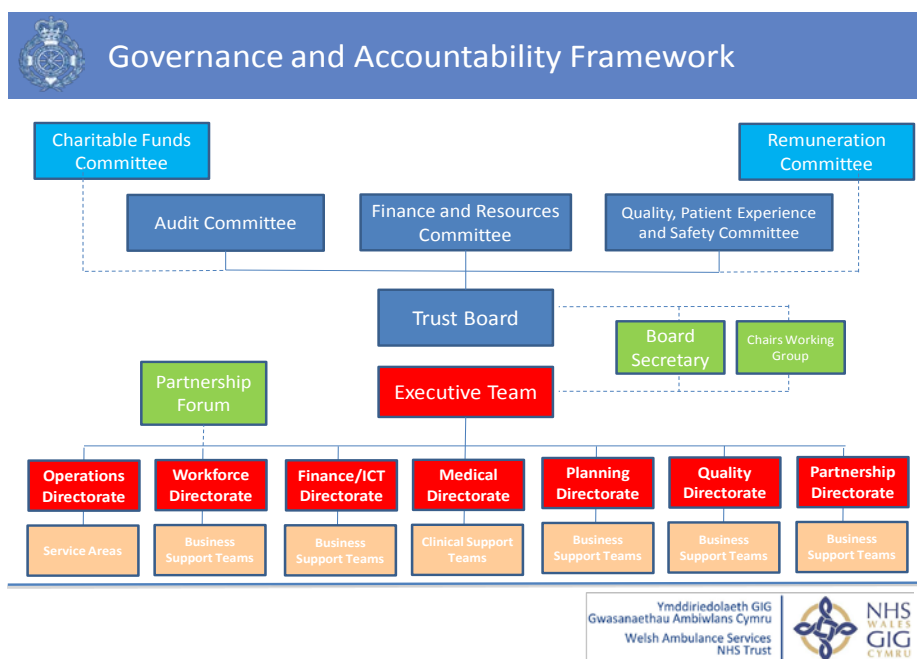
Governance of hosted organisations

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 Abertawe Bro Morgannwg LHB (pilot area) that set out the respective roles and responsibilities of each organisation, with progress reports and governance updates being presented to Trust Board in December 2016 and March 2017.

Scope of responsibility

The Trust Board is accountable for governance 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 2016-17 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. The table below sets out the Board governance and accountability framework that was introduced in April 2015 and has operated unaltered since that point in time.



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.

All Trust Board meetings in 2016-17 were appropriately constituted and were quorate. Due to urgent business, an additional two meetings of the Trust Board were held in 2016-17 to the scheduled six meetings (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.

Staff and stakeholder engagement sessions were held after the formal Trust Board meetings in Bangor, Merthyr Tydfil, Newport and Cardiff, that enabled Board members to explore in detail local issues of concern. This engagement process will continue in 2017-18 as the Trust Board continues to rotate its meetings across the seven Local Health Board geographic areas.

Examples of the key governance and control matters addressed by the Trust Board during 2016-17 were:

- Annual report, accounts and governance statements;
- Board assurance framework and risk management strategy;
- Clinical Contact Centre configuration;
- Engagement and communications framework;
- Integrated medium term plan – delivery and refresh;
- Minutes of Trust Board committees;
- Planning and performance management framework;
- Quality, safety and patient experience integrated reports; and
- Wales Audit Office Structured Assessment.

The full list of items discussed by the Trust Board during 2016-17 are listed in **Appendix 2** (Table 1).

Board Development

The Board Development Programme continued in 2016-17 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 2016-17 were:

- Developing a ten year Trust strategy
- Executive and Non-Executive Director objectives
- Treating people fairly – our approach
- It makes sense – sensory loss campaign

The full list of items discussed Board Development sessions during 2016-17 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.

The Chairs of the committees provide verbal reports to the Board meeting following each committee meeting. Minutes of committee meetings are also 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 2016-17 (details of meeting dates and members attendance is listed in **Appendix 1**).

Key governance and control matters considered by the Audit Committee during 2016-17 were:

- Annual accounts;
- Audit recommendation trackers;
- Accountability report and annual governance statement;
- Clinical audit and effectiveness;
- Corporate risk register;
- Counter fraud annual report and progress reports;
- Internal and external audit reports, opinion and operational plans;
- Losses and special payments;
- Tender update and waiver reports.

The full list of items discussed by the Audit Committee during 2016-17 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 2016-17 (details of meeting dates and members attendance is listed in **Appendix 1**).

Key governance and control matters considered by the Quality, Patient Experience and Safety Committee during 2016-17 were:

- Annual quality statement and quarterly quality assurance reports;
- Clinical audit and effectiveness programme;
- Infection prevention control;
- Health and Safety;
- Patient experience highlight reports;
- 'Putting Things Right' annual report and updates;
- Quality improvement – serious adverse incidents;
- Quality integrated performance;
- Regulation 28 – prevention of future deaths;
- Safeguarding; and
- Welsh language act and Welsh language scheme

The full list of items discussed by the Quality, Patient Experience and Safety Committee during 2016-17 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 2016-17 (details of meeting dates and members attendance is listed in **Appendix 1**).

Key governance and control matters considered by the Finance and Resources Committee during 2016-17 were:

- Budget updates and savings delivery;
- Business continuity preparedness and major incident feedback;
- Clinical contact centre configuration;
- Computer aided despatch procurement;
- Estates strategy;
- Fleet management plan;
- Integrated performance reports;
- Personal appraisal and development reviews; and
- Workforce performance report.

The full list of items discussed by the Finance and Resources Committee during 2016-17 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 Remuneration Committee met six times during 2016-17 and focused on pay and conditions of service for new senior appointments, arrangements around former senior staff and personal development plans for Board members and executives (details of meeting dates and members attendance is listed in **Appendix 1**). The full list of items discussed by the Remuneration Committee during 2016-17 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 2016-17 and developed procedures for funds in respect of bursaries and other schemes in relation to staff professional development (details of meeting dates and members attendance is listed in **Appendix 1**). The full list of items discussed by the Charitable Funds Committee during 2016-17 are listed in **Appendix 2** (Table 4).

As stated above, the membership of the Trust Board and its Committees is set out in **Appendix 1** together with the dates of meetings and attendance in 2016-17. 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 for the 2016-17 financial year.

	Mick Giannasi	Emrys Davies	Kevin Davies	Pam Hall	Paul Hollard	James Mycroft	David Scott	Martin Woodford
Trust Board	Chair	✓	✓	✓	✓	✓	✓	Vice Chair
Audit Committee		✓		✓	✓		Chair	
Charitable Funds Committee		✓	✓	Chair	✓			
Finance & Resources Committee			✓	✓		✓	✓	Chair
Quality, Patient Experience & Safety Committee		Chair	✓		✓	✓		✓
Remuneration Committee	Chair					✓	✓	✓

From 1 April 2017, the chairmanship of Audit Committee and Charitable Funds Committee will change following the departure from the Trust of Non-Executive Director, David Scott, whose contract ended on 31 March 2017. At its meeting on 23 March 2017, Trust Board agreed the appointments of Pam Hall as Chair of Audit Committee and Kevin Davies as Chair of Charitable Funds Committee.

The table below sets out the senior management structure of the Trust as at 31 March 2017. Executive Directors (Trust Board Members) are marked with an asterisk.



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 2016-17 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 2017 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 2015-16 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 was approved by the Trust Board in March 2016. This provides a maturing framework for the Trust's approach to risk management, escalation and assurance mechanisms and it is aligned to the Trust Integrated Medium Term Plan, Strategic Aims and Priorities with the aim of moving the risk maturity of the Trust forward by 2019.

An update on the progress made by the Trust in moving from a "risk aware" organisation to a "risk enabled" organisation was received by Trust Board in March 2017 (<http://www.ambulance.wales.nhs.uk/Default.aspx?pageId=318&lan=en>). This identified the completion of 15 actions during 2016-17 and set out a further 14 actions to be completed in 2017-18 (these actions to be monitored by a newly established Trust Risk Panel from May 2017).



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 March 2017 there were 30 strategic risks scoring 15 or over on the Trust's (High Level) Corporate Risk Register, with four of these scoring 20. The table below lists each of these four risks and their respective scores as 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.

Risk Summary (as at March 2017)

Ref	Executive Lead	Risk Title	Risk Rating (existing controls)	Target Risk Rating
CRR37	Board Secretary	Management of Policies & Procedures	5x4 20	10
CRR34	Director of Engagement & Partnerships	Trust Reputation	5x4 20	10
CRR47	Director of Workforce & Org. Development	Potential Band 6 for Paramedic Workforce	5x4 20	10
CRR48	Director of Quality, Patient Safety & Experience	Mental Health Improvement Plan & resource requirement	5x4 20	10

Risk Review Process

The Trust's Executive Management Team and Audit Committee regularly received, considered and commented on the Risk Register during 2016-17 (<http://www.ambulance.wales.nhs.uk/Default.aspx?pageld=215&lan=en>). 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 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 Document

As part of the work in developing the risk management strategy and framework, the Trust has also been developing 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 current practice from other UK health bodies. This has helped inform the development of the risk processes together with the framework document. The intent is for the Trust Board to formally adopt the Board Assurance Framework early in the 2017-18 financial year.

The control framework

The Trust Annual Quality Statement (2016-17) 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 has received substantial assurance in April 2017 by the Internal Auditors with the progress we have made with implementing these standards.



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. Our priorities to inform the Strategy were identified through consultation with staff, patients, public and stakeholders, whilst also considering our Commissioner's requirements through the CAREMORE© Commissioning Framework. This Strategy will be reviewed during 2017 following publication of the Welsh Government Quality Delivery Plan.

In 2017 the Cabinet Secretary approved the Trust's new clinical response model which has a set of Ambulance Quality Indicators (AQIs), these AQIs are monitored monthly and published quarterly. Additionally, the Trust has developed a number of internal quality ambitions and outcome measures in our Integrated Medium Term Plan.

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 arrangements have been strengthened across the Trust in relation to our quality governance, management and controls:

- We have strengthened our quality governance structures and processes and established a new Quality Steering Group reporting 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 the newly developed quarterly Quality Assurance report. This report is scrutinized 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.

External quality governance has been strengthened during 2016-17 with the Commissioners undertaking a Clinical Risk Assurance Review which has provided confirmation that risks are being managed in the Trust. Findings from the review have informed the development of the Quality Improvement Plan.

Governance, Leadership and Accountability (Health and Care Standards)

In 2016-17, the Trust has strengthened governance arrangements to embed the Health and Care Standards into core business:

- Board members and senior leaders have promoted the importance of **leadership** focus to embed the Health and Care Standards in their local delivery plans to inform the Trust Integrated Medium Term Plan. The Trust has launched a new Team Leadership programme and the Health and Care Standards are promoted in this programme in relation to governance, leadership and accountability.

- The Trust has reviewed the organisations governance structure and arrangements in relation to **accountability** or roles of Board members and sub board committees, with Non-Executive and Executive Director Leads identified for key functions, aligning with the Health and Care Standards. The QuESt committee has oversight of the quality governance monitoring in relation to Trust compliance with the Health and Care Standards.

Summarised below are further examples of progress made by the Trust in 2016-17 with regards to how the Health and Care Standards have been embedded into the core business of the organisation.

- Setting our IMTP, our vision and strategic direction with an increased focus on outcomes for the people who use our services:
 - We have worked in collaboration with service users building on common purpose. Developing our Promises for Older People by listening to the voices of older people; working with people with Learning Disabilities, Sensory Loss and Dementia.
 - Working in collaboration with Health Boards. We designed the first iteration of individual Quality Reports for each of the seven Health Boards to focus on outcomes for patients by strengthening the quality story for pre hospital care and experiences.
- We have focused on developing a positive and open culture to inform learning and continuous improvement with greater self-awareness/reflection to inform the journey of quality improvement:
 - We have invested in our Trust Team Leading Programme launched in April 2017, with a focus on continuous improvement for patient outcomes and experiences, enhancing leadership in practice.
 - We have established an Informing Quality Together forum to build the capacity for staff trained in the model for improvement across the organisation.
 - We are encouraging local team ownership for improving patient outcomes and standards of care by providing quality data for teams to reflect, learn and make improvements.
 - We celebrated at our first Staff Awards ceremony this year the personal and professional achievements of our staff across the organisation and the difference they are making to patient outcomes and experiences.
- Effective leadership by setting direction, igniting passion, pace and drive, and developing people:
 - The launch of our Trust Behaviours developed following engagement with teams across the Trust.
 - Increased visibility of senior leaders across the Trust engaging and listening with front line staff to inform the pace of change.

- Innovating and improving delivery of services aligning resources, with clear roles, responsibilities and objectives and we have achieved a balanced financial budget position at year end:
 - The development of our quarterly Performance Management framework has brought discipline and focus on delivery, early identification of risks and mitigating actions and clarity of priorities. Identification and recognition of achievements is important in this process.

Board Level Self-Assessment

In previous years the Board has 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, the Board has decided not to complete the self-assessment module this year but, instead, rely on the more tangible actions taken throughout 2016-17 which provided the Board with checks and balances and a gauge to its own level of maturity. Some of these actions are 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 the year, 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.

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. For example, Board members have engaged with their peers from the South Western Ambulance Service and have discussed and compared practices and processes. This engagement will further develop through 2017-18 and will be extended to include other UK Ambulance Trusts. Additionally, the Chief Executive attends the London Ambulance Service Board meetings and is part of the UK Ambulance Chief Executives network.

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 progress.

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 Section 13). 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 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.

Overall, the Board has noted some good progress in our systems and processes during 2016-17 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 2017-18.

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.
- 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 2016-17 to 2018-19 was approved by the Cabinet Secretary for Health, Wellbeing and Sport in the Spring of 2016 and ensured the Trust met its statutory planning duty for 2016-17.

In the last twelve months the Trust has made significant progress in delivering against its IMTP strategic priorities, but recognises that there remains a considerable way to go before the improvements made to date are well-embedded. Some headlines of the IMTP progress during 2016-17 being:

- Progress with quality strategy implementation, including new quality, safety and patient experience reporting and assurance mechanisms, development of seven local health board specific quality reports;
- Successful implementation of the 111 Pathfinder with Abertawe Bro Morgannwg Local Health Board;
- Demonstrated quantifiable benefits in terms of an increased focus on the early steps of the clinical model for example increased hear and treat rates and effective frequent caller programmes;
- Decreased variation in red performance;
- Progress with the Non-Emergency Patient Transport Services (NEPTS) Business Case implementation;
- Strengthening relationships with our staff as demonstrated through staff survey;
- Recognition at NHS Awards of our frequent caller work;
- Alignment of recruitment and training plans with vacancies of less than 4% in our EMS workforce;
- Opening of the Joint Ambulance and Fire Centre in Wrexham;
- Forecasting financial balance in line with 2016/17 – 2019/21 IMTP;
- Secured funding for the implementation of telemetry; and
- Developed, agreed and rolled out seven clinical indicators for monitoring patient outcomes.

The financial performance of the organisation for the last twelve months is detailed in the Trust's 2016-17 Annual Accounts. In summary, in accordance with Note 30 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.

In accordance with expectations from Welsh Government, the Trust has developed a refreshed IMTP for the next three year period starting 2017/18. This was prepared in consultation with staff, partners and stakeholders, and was approved by Trust Board on 23 March 2017 and submitted to Welsh Government in accordance with the IMTP timetable requirements.

Data security

The Trust had no reported “serious untoward incidents” during 2016-17 in relation to data security.

Ministerial Directions

During 2016-17, no Ministerial Directions were imposed on the Trust.

Further information on Ministerial Directions can be found at the following website; <http://gov.wales/legislation/subordinate/nonsi/nhswales/2017/?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. Actions undertaken are logged on a Trust database.

Breach of Standing Orders

At its meeting on 15 December 2016, the Trust Board acknowledged that the Trust had inadvertently breached Standing Orders. Whilst the Board agreed that no further action in relation to the specific breach was required, it was agreed that a review of the Trust’s Standing Orders and Scheme of Reservation and Delegations of Powers be undertaken. A Board Task and Finish Group was agreed in March 2017 with the remit to report on findings to the 29 June 2017 Trust Board meeting.

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 2016-17.

Trust Board

As set out earlier in this report, the Board, functioning as a corporate decision body, regularly considered throughout 2016-17 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 comment on the quality of financial and performance data used by the Board.

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 2016-17 the Trust commissioned a programme of audit work which has been 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:

 <p>- + Yellow</p>	<p>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.</p>
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This conclusion is consistent to the “reasonable/ moderate assurance” Head of Internal Audit opinion reported in the Trust’s 2015-16 Annual Governance Statement.

During the 2016-17 financial year Internal Audit produced 30 reports on Trust activities of which seven had a conclusion of either ‘no’ or ‘limited’ assurance.

‘No Assurance’ Internal Audit Reports

Of these seven reports, one had a conclusion of no assurance (Controls of the use of NHS Supplies, set out below) i.e. “the Trust Board can take no assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. Action is required to address the whole control framework in this area with high impact on residual risk exposure until resolved”.

Controls of the use of NHS Supplies

Identified deficiencies in the Trust’s controls operating in the consumables store at the Hawthorn station. A management action plan and an implementation timetable

to address the two Internal Audit recommendations were agreed by Audit Committee in March 2017. Progress by the Trust on the implementation of the recommendations will be monitored by Audit Committee in 2017-18 until completed.

'Limited Assurance' Internal Audit Reports

Set out below are the six reports by Internal Audit that had a conclusion of limited assurance, i.e. "the Trust Board can take limited assurance that arrangements to secure governance, risk management and internal control are suitably designed and applied effectively. More significant matters require management attention with moderate impact on residual risk exposure until resolved".

Fire Safety Compliance (1) and Fire Safety Compliance Follow-Up (2)

Identified issues with regards to the Trust's compliance with its fire safety policy and in the implementation of agreed remedial actions. A management action plan was agreed by Audit Committee in May 2016 to address the seven Internal Audit recommendations with a progress update presented to the September 2016 Audit Committee meeting. A revised Audit Committee approved action plan and implementation timetable was approved in December 2016 as a result of the Internal Audit follow-up report and progress on the implementation of the recommendations will be monitored by Audit Committee in 2017-18 until completed.

Payment of Rest Breaks (3)

Identified weaknesses in the systems and controls that support the authorisation of payments for missed/spoilt meal breaks. A management action plan was agreed by Audit Committee in May 2016 to address the issues identified by Internal Audit with a progress update presented to the September 2016 Audit Committee meeting. As a result of a follow-up Internal Audit report (part reasonable and part limited assurance), a revised action plan and implementation timetable was approved by Audit Committee in March 2017. Progress by the Trust on the implementation of the revised Internal Audit recommendations will be monitored by Audit Committee in 2017-18 until completed.

Fleet Department Payment Arrangements (4)

Identified shortcomings in the processes employed by the Trust's fleet maintenance department for the matching and payment of invoices against the ordering for goods and services. A management action plan and an implementation timetable were agreed by Audit Committee in December 2016. Progress by the Trust was reviewed at the March 2017 Audit Committee meeting where a completion date of April 2017 for compliance of the (one) Internal Audit recommendation was agreed,

Overtime Arrangements (5)

Identified three high priority areas for improvement in the Non-Emergency Patient Service to ensure that overtime is offered and allocated to staff in accordance with policies, only as a last resort and that records are maintained to provide adequate audit trails. A management action plan and an implementation timetable to address the Internal Audit recommendations were agreed by Audit Committee in March 2017. Progress by the Trust on the implementation of the recommendations will be monitored by Audit Committee in 2017-18 until completed.

Disposal of Surplus Equipment Follow-Up (6)

Identified that the Trust had made only limited progress in completing agreed actions from an Internal Audit 2015-16 report with regards to the disposal of surplus equipment and vehicles, and tested Trust adherence to section 3.1.1.8 of the Weir Report due to the overlap of recommendations. A management action plan and an implementation timetable to address the Internal Audit recommendations were agreed by Audit Committee in March 2017. Progress by the Trust on the implementation of the recommendations will be monitored by Audit Committee in 2017-18 until completed

Of the remaining 23 Internal Audit reports produced for the Trust in 2016-17:

- 4 had a conclusion of substantial assurance;
- 13 had reasonable assurance;
- 2 had part limited/part reasonable assurance; and
- 4 reports had a conclusion that an assurance level was not applicable.

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

Auditor General for Wales Structured Assessment

The 2016 Structured Assessment by the Auditor General for Wales that reported to Trust Board in January 2017, examined the Trust's arrangements that support good governance and the efficient, effective and economical use of resources.

Main Conclusions

The 2016 Structured Assessment concluded that the Trust has made progress in developing and improving its arrangements to support financial management, governance and assurance and is aware of the need to maintain pace and momentum to address remaining challenges.

Set out below are the key findings and challenges for the Trust from the Structured Assessment.

The Trust has adequate financial management processes in place and recognises further opportunities to strengthen and mature its approach.

- The Trust has adequate financial planning arrangements in place but is dependent on the timely flow of the funding agreed with the Commissioner.
- The Trust has financial controls in place but is seeking to improve these further specifically in relation to the maintenance of its fixed asset register.
- The Trust has improved its financial reporting and has opportunities for further development.
- The Trust has achieved financial balance in recent years but faces further challenges in 2016-17 to secure its financial duty to balance income and expenditure.

The Trust has made good progress in improving its strategic planning and governance arrangements during 2016 and is aware that continued pace and momentum are needed to embed changes and address remaining issues.

- The Trust has advanced its strategic planning approach leading to an approved integrated medium term plan in 2016 and recognised further opportunities to strengthen planning arrangements.
- The Trust is demonstrating a positive direction of travel in developing its governance and assurance arrangements but there is more to do.
- The Trust has made good progress in addressing previous structured assessment recommendations and recognises further work is needed to fully develop and embed changes.

Structured Assessment Recommendations

The recommendations arising from the 2016 Structured Assessment work are set out in the table below. Progress by the Trust on these matters will be monitored by Audit Committee throughout 2017-18.

1	Ensure effective delivery of savings plans: a. Develop more detailed delivery plans to support cost improvement programmes.
2	Strengthen asset management controls, address the required improvements identified in the WAO accounts report and Final Accounts Audit Memorandum.
3	Strengthen arrangements for monitoring IMTP delivery: a. Give broader consideration of IMTP progress through the IMTP delivery and assurance group (iDAG), in addition to monitoring of strategic change programmes. b. Confirm whether scrutiny of IMTP delivery is to remain a function of the Board or to be supported through committee arrangements.
4	Further enhance Board and Committee governance arrangements and internal controls: a. Ensure that receipt of committee papers is consistently timely. b. Define criteria for what constitutes open/closed meeting agenda items. c. Develop more consistent use of self-assessment as a tool for reviewing the effectiveness of committees, as well as the Board. d. Complete the mapping of management sub-groups and the flow of assurances to the Quality, Patient Experience and Safety Committee e. Develop the counter-fraud service so that it can robustly investigate and more proactively reduce the risk of fraud.
5	Strengthen monitoring and scrutiny of progress against audit recommendations: a. Ensure the tracker tool includes all audit recommendations. b. Consider use of summary information and broader executive attendance at Audit Committee to enhance scrutiny of progress
6	Ensure all prescribed information is publically accessible, assess the content and accessibility of the Trust website to confirm that the requirements of the Welsh Health Circular (2016) 033 are being fully met.

7	<ul style="list-style-type: none"> a. Ensure clear and up to date Trust policies and procedures are in place: Develop a 'policy on policies' specifying the agreed process for reviewing, updating and approving policies. b. Complete the review, updating and approval of key policies which are currently out of date, including information security policies and ICT standard operating procedures.
8	Reduce the cost of sickness and build workforce skills and capacity, take further action to reduce sickness levels and increase completion rates for mandatory training and personal appraisal and development reviews.
9	<p>Fully address previous structured assessment recommendations for strengthening board assurance by the intended date of 31 March 2017, maintain pace to:</p> <ul style="list-style-type: none"> a. Fully implement the risk management framework and consistent application of risk scoring. b. Complete board assurance mapping and the documenting and approval of the Board Assurance Framework.
10	Ensure the Trust is making the best use of its estate, complete development of an up-to-date estates strategy by the intended date of 31 March 2017.

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 2016 through to 31 March 2017 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 Tracy Myhill, Chief Executive:

Date: 1 June 2017

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 2016 -17 and the Champion roles undertaken by the Trust's Non-Executive Directors as at 31 March 2017.

Name	Position	Board and Committee Attended (number of meetings attended as full voting member)	NED Champion Roles
Mick Giannasi	Non-Executive Director	Trust Board Chairman, Remuneration Committee Chairman Trust Board (6), Remuneration (6)	AACEE, Chairs Liaison, Ministerial Liaison-
Emrys Davies	Non-Executive Director	Quality, Patient Experience and Safety Committee (QuEST) Chairman Trust Board (7), Audit (4), Charitable Funds (2), QuEST (4)	Welsh Language, Safeguarding, Infection Control, PPI, Concerns Management, Education
Kevin Davies	Non-Executive Director	Trust Board (8), Charitable Funds (1), Finance and Resources (4), QuEST (3)	1000 Lives, Armed Forces, Emergency Planning
Pam Hall	Non-Executive Director	Charitable Funds Committee Chairman Trust Board (7), Audit (4), Charitable Funds (2), Finance and Resources (4)	ICT, Caldicott Guardian, Information Management
Paul Hollard	Non-Executive Director	Trust Board (7), Audit (3), Charitable Funds (2), QuEST (4)	Older People, Children and Young Persons, Maternity Services, Carers
James Mycroft	Non-Executive Director	Trust Board (8), Finance and Resources (4), QuEST (4), Remuneration (6)	Health and Safety, Equality and Diversity, Violence and Aggression
David Scott	Non-Executive Director	Audit Committee Chairman Trust Board (8), Audit (4), Finance and Resources (5), Remuneration (4)	Partnerships Overseas Networking Trust
Martin Woodford	Non-Executive Director	Trust Board Vice Chairman, Finance and Resources Committee Chairman Trust Board (6), Finance and Resources (5), QuEST (3), Remuneration (6), Audit (1)	Community First Responders, Estates, Primary Care, Mental Health, Building Security, Design
Tracy Myhill	Chief Executive	Trust Board (6), Remuneration (5)	
Claire Bevan	Executive Director (Quality, Patient Safety and Experience)	Trust Board (5), QuEST (4)	
Brendan Lloyd	Executive Director (Medical)	Trust Board (7), QuEST (1)	
Patsy Roseblade	Executive Director (Finance and ICT) and Deputy Chief Executive	Trust Board (8), Audit (4), Charitable Funds (2), Finance and Resources (5)	
Claire Vaughan	Executive Director (Workforce and OD)	Trust Board (8), Charitable Funds (1), Finance and Resources (5), Remuneration (6)	

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 2016-17. All meetings were quorate. The Trust's Annual General Meeting was held on 23 September 2016.

	Calendar of Meetings 1 April 2016 – 31 March 2017						
Trust Board (8)	2 June (Accounts)	30 June	28 July	23 September	24 November	15 December	26 January
	23 March						
Audit (4)	26 May	8 September	1 December	9 March			
Charitable Funds (2)	8 September	9 March					
Quality, Safety and Patient	12 May	21 July	22 November	19 January			

	Calendar of Meetings 1 April 2016 – 31 March 2017						
Experience (4)							
Finance and Resources (5)	24 May	28 July	13 September	24 November	23 February		
Remuneration (6)	27 April	29 June	13 September	24 November	15 December	24 March	
Board Development (8)	28 April	2 June	21 June	26 July	11 October	27 October	6 December
	14 February						

**BOARD AND COMMITTEE ITEMS OF BUSINESS 2016/7
(Excluding Procedural Matters, Minutes of Committees)**

TABLE 1 - TRUST BOARD

Open Items - Report Title	2/6/16 (Accts) (VPH)	30/6/16 Bangor	28/7/16 (Closed) (VPH)	23/9/16 (Board) (Merthyr)	23/9/16 (AM) (Merthyr)	24/11/16 (Closed) (VPH)	15/12/16 (Newport)	26/1/17 (VPH)	23/3/17 (Cardiff)
Annual Accounts, Annual Governance Statement and Accountability Report	✓								
Finance Report		✓					✓		✓
Planning and Performance Management Framework		✓		✓					
Integrated Quality and Performance Report		✓		✓			✓		✓
Major Trauma Services		✓							
Treating People Fairly – Annual Report		✓							
2016/17 IMTP Change Portfolio and Proposed Approach to 2017/18 Plan Refresh		✓							
Being Our Best – Staff Awards Proposals		✓							
NWSSP Committee Assurance Report		✓							
Winter Plan				✓					
111 Update/Collaborative Agreement				✓			✓		✓
IMTP Delivery Report				✓			✓		✓
Pay Award for Staff on Local (Non Agenda for Change) terms and Conditions				✓					
Annual Report 2015/16				✓					
Vantage Point House ICT Outage (June 2016)				✓					
Wrexham AFRC: End of Project Report				✓					
Restart a Heart Day							✓		
Engagement and Communications Framework							✓		✓
Improving Governance and Accountability: Joint Working Across NHS Wales							✓		
Charitable Funds Annual Accounts 2015/16							✓		
Data Protection Policy							✓		

Procedure for NHS Staff to Raise Concerns							✓		
NHS Wales Collaborative Major Trauma Network							✓		
IMTP 2017/8 Plan Refresh – Draft Submission								✓	
Revisions to the Trust’s Scheme of Reservation and Delegation of Powers								✓	✓
WAO Structured Assessment and Annual Report								✓	
Fire Safety Update and Annual Report								✓	
NHS Collaborative Leadership Forum								✓	
Clinical Contact Centre for Mid and West Wales: Outcome of stakeholder engagement									✓
Discretionary Capital Plan 2017/8									✓
Estates Strategic Outline Programme 2017									✓
Risk Management Strategy									✓
2017/18 – 2019/20 IMTP									✓
Vehicle Replacement Business Justification Case									✓
Risk Management and Health and Safety Consultation									✓
IP&C – Board Statement of Intent									✓
Board Assurance Framework									✓
Trust Policies									✓

Closed Items - Report Title	2/6/16 (Accts)	30/6/16	28/7/16 (Closed)	23/9/16 (Board)	23/9/16 (AM)	24/11/16 (Closed)	15/12/16	26/1/17	23/3/17
Quality, Safety and Patient Experience Integrated Report		✓		✓			✓		✓
Clinical Contact Centre Configuration		✓		✓			✓		
Computer Aided Dispatch - Procurement			✓						
Outcome of Options Appraisal: Tri Service Centre Bridgend / Central & West Clinical Contact Centre (CCC)						✓			
Update on Band 6 Paramedics Developments							✓		
Trust’s Scheme of Reservation and Delegations of Powers – Possible Non Compliance With Standing Orders							✓		
WAST Significant Claim								✓	
ST Asaph Accommodation									✓

TABLE 2 - REMUNERATION COMMITTEE

Open Items - Report Title	27/4/16	29/6/16	13/9/16	24/11/16	15/12/16	24/3/17
This Committee is held in Private Session						

Closed Items - Report Title	27/4/16	29/6/16	13/9/16	24/11/16	15/12/16	24/3/17
Update on the Recruitment to Director of Operations and Other Key Posts	✓					
Update on Sensitive Personnel Issues	✓					
Update on Deputy Chief Executive Role	✓					
Update on Vice Chair Remuneration	✓					
Executive Management Team Objectives - 2015/16 End of Year Review		✓				
Update on Development of Director and Non-Executive Director Objectives – 2016/17		✓				
Former Chief Executive - End of Service Arrangements		✓				
Executive Team Update - secondments and recruitment timelines (Inc. Director of Operations and Deputy Chief Executive posts)		✓				
Pay Award for Staff on Local (Non Agenda for Change) Terms and Conditions			✓			
Appointment of Director of Planning and Performance				✓		
Request for Approval of Settlement Offer					✓	
CEO Development					✓	
Executive Team Objectives – Mid Year Review					✓	
Retirement of Former Director of Quality & Nursing					✓	
Application for Retirement in the Efficiency of the Service						✓
Redundancy Business Case						✓

TABLE 3 - AUDIT COMMITTEE

Open Items - Report Title	26/5/16	8/9/16	1/12/16	9/3/16
Draft Annual Accounts 2015/6	✓			
International Standard on Auditing 260 Report	✓			
Head of Internal Audit Opinion and Annual Report	✓			
Annual Governance Statement, Board Self-Assessment and Accountability Report 2015/6	✓			
Audit Enquiry Form	✓			
Internal Audit Reports	✓	✓	✓	✓
Corporate Risk Register	✓	✓	✓	✓
Losses and Special Payments	✓	✓	✓	✓
Structured Assessment – Management Response	✓			
Assembly Member Concerns- Response	✓			
Clinical Audit Programme	✓			
External Audit Report		✓	✓	✓
NHS Protect		✓		
Clinical Audit and Effectiveness Programme		✓	✓	✓
Reported Breach of Standing Orders		✓		✓
Charitable Funds Accounts			✓	
Audit Recommendation Trackers			✓	✓
2016/17 Annual Accounts Update				✓

Closed Items - Report Title	26/5/16	8/9/16	1/12/16	9/3/16
Tender Update Report And Single Tender Waiver Requests	✓	✓	✓	✓
Counter Fraud (Progress Report, Annual Report, NHS Protect)	✓	✓	✓	✓
Audit Recommendation Trackers	✓	✓	Moved to Open	

TABLE 4 – CHARITABLE FUNDS COMMITTEE

Open Items - Report Title	8/9/16	9/3/17
2015/16 Charitable Funds Summary of Income and Expenditure Account	✓	✓
Draft Annual Report and Draft Accounts 2015/16 and timeline for final approval and submission	✓	
External scrutiny of 2015/16 Accounts	✓	
Use of Charitable Funds - discussion	✓	
Bursary Scheme <ul style="list-style-type: none"> • Proposed changes to bursary scheme and application process • Outcome from bursary first round 	✓	
Bursary Scheme – Review of Pilot		✓
Amnesty Update		✓
Feedback from Advisory Group		✓
Closed Items - Report Title	8/9/16	9/3/17
No Items		

TABLE 5 – FINANCE AND RESOURCES COMMITTEE

Open Items - Report Title	24/5/16	28/7/16	13/9/16	24/11/16	23/2/17
Integrated Performance Report	✓	✓	✓	✓	✓
Integrated Medium Term Plan - Update	✓				
Finance Report	✓	✓	✓	✓	✓
Savings Delivery Report	✓	✓	✓	✓	
Workforce Performance Report	✓	✓	✓	✓	✓
111 Update May 2016	✓				
Post Production Lost Hours	✓			✓	
Estates Strategic Outline Programme Review – Progress Report	✓				
Draft Planning, Performance Management and Performance Improvement Framework	✓				
Microsoft Office License Briefing	✓				
Digital Pen Implementation Phase 1 – End of Project Report	✓				
All Wales Policies for review and recommendation for the Board <ul style="list-style-type: none"> • Internet Use Policy • Email Use Policy • Social Media Use Policy 	✓				
Trust Policy <ul style="list-style-type: none"> • Pool Vehicle Policy and Guidance 	✓				
Wrexham Ambulance And Fire Service Resource Centre (ARSRC) End Of Project Report & Lessons Learned		✓			
Major Incident Feedback		✓			
Business Continuity Preparedness Briefing Paper		✓			
Discretionary Capital Bids 2016/17 – Round 2		✓			
Bids from Health Technology Fund		✓			
Vantage Point House – ICT Outage			✓		
Demand and Capacity Review			✓		
St Asaph Office Move			✓		
Conveyance Rates			✓		
Hospital Handover Process Mapping				✓	

IMTP Strategic Change Portfolio Status Report				✓	
WAST Fleet Management Plan				✓	✓
Computer Aided Dispatch				✓	
Clinical Equipment Business Justification Case (BJC) - bid received for Discretionary Capital funding				✓	
NHS Wales Revised Procedure For NHS Staff To Raise Concerns				✓	
Business Case – Business Intelligence System					✓
IMTP Review (Performance, Finance, Capital Plan)					✓
Vehicle Business Justification Case (Inc. HART)					✓
Estates Strategic Outline Programme					✓
ICT Projects Update and National Strategy					✓

Closed Items - Report Title	24/5/16	28/7/16	13/9/16	24/11/16	23/2/17
Clinical Contact Centre Configuration	✓		✓		None
Computer Aided Dispatch – Procurement		✓			
Estates Briefing				✓	

TABLE 6 – QUALITY, PATIENT EXPERIENCE AND SAFETY COMMITTEE

Open Items - Report Title	12/5/16	21/7/16	22/11/16	19/1/17
Integrated Performance Report	✓	✓	✓	✓
Putting Things Right – Update	✓			✓
Action Plan In Line With Regulation 28 Report To Prevent Future Deaths.	✓			
Partners In Healthcare - Patient Experience Highlight Report	✓		✓	✓
Draft Planning, Performance Management and Performance Improvement Framework	✓			
Operational Plan 2016/17	✓		✓	✓
Welsh Language Scheme Annual Report 2015/16	✓			
Improving/Reducing Risks on Patients who Fall	✓			
Sustainability Plan for Concerns	✓			
Partners In Healthcare Annual Review 2015 - 16 Carers Strategy	✓			
Policy on the Management of Compensation Claims and Supporting Operating Procedure	✓			
Health Inspectorate Wales – Clinical Governance Review	✓			
Quarterly Quality Assurance Report		✓	✓	
Annual Quality Statement		✓		
Clinical Contact Centre		✓		
Action Plan To Support Regulation 28 Report To Prevent Future Deaths Ronald Hamer (Deceased)		✓		
Partners In Healthcare Quarterly Report		✓		
Operational Plan 2016/17 Update		✓		
Implementation Plan for a Sustainable Solution to the Effective Handling and Learning From Concerns 2016-2018		✓		
Resource Escalation Action Plan (REAP)		✓		
Frequent Caller Policy		✓		
Annual Claims Report		✓		
1000 Lives Improvement Approach & Priorities 16/17		✓		
IPC Annual Report		✓		

PTR Annual Report		✓		
NHS Wales Safeguarding Children Self-Assessment Quality Outcomes Framework		✓		
Safeguarding Annual Report		✓		
Health and Safety Annual Report		✓		
Welsh Ambulance Services NHS Trust Annual Report From Health Inspectorate Wales 2015/16			✓	
Draft Mental Health Improvement Plan 2017-19			✓	✓
Quality Improvements: Learning From The Welsh Ambulance Services NHS Trust's Response To Serious Adverse Incidents			✓	
North Wales Incident - Learning from Debriefs			✓	
Revised Clinical Audit and Effectiveness Programme			✓	✓
Welsh Ambulance Services NHS Trust All Wales Standards For Accessible Communication & Information For People With Sensory Loss			✓	
Welsh Ambulance Services NHS Trust Care and Social Services Inspectorate Wales National Inspection of Care and Support for People with Learning Disabilities			✓	
Core Requirements Self-Assessment R2 Schedule Return			✓	
Regulation 28 – Prevention of Future Deaths report			✓	
Annual Ombudsman Letter			✓	
QuEst Planning Action Notes			✓	
Quality Assurance Improvement and Learning (QAIL) Terms of Reference & Action Log			✓	
Flynn Report				✓
Clinical Contact Centre – Falls Improvement				✓
Children and Young People's National Participation Standards				✓
Medicines Management Update – WAST Omnicell Project				✓
Emergency Medical Retrieval and Transfer Service Cymru Quarterly Reports				✓
Review of The Trust's Pandemic Influenza Plan				✓

Infection Prevention and Control Improvement Plan 2017-2019				✓
Health and Safety Report				✓
Network News Winter Edition 2016				✓

Closed Items - Report Title	12/5/16	21/7/16	22/11/16	19/1/17
No Items				

TABLE 7 – BOARD DEVELOPMENT (INC BOARD BRIEFING ON 27/10/16)

Items	28/4/16 Wrexham	2/6/16 VPH	21/6/16 Cardiff	26/7/16 Cardiff	11/10/16 Llandudno	27/10/18 VPH	6/12/16 Cardiff	14/2/16 Cardiff
Board Assurance Framework	✓							
EASC Update	✓							
Clinical Contact Centre	✓							
Planning and Performance Management Framework	✓							
Bevan Commission		✓						
Older Peoples Commissioner		✓						
In Year review of LDPs and Major Change Programmes			✓					
A view from Welsh Government			✓					
Developing a 10 Year Strategy			✓					
Launch of the 2017/8 Planning Cycle			✓					
Executive Director and Non Exec Director Objectives			✓					
111 Update				✓				✓
Treating People Fairly – Our Approach				✓				
Estates Strategy				✓				✓
IMTP Refresh and Progressing Our 10 Year Strategy					✓			
Band 6 Paramedic Update					✓		✓	
Demand and Capacity Review					✓			
Community Assistance Team					✓			
Feedback from Stakeholder Meetings					✓			
Clinical Contact Centre Options						✓		
IMTP							✓	
Infection Prevention Control							✓	
Being Our Best: Celebration and Learning Events							✓	
Emergency Planning and Board Assurance							✓	
Future Generations Commissioner								✓
It Makes Sense – Sensory Loss Campaign								✓
Dementia Friends								✓
Non-Emergency Patient Transport Service (NEPTS)								✓



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REMUNERATION AND STAFF REPORT

2016-17

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.

Salary and Pension Entitlements of Senior Managers

A) Single Total Figure of Remuneration (has been subject to audit by WAO)

Name and Title	2016-17				2015-16			
	Salary (bands of £5000)	Benefits in Kind (rounded to the nearest £100)	Pension benefits (£'000 (to nearest £1000))	Total (bands of £5000)	Salary (bands of £5000)	Benefits in Kind (rounded to the nearest £100)	Pension benefits (£'000 (to nearest £1000))	Total (bands of £5000)
Michael Giannasi (Chairman)	50-55			50-55	55-60			55-60
John D Morgan (Non-Executive Director) (Note 1)					0-5			0-5
David G Scott (Non-Executive Director)	5-10			5-10	5-10			5-10
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)	5-10			5-10	5-10			5-10
Emrys Davies (Non-Executive Director)	5-10			5-10	5-10			5-10
Martin Woodford (Non-Executive Director)	20-25			20-25	5-10			5-10
Paul Hollard (Non-Executive Director) (Note 2)	5-10			5-10				
Tracy Myhill (Chief Executive)	150-155	2,700	76	225-230	150-155	500	72	220-225
Elwyn Price-Morris (Chief Executive) (Note 3)	45-50			45-50	60-65		13	75-80
Judith Hardisty (Director of Workforce and Organisational Development) (Note 4)					50-55	1,800	3	55-60

Name and Title	2016-17				2015-16			
	Salary (bands of £5000)	Benefits in Kind (rounded to the nearest £100)	Pension benefits (£'000 (to nearest £1000))	Total (bands of £5000)	Salary (bands of £5000)	Benefits in Kind (rounded to the nearest £100)	Pension benefits (£'000 (to nearest £1000))	Total (bands of £5000)
Sara Jones (Clinical Director) (Note 5)	90-95		3	95-100	95-100		5	100-105
Patricia Roseblade (Deputy Chief Executive / Director of Finance & ICT)	105-110	2,400	49	155-160	105-110	600	22	125-130
Dr Brendan Lloyd (Medical Director)	135-140	1,100	10	145-150	135-140		17	150-155
Claire Vaughan (Director of Workforce & OD) (Note 6)	85-90		43	130-135	40-45		50	90-95
Claire Bevan (Director of Quality, Safety & Patient Experience) (Note 7)	90-95	1,900	70	160-165	10-15		31	45-50
Estelle Hitchon (Director of Partnerships & Engagement) (Note 8)	85-90		93	175-180	25-30		77	105-110
Hannah Evans (Director of Strategy, Planning & Performance) (Note 9)	85-90		38	120-125	40-45		64	105-110
Richard Lee (Director of Operations) (Note 10)	95-100		228	325-330	10-15		31	45-50
Keith Cox (Board Secretary) (Note 11)	85-90		12	95-100	15-20		21	35-40

- Note 1 - John D Morgan left on 31st July 2015
- Note 2 - Paul Hollard joined the Trust on 1st April 2016
- Note 3 - Elwyn Price-Morris left the Trust on 16th May 2016. He was paid 3 months payment in lieu of notice, included within the value listed in the table above.
- Note 4 - Judith Hardisty was a director until 30th September 2015, however, her employment with the Trust continued until she retired on 31 December 2015.
- Note 5 - Sara Jones left the Trust on 10th November 2016. She was paid 4 months payment in lieu of notice, included within the value listed in the table above.
- Note 6 - Claire Vaughan joined the Trust on 1st October 2015
- Note 7 - Claire Bevan joined the Trust on 1st February 2016
- Note 8 - Estelle Hitchon joined the Trust on 1st December 2015
- Note 9 - Hannah Evans joined the Trust on 14th September 2015 on secondment from Aneurin Bevan LHB. The appointment was made permanent with effect from 1st December 2016.
- Note 10 - Richard Lee joined the Trust on 15th February 2016 on secondment from WHSSC. The appointment was made permanent with effect from 1 August 2016.
- Note 11 - Keith Cox joined the Trust on 1st November 2015 on secondment from Public Health Wales. The appointment was made permanent with effect from 1st September 2016. During the secondment period, Public Health Wales met 50% of the salary costs.

B) Pension Benefits

Name and Title	Real increase in pension at age 60 (bands of £2,500)	Real increase in Lump sum at aged 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2017 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2017 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2017	Cash Equivalent Transfer Value at 31 March 2016	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Tracy Myhill (Chief Executive)	2.5-5	12.5-15	55-60	165-170	1,021	916	105	21
Elwyn Price-Morris (Chief Executive)	-2.5-0	22.5-25	60-65	185-190	-	1,225	- 154	2
Patricia Roseblade (Deputy Chief Executive / Director of Finance & ICT)	2.5-5	7.5-10	20-25	65-70	421	357	64	15
Sara Jones (Clinical Director)	0-2.5	0-2.5	40-45	120-125	-	770	- 472	9
Dr Brendan Lloyd (Medical Director)	0-2.5	2.5-5	30-35	90-95	642	592	50	10
Claire Vaughan (Director of Workforce & OD)	2.5-5	2.5-5	15-20	40-45	247	212	35	13
Estelle Hitchon (Director of Partnerships & Engagement)	2.5-5	7.5-10	20-25	55-60	353	279	75	12
Claire Bevan (Director of Quality, Safety & Patient Experience)	2.5-5	10-12.5	30-35	100-105	670	584	85	13
Hannah Evans (Director of Strategy, Planning & Performance)	0-2.5	0-2.5	15-20	40-45	215	181	34	12
Richard Lee (Director of Operations)	10-12.5	25-27.5	35-40	95-100	558	367	191	14
Keith Cox (Board Secretary)	0-2.5	2.5-5	40-45	125-130	987	919	68	13

C) Hutton Report Information

	2016-2017	2015-2016
Band of Highest paid Director's Total Remuneration £000	152.5	152.5
Median Total Remuneration £000	30	30
Ratio	5.15	5.05

D) Senior Managers in Post 2016/17

First Name	Last Name	Position Title	Assignment Category	Start Date in Position	Fixed Term End Date
Michael	Giannasi	Chairman	Fixed Term	2 September 2013	31 March 2018
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 2018
Pamela	Hall	Non-Executive Director	Fixed Term	1 April 2014	31 March 2018
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
David	Scott	Non-Executive Director	Fixed Term	13 January 2014	31 March 2017
Martin	Woodford	Non-Executive Director	Fixed Term	7 April 2014	31 March 2018
Elwyn	Price-Morris *	Chief Executive	Permanent	Prior to 1 April 2016	16 May 2016
Tracy	Myhill	Chief Executive	Permanent	Prior to 1 April 2016	Not Applicable
Claire	Bevan	Executive Director	Permanent - Quality, Patient Safety and Experience	Prior to 1 April 2016	Not Applicable
Sara	Jones	Clinical Director	Permanent	Prior to 1 April 2016	10 November 2016
Brendan	Lloyd	Executive Director	Permanent - Medical	Prior to 1 April 2016	Not Applicable
Patsy	Roseblade	Executive Director	Permanent - Finance and ICT	Prior to 1 April 2016	Not Applicable

Claire	Vaughan	Executive Director	Permanent - Workforce and Organisation Development	Prior to 1 April 2016	Not Applicable
Keith	Cox	Board Secretary	Permanent	Prior to 1 April 2016	Not Applicable
Hannah	Evans	Director	Permanent – Planning & Performance	1 December 2016	Not Applicable
Richard	Lee	Director	Permanent - Operations	Prior to 1 April 2016	Not Applicable
Estelle	Hitchon	Director	Permanent - Partnerships & Engagement	Prior to 1 April 2016	Not Applicable

E) Senior Managers who left their Post during 2016/17.

First Name	Last Name	Position Title	Assignment Category	Start Date in Position
David	Scott	Non-Executive Director	Fixed Term	13 January 2014
Elwyn	Price-Morris *	Chief Executive	Permanent	1 February 2011
Sara	Jones	Clinical Director	Permanent	1 September 2007

Notes: * Elwyn Price-Morris, former Chief Executive on sickness absence 1 April 2016 – 16 May 2016.

Remuneration Relationship

Details of the Trust's remuneration relationship are set out in Note 9.5 of the 2016/17 Annual Accounts.

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 that 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, no senior manager received a salary cost of living increase during 2016/17.

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 above tables. There were no compensation payments or awards for senior managers during 2016/17.

Staff Report

Staff Numbers

An analysis of staff numbers by category during 2016/17 in detail below. The figures relate to the average number of employees under contract of service in each month of the financial year, divided by 12.

Category	2016/17	2015/16
Additional Clinical Services	1,357	1,323
Administrative & Clerical	479	463
Allied Health Professionals	985	920
Estates & Ancillary	48	32
Medical & Dental	2	1
Nursing and Midwifery	114	92
Professional, Scientific and Technical	0	9
Total	2,985	2,840

* Re-Categorisation of staff group for Call Handlers from Administrative & Clerical to Additional Clinical Services

Staff Composition

An analysis of the number of persons of each sex who are senior managers of the Trust are set out below. This compares to a Trust wide staff composition of 40.05% female, 59.95% male.

Gender	Headcount	%	FTE
Female	7	41.17	7.00
Male	10	58.82	10.00
Grand Total	17	100.00	17.00

Sickness Absence Data

	2016-17 (Number)	2015-16 (Number)
Days lost (long term)	53,593.42	52,265.05
Days lost (short term)	20,339.59	20,063.65
Total days lost	73,933.00	72,328.70
Total staff years	2982.19	2845.40
Average working days lost	1548.12	1586.88
Total staff employed in period (headcount)	3166	3009
Total staff employed in period with no absence (headcount)	842	979
Percentage staff with no sick leave	28.00%	31.87%

The top reasons for absence, are musculoskeletal problems and anxiety/stress/ depression and other psychiatric illnesses.

The Trust continues to performance manage absence robustly, and supports line managers and staff in the form of sickness audit toolkits, local sickness action plans, signposting and resources and access to support through the Employee Assistance Programme. Mental wellbeing continues to be a priority and the Trust is presently focussing on prevention and spotting the signs of mental illness earlier. The Trauma Risk Incident Management (TRIM) system was recently launched within our HART team and the Trust has secured financial support to roll this out wider across the organisation as a means of early identification and post incident support for staff.

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. 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.

Expenditure on Consultancy

Expenditure during 2016/17 in respect of consultancy costs was £0.164m (2015/16 £0.296m) which is broken down into two areas as follows:

1. Human Resource Training & Education
2. Organisational Change and Management

Off-Payroll Engagements

The Trust has a nil return in 2016/17 for off-payroll engagements.

Exit Packages

During 2016/17, three exit packages was agreed at a total cost of £0.197m (2015/16, one package was agreed at a total cost of £0.214m). This is described in Note 9.4 within the financial statements.



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NATIONAL ASSEMBLY FOR WALES ACCOUNTABILITY AND AUDIT REPORT

2016-17

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 to its fees and charges and confirms that proper controls were in place in 2016-17 over how, when and at what level charges were levied.

Material remote contingent liabilities

The Trust has no material remote contingent liabilities within its 2016-17 accounts.

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 report of the Auditor General to the National Assembly for Wales

I certify that I have audited the financial statements of Welsh Ambulance Services NHS Trust for the year ended 31 March 2017 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. 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). I have also audited the information in the Remuneration Report that is described as having been audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

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.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Financial Reporting Council's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Welsh Ambulance Services NHS Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and Chief Executive; and the overall presentation of the financial statements.

I am also 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.

In addition, I read all the financial and non-financial information in the Foreword and Accountability Report 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 financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Welsh Ambulance Services NHS Trust as at 31 March 2017 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.

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.

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; and
- the information contained in the Foreword and Accountability Report is consistent with the financial statements.

Matters on which I report by exception

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

- the Annual Governance Statement does not reflect compliance with HM Treasury's and Welsh Ministers' guidance;
- 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.

Huw Vaughan Thomas
Auditor General for Wales
6 June 2017

24 Cathedral Road
Cardiff, CF11 9LJ



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ANNUAL ACCOUNTS

2016-17

Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2017 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.

Background

The Trust was established in 1998. Spread over an area of 20,640 kilometres and serving a population of 2.9 million, 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.

From 1st April 2007 NHS Direct Wales transferred to become an integral part of the Welsh Ambulance Service. NHS Direct Wales provides a 24 hour health advice and information service, signposting the people of Wales to the most appropriate level of healthcare for their needs.

Statutory financial and administrative duties

There are two financial and administrative duties for NHS Trusts consequent to the National Health Service Finance (Wales) Act 2014:

1. 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 is at the end of 2016-17, being the first three year period of assessment.
2. There is a requirement upon NHS Trusts to prepare a plan to secure compliance with the duty under Schedule 4 Paragraph 2 (1), and for that plan to be submitted to and approved by the Welsh Ministers.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 March 2017

	Note	2016-17 £000	2015-16 £000
Revenue from patient care activities	2	156,159	151,733
Other operating revenue	3	16,379	9,660
Operating expenses	4	(173,727)	(161,154)
Operating (deficit)/surplus		(1,189)	239
Investment revenue	5	29	39
Other gains and losses	6	1,477	88
Finance costs	7	(273)	(317)
Retained surplus	30.1	44	49
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		256	697
Net gain/(loss) on revaluation of intangible assets		0	0
Net gain/(loss) on revaluation of financial assets		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		0	(196)
Movements in other reserves		0	0
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		256	501
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 for the year		256	501
Total comprehensive income for the year		300	550

The notes on pages 6 to 61 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2017

	Note	31 March 2017	31 March 2016
		£000	£000
Non-current assets			
Property, plant and equipment	12	77,578	77,336
Intangible assets	13	1,016	459
Trade and other receivables	18	558	522
Other financial assets	19	0	0
Total non-current assets		79,152	78,317
Current assets			
Inventories	17	1,173	1,183
Trade and other receivables	18	7,604	12,240
Other financial assets	19	0	0
Cash and cash equivalents	20	12,126	13,326
		20,903	26,749
Non-current assets held for sale	12.2	0	340
Total current assets		20,903	27,089
Total assets		100,055	105,406
Current liabilities			
Trade and other payables	21	(18,398)	(20,291)
Borrowings	22	(1,533)	(1,511)
Other financial liabilities	23	0	0
Provisions	24	(5,621)	(3,438)
Total current liabilities		(25,552)	(25,240)
Net current assets/(liabilities)		(4,649)	1,849
Total assets less current liabilities		74,503	80,166
Non-current liabilities			
Trade and other payables	21	0	0
Borrowings	22	(2,427)	(3,859)
Other financial liabilities	23	0	0
Provisions	24	(7,354)	(12,120)
Total non-current liabilities		(9,781)	(15,979)
Total assets employed		64,722	64,187
Financed by Taxpayers' equity:			
Public dividend capital		65,599	65,364
Retained earnings		(8,375)	(8,907)
Revaluation reserve		7,498	7,730
Other reserves		0	0
Funds Held on Trust Reserves			
Total taxpayers' equity		64,722	64,187

The financial statements were approved by the Audit Committee on behalf of the Board on 1st June 2017 and signed on behalf of the Board by:

Chief Executive : Tracy Myhill

Date.....1st June 2017.....

The notes on pages 6 to 61 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2016-17	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Balance at 1 April 2016	65,364	(8,907)	7,730	0	64,187
Changes in taxpayers' equity for 2016-17					
Retained surplus/(deficit) for the year		44			44
Net gain/(loss) on revaluation of property, plant and equipment		0	256	0	256
Net gain/(loss) on revaluation of intangible assets		0	0	0	0
Net gain/(loss) on revaluation of financial assets			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	0	0	0
Movements in other reserves		0	0	0	0
Transfers between reserves		488	(488)	0	0
Net gain/loss on Other Reserve (specify)		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
New Public Dividend Capital received	235				235
Public Dividend Capital repaid in year	0				0
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
FHoT - Endowment					0
FHoT - Restricted					0
FHoT - Unrestricted					0
Balance at 31 March 2017	65,599	(8,375)	7,498	0	64,722

The notes on pages 6 to 61 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2015-16	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total £000
Balance at 1 April 2015	59,405	(9,468)	7,741	0	57,678
Changes in taxpayers' equity for 2015-16					
Retained surplus/(deficit) for the year		49			49
Net gain/(loss) on revaluation of property, plant and equipment		0	697	0	697
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	(196)	0	(196)
Movements in other reserves		0	0	0	0
Transfers between reserves		512	(512)	0	0
Net gain/loss on Other Reserve (specify)		0	0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0	0
Reserves eliminated on dissolution	0				0
New Public Dividend Capital received	7,121				7,121
Public Dividend Capital repaid in year	(1,162)				(1,162)
Public Dividend Capital extinguished/written off	0				0
Other movements in PDC in year	0				0
FHoT - Endowment					
FHoT - Restricted					
FHoT - Unrestricted					
Balance at 31 March 2016	65,364	(8,907)	7,730	0	64,187

The notes on pages 6 to 61 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2017

	Note	2016-17 £000	2015-16 £000
Cash flows from operating activities			
Operating surplus/(deficit)	SOCI	(1,189)	239
Depreciation and amortisation	4	13,328	12,038
Impairments and reversals	4	5,727	606
Release of PFI deferred credits		0	0
Donated Assets received credited to revenue but non-cash	3	0	0
Government Granted Assets received credited to revenue but non-cash	3	0	0
Interest paid		(188)	(234)
(Increase)/decrease in inventories		10	208
(Increase)/decrease in trade and other receivables		4,546	(6,886)
Increase/(decrease) in trade and other payables		305	1,298
Increase/(decrease) in provisions		(2,583)	6,248
Net cash inflow (outflow) from operating activities		19,956	13,517
Cash flows from investing activities			
Interest received		29	39
(Payments) for property, plant and equipment		(21,578)	(22,483)
Proceeds from disposal of property, plant and equipment		1,841	954
(Payments) for intangible assets		(327)	(486)
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		(20,035)	(21,976)
Net cash inflow (outflow) before financing		(79)	(8,459)
Cash flows from financing activities			
Public Dividend Capital received		289	7,370
Public Dividend Capital repaid		0	(1,162)
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		(1,410)	(1,349)
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow (outflow) from financing activities		(1,121)	4,859
Net increase (decrease) in cash and cash equivalents		(1,200)	(3,600)
Cash [and] cash equivalents at the beginning of the financial year	20	13,326	16,926
Cash [and] cash equivalents at the end of the financial year	20	12,126	13,326

The notes on pages 6 to 61 form part of these accounts.

Notes to the Accounts

Accounting policies

1. Accounting policies

The Cabinet Secretary for Health, Well-being and Sport 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 2016-17 NHS Trusts 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 Pooled budgets

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

1.4 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. The main source of revenue for the Trust is from the Welsh Government, Health Boards and the Welsh Health Specialised Services Committee (WHSSC). This revenue is recognised in the period in which services are provided.

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.

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. Interest revenue is accrued on a time basis, by reference to the principal outstanding and interest rate applicable.

Only non-NHS income may be deferred.

1.5 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.

1.6 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.

1.7 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.

For 2012-13 a formal revaluation exercise by the District Valuation Office was applied to the Land and Properties of NHS Wales Trusts from 1 April 2012. No indices for buildings and equipment were issued in 2016-17 due to the uncertainty surrounding the impact of Brexit on all sectors of the property market.

The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

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.

1.8 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.

1.9 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 SOCNI on a systematic basis over the period expected to benefit from the project.

1.10 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 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 Net Income.

1.11 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.12 Donated assets

A donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is recognised only where conditions attached to the donation preclude immediate recognition of the gain.

1.13 Government grants

A government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to income. Deferred income is recognised only where conditions attached to the grant preclude immediate recognition of the gain.

1.14 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.

1.15 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.

1.16 Leases

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

The trust as 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.

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.

1.17 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.18 Inventories

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

1.19 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.

1.20 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.

1.21 Clinical Negligence 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 2016-17. The WRP is hosted by Velindre NHS Trust.

1.22 Carbon Reduction Commitment Scheme

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

1.23 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.

1.24 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.

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNI'; '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.

Financial assets at fair value through SoCNI

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 SoCNI. 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.

The Trust has no embedded derivatives.

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.

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.

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.

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.

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.

1.25 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. Otherwise, financial liabilities are initially recognised at fair value.

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.

Financial liabilities at fair value through SoCNI

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.

The Trust does not have any financial guarantee contract liabilities nor any financial derivatives requiring to be stated at fair value through profit and loss.

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.

1.26 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.

1.27 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.

1.28 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. The Trust does not own any Third party assets.

1.29 Public Dividend Capital (PDC) and PDC dividend

Public Dividend Capital represents taxpayers equity in the NHS Trust. At any time the Welsh 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.

1.30 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, unless the probability of the liabilities becoming payable is remote.

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 below 50%, the liability is disclosed as a contingent liability.

1.31 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.

1.32 Critical Judgements in applying accounting policies

There are no critical judgements, apart from those involving estimations (see below) that management has made in the process of applying the trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

1.33 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.

1.34 Subsidiaries

The trust has no subsidiaries.

Charity not consolidated on basis of materiality

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. The determination of control is an accounting standards test of control and there has been no change to the operation of Welsh Ambulance Services NHS Trust Charity or its independence in its management of charitable funds.

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.

1.35 Absorption Accounting

The trust has none to report.

1.36 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

IFRS 9 Financial Instruments
IFRS14 Regulatory Deferral Accounts
IFRS15 Revenue from contracts with customers
IFRS 16 Leases

1.37 Accounting standards issued that have been adopted early

There are no accounting standards in issue which have been adopted early.

Welsh Ambulance Services NHS Trust Annual Accounts 2016-17

2. Revenue from patient care activities	2016-17	2015-16
	£000	£000
Welsh Government	378	4,530
Welsh Government Welsh Risk Pool Reimbursements	0	0
Welsh Health Specialised & Emergency Ambulance Services Committees (WHSSC & EASC)	133,708	126,389
Local health boards	20,793	19,436
Welsh NHS Trusts	620	606
Other NHS Trusts	10	6
Other NHS England bodies	0	0
Foundation Trusts	127	198
Welsh Local Authorities	2	0
Local authorities	0	0
Non NHS:		
Private patient income	6	4
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	408	418
Other revenue from activities	107	146
Total	156,159	151,733

ICR income is subject to a provision for impairment of 22.94% to reflect expected rates of collection.

3. Other operating revenue	2016-17	2015-16
	£000	£000
Patient transport services	0	0
Education, training and research	1,239	1,091
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
Income generation	0	0
Rental revenue from finance leases	0	0
Rental revenue from operating leases	79	79
Other revenue:		
Provision of laundry, pathology, payroll services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	255	201
Business unit	0	0
Other	14,806	8,289
Total	16,379	9,660

Other revenue of £14,806k comprises:

Non-ambulance transport for other NHS bodies	0	0
Personal injury benefit scheme (PIBS)	1,644	747
Air Ambulance paramedic funding	716	597
Hazardous Area Response Team (HART)	2,226	2,230
Other minor services income	2,243	1,840
Ambulance Radio Replacement Programme (ARRP)	2,250	2,269
Funding for impairments (as funds flow monies)	5,727	606
Total	14,806	8,289

4. Operating expenses	2016-17	2015-16
4.1 Operating expenses	£000	£000
Welsh Government	0	0
WHSSC & EASC	0	0
Local Health Boards	0	0
Welsh NHS Trusts	0	0
Other NHS Trusts	0	0
Goods and services from other NHS bodies	1,034	1,151
Purchase of healthcare from non-NHS bodies	2,234	2,048
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Directors' costs	1,031	967
Staff costs	118,220	114,265
Supplies and services - clinical	3,444	2,658
Supplies and services - general	1,263	829
Consultancy Services	164	296
Establishment	4,157	3,756
Transport	13,439	13,102
Premises	5,786	6,164
Impairments and Reversals of Receivables	0	0
Depreciation	13,035	11,457
Amortisation	293	581
Impairments and reversals of property, plant and equipment	5,727	606
Impairments and reversals of intangible assets	0	0
Impairments and reversals of financial assets	0	0
Impairments and reversals of non current assets held for sale	0	0
Audit fees	151	150
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,887	1,370
Research and development	0	0
Other operating expenses	1,862	1,754
Total	173,727	161,154

4. Operating expenses (continued)

4.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2016-17	2015-16
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence	(4,221)	6,029
Personal injury	3,338	1,345
All other losses and special payments	158	89
Defence legal fees and other administrative costs	23	270
Gross increase/(decrease) in provision for future payments	(702)	7,733
Contribution to Welsh Risk Pool	0	0
Welsh Risk Pool creditor movement	0	0
Premium for other insurance arrangements	0	0
Irrecoverable debts	(150)	187
Less: income received/ due from Welsh Risk Pool	2,739	(6,550)
Total charge	1,887	1,370

Personal injury includes £1.644m in respect of permanent injury benefits (2015-16 £0.747m).

5. Investment revenue	2016-17	2015-16
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	29	39
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	29	39

6. Other gains and losses	2016-17	2015-16
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	88
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	1,477	0
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	1,477	88

7. Finance costs	2016-17	2015-16
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	188	234
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	188	234
Provisions unwinding of discount	85	83
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	273	317

8. Operating leases

8.1 Trust as lessee

The operating leases shown below mainly relate to buildings and vehicles.

Payments recognised as an expense	2016-17	2015-16
	£000	£000
Minimum lease payments	1,812	1,507
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,812	1,507

Total future minimum lease payments	2016-17	2015-16
	£000	£000
Payable:		
Not later than one year	1,708	1,449
Between one and five years	3,149	2,656
After 5 years	2,348	1,865
Total	7,205	5,970
Total future sublease payments expected to be received	0	0

8. Operating leases (continued)

8.2 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	2016-17	2015-16
	£000	£000
Rent	0	0
Contingent rent	0	0
Other	79	79
Total rental revenue	79	79

Total future minimum lease payments	2016-17	2015-16
Receivable:	£000	£000
Not later than one year	72	72
Between one and five years	155	227
After 5 years	0	0
Total	227	299

9. Employee costs and numbers

9.1 Employee costs	Permanently employed staff	Agency Staff	Staff on Inward Secondment	2016-17	2015-16
				£000	£000
	£000	£000	£000	£000	£000
Salaries and wages	96,590	1,092	410	98,092	97,111
Social security costs	9,783	0	0	9,783	7,427
Employer contributions to NHS Pensions Scheme	11,673	0	0	11,673	11,109
Other pension costs	12	0	0	12	16
Other post-employment benefits	0	0	0	0	0
Termination benefits	0	0	0	0	0
Total	118,058	1,092	410	119,560	115,663
Of the total above:					
Charged to capital				448	558
Charged to revenue				119,112	115,105
Total				119,560	115,663

Net movement in accrued employee benefits (untaken staff leave accrual included above) (9) 0

9.2 Average number of employees

9.2 Average number of employees	Permanently Employed	Agency Staff	Staff on Inward Secondment	2016-17	2015-16
				Total	Total
	Number	Number	Number	Number	Number
Administrative, clerical and board members	479	13	10	502	477
Ambulance staff	0	0	0	0	0
Medical and dental	2	0	0	2	1
Nursing, midwifery registered	114	0	0	114	93
Professional, scientific and technical staff	0	0	0	0	9
Additional Clinical Services	1,357	1	0	1,358	1,323
Allied Health Professions	985	30	0	1,015	945
Healthcare scientists	0	0	0	0	0
Estates and Ancillary	48	3	0	51	37
Students	0	0	0	0	0
Total	2,985	47	10	3,042	2,885

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.

9.3 Employee benefits

The Trust does not have an employee benefit scheme.

9.4 Reporting of other compensation schemes - exit packages

Exit packages cost band (including any special payment element)	2016-17	2016-17	2016-17	2016-17	2015-16
	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	0
£50,000 to £100,000	0	3	3	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	1
Total	0	3	3	0	1

Exit packages cost band (including any special payment element)	2016-17	2016-17	2016-17	2016-17	2015-16
	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	0
£50,000 to £100,000	0	196,980	196,980	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	214,033
Total	0	196,980	196,980	0	214,033

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 for details of ill health retirement costs).

This disclosure reports the number and value of exit packages taken by staff leaving in the year. The expense associated with these departures may have been recognised in part or in full in a previous period.

9.5 Remuneration Relationship

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

The banded remuneration of the highest-paid director in the Welsh Ambulance Services NHS Trust in the financial year 2016-17 was £152,500 (2015-16, £152,500). This was 5.15 times (2015-16, 5.05) the median remuneration of the workforce, which was £29,603 (2015-16, £30,214).

In 2016-17, 0 (2015-16, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £16,132 to £152,500 (2015-16 £15,350 to £137,500).

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. The cost of employing agency staff within the Trust has not been included within the calculation of median salary. The Trust has assessed that given the relatively small number of agency staff employed throughout the year, there would be no significant effect on the median salary reported above. There are no Trust Directors paid on this basis.

In establishing the highest paid Director (Chief Executive) the Trust has taken into account the proportion of remuneration received by Directors for Clinical and Director responsibilities.

10. 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 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of scheme liability as at 31 March 2017, is based on valuation data as 31 March 2016, updated to 31 March 2017 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension 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 their recent demographic experience), and to recommend contribution rates payable by employees and employers.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012. The Scheme Regulations allow for the level of contribution rates to be changed by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

The next actuarial valuation is to be carried out as at 31 March 2016. This will set the employer contribution rate payable from April 2019 and will consider the cost of the Scheme relative to the employer cost cap. There are provisions in the Public Service Pension Act 2013 to adjust member benefits or contribution rates if the cost of the Scheme changes by more than 2% of pay. Subject to this 'employer cost cap' assessment, any required revisions to member benefits or contribution rates will be determined by the Secretary of State for Health after consultation with the relevant stakeholders.

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 2% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 1% of this. The legal minimum level of contribution level is increasing to 8% over the next three years.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £5,824 and £43,000 for the 2016-17 tax year (2015-16 £5,824 and £42,385).

NEST has an annual contribution limit of £4,900 for the 2016-17 tax year (£4,700 for 2015-16). This means the most that can be contributed to a single pot in the current tax year is £4,900. This figure will be adjusted annually in line with average earnings. The annual contribution limit includes member contributions, money from their employer and any tax relief.

Alternatively under certification, employers may choose to calculate contributions in a way that meets the requirements of one of three sets of tiers described in the legislation. The three tiers have minimum contribution rates as detailed on the NEST website.

10.1 Retirement costs due to ill-health

During 2016-17 there were six (2015-16, five) early retirements from the Trust agreed on the grounds of ill-health. The estimated additional pension costs of these ill-health retirements is £295,099 (2015-16, £250,594). The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

11. Public Sector Payment Policy

11.1 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.

	2016-17	2016-17	2015-16	2015-16
	Number	£000	Number	£000
NHS				
Total bills paid in year	742	4,728	812	4,389
Total bills paid within target	685	4,310	747	4,018
Percentage of bills paid within target	92.3%	91.2%	92.0%	91.5%
Non-NHS				
Total bills paid in year	40,174	82,094	37,536	60,983
Total bills paid within target	39,785	81,588	37,197	60,517
Percentage of bills paid within target	99.0%	99.4%	99.1%	99.2%
Total				
Total bills paid in year	40,916	86,822	38,348	65,372
Total bills paid within target	40,470	85,898	37,944	64,535
Percentage of bills paid within target	98.9%	98.9%	98.9%	98.7%

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

	2016-17	2015-16
	£	£
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

12. Property, plant and equipment :

2016-17

	Land	Buildings, excluding dwellings	Dwellings	Assets under construc- tion 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 2016	6,726	24,768	0	16,162	24,466	62,668	33,336	844	168,970
Indexation	256	0	0	0	0	0	0	0	256
Revaluation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	19,621	0	0	0	0	19,621
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	825	9,117	0	(18,358)	574	6,828	(1,862)	0	(2,876)
Reclassified as held for sale	(18)	0	0	0	(1,038)	(2,286)	0	0	(3,342)
Disposals other than by sale	0	(63)	0	0	(7,490)	33	(6,338)	0	(13,858)
Impairments	(3)	(5,724)	0	0	0	0	0	0	(5,727)
Reversal of impairments	0	0	0	0	0	0	0	0	0
At 31 March 2017	7,786	28,098	0	17,425	16,512	67,243	25,136	844	163,044
Depreciation									
At 1 April 2016	0	13,706	0	0	17,040	37,457	22,587	844	91,634
Indexation	0	0	0	0	0	0	0	0	0
Revaluation	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	0	0	0	0	0	(2,026)	0	(2,026)
Reclassified as held for sale	0	0	0	0	(1,038)	(2,280)	0	0	(3,318)
Disposals other than by sale	0	(63)	0	0	(7,490)	33	(6,339)	0	(13,859)
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	638	0	0	1,705	8,008	2,684	0	13,035
At 31 March 2017	0	14,281	0	0	10,217	43,218	16,906	844	85,466
Net book value									
At 1 April 2016	6,726	11,062	0	16,162	7,426	25,211	10,749	0	77,336
Net book value									
At 31 March 2017	7,786	13,817	0	17,425	6,295	24,025	8,230	0	77,578
Net book value at 31 March 2017 comprises :									
Purchased	7,786	13,817	0	17,425	6,295	24,025	8,230	0	77,578
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2017	7,786	13,817	0	17,425	6,295	24,025	8,230	0	77,578
Asset Financing:									
Owned	7,786	13,817	0	17,425	6,295	24,025	5,014	0	74,362
Held on finance lease	0	0	0	0	0	0	3,216	0	3,216
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 2017	7,786	13,817	0	17,425	6,295	24,025	8,230	0	77,578

The net book value of land, buildings and dwellings at 31 March 2017 comprises :

	£000
Freehold	21,603
Long Leasehold	0
Short Leasehold	0
Total	21,603

In April 2016 the Ambulance and Fire Service Resource Centre (AFSRC) in Wrexham was commissioned and brought into use. This is a joint facility for use by the Trust in conjunction with the North Wales Fire and Rescue Service (NWFRS). The land relating to this facility was purchased by this Trust for £0.825m and can be seen above as a reclassification in year from Assets under Construction. The element of build cost relating to NWFRS was recharged to NWFRS during the build. In order to provide NWFRS with security of tenure the Trust issued a 50 year lease for the economic life of the building in return for their initial contribution plus a peppercorn rent.

Following commissioning, the Trust arranged for a valuation of their share of the building to take place. This resulted in an impairment of £4.557m.

12. Property, plant and equipment :

2015-16

	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 2015	6,665	23,629	0	16,585	24,335	55,668	32,524	844	160,250
Indexation	131	1,334	0	0	0	0	0	0	1,465
Revaluation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	0	0	19,683	0	0	0	0	19,683
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	(19)	(1,831)	(13)	0	(1,863)
Reclassifications	0	1,833	0	(19,982)	4,498	11,351	1,354	0	(946)
Reclassified as held for sale	(52)	(1,368)	0	0	(122)	(2,520)	0	0	(4,062)
Disposals other than by sale	0	0	0	0	(4,226)	0	(529)	0	(4,755)
Impairments	(18)	(660)	0	(124)	0	0	0	0	(802)
Reversal of impairments	0	0	0	0	0	0	0	0	0
At 31 March 2016	6,726	24,768	0	16,162	24,466	62,668	33,336	844	168,970
Depreciation									
At 1 April 2015	0	13,716	0	0	20,173	34,009	21,277	844	90,019
Indexation	0	768	0	0	0	0	0	0	768
Revaluation	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	(6)	(995)	(12)	0	(1,013)
Reclassifications	0	0	0	0	0	0	(852)	0	(852)
Reclassified as held for sale	0	(1,364)	0	0	(122)	(2,504)	0	0	(3,990)
Disposals other than by sale	0	0	0	0	(4,226)	0	(529)	0	(4,755)
Impairments	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Charged during the year	0	586	0	0	1,221	6,947	2,703	0	11,457
At 31 March 2016	0	13,706	0	0	17,040	37,457	22,587	844	91,634
Net book value									
At 1 April 2015	6,665	9,913	0	16,585	4,162	21,659	11,247	0	70,231
Net book value									
At 31 March 2016	6,726	11,062	0	16,162	7,426	25,211	10,749	0	77,336
Net book value at 31 March 2016 comprises :									
Purchased	6,726	11,062	0	16,162	7,426	25,211	10,749	0	77,336
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2016	6,726	11,062	0	16,162	7,426	25,211	10,749	0	77,336
Asset Financing:									
Owned	6,726	11,062	0	16,162	7,426	25,211	6,461	0	73,048
Held on finance lease	0	0	0	0	0	0	4,288	0	4,288
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 2016	6,726	11,062	0	16,162	7,426	25,211	10,749	0	77,336

The net book value of land, buildings and dwellings at 31 March 2016 comprises :

	£000
Freehold	17,788
Long Leasehold	0
Short Leasehold	0
Total	17,788

12. Property, plant and equipment :

Disclosures:

- i) No assets were donated to the Trust during this financial year.
- ii) Assets held at revalued amounts

Land and buildings are restated to current value using professional valuations in accordance with IAS16 every five years and in the intervening years by the use of indices provided from the District Valuer via the Welsh Government.

Professional valuations are carried out by the District Valuers of the Valuation Office Agency at five yearly intervals. The valuations are carried out in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Welsh Government and HM Treasury. The last asset valuations were carried out as at 1 April 2012.

The valuations are carried out primarily on the basis of depreciated replacement cost for specialised operational property and existing use value for non-specialised operational property.

The value of land for existing use purposes is assessed at existing use value. For non-operational properties, including surplus land, the valuations are carried out at open market value.

In accordance with IFRS 13 additional alternative Open Market Value figures have been supplied for operational assets scheduled for imminent closure, subsequent disposal and taken out of operational use.

Assets in the course of construction are valued at current cost as for land and buildings, as above.

These assets include any existing land or buildings under the control of a contractor.

Operational equipment is carried at current value. Where assets are of low value, and/or have short useful economic lives, these are carried at depreciated historic cost as a proxy for current value.

Equipment surplus to requirements is valued at net recoverable amount.

iii) 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.

iv) £5.727 million was received from the Welsh Assembly Government in respect of compensation for assets impaired during the year. This is included within Other operating income.

v) Assets becoming classified as held for sale are shown in Note 12.2. 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	67
Equipment	No longer serviceable	30
Land and Buildings	Surplus to requirements	1380
		1477

12.2 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 2016	336	4	0	0	0	340
Plus assets classified as held for sale in year	68	0	6	0	0	74
Revaluation	0	0	0	0	0	0
Less assets sold in year	(354)	(4)	(6)	0	0	(364)
Less impairment for assets held for sale	0	0	0	0	0	0
Plus reversal of impairments	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by sale	(50)	0	0	0	0	(50)
Balance c/f 31 March 2017	0	0	0	0	0	0
Balance b/f 1 April 2015	284	0	0	0	0	284
Plus assets classified as held for sale in year	52	4	16	0	0	72
Revaluation	0	0	0	0	0	0
Less assets sold in year	0	0	(16)	0	0	(16)
Less impairment for assets held for sale	0	0	0	0	0	0
Plus reversal of impairments	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 2016	336	4	0	0	0	340

Four properties were included within this category at 1 April 2016, namely New Quay, Wrexham, Monmouth and Chirk. During the year disposals of all these except for Monmouth took place. Monmouth is now no longer classed as held for sale as it no longer meets the criteria.

- Both Wrexham Ambulance Station and Chirk Ambulance Station/Clinic became surplus to requirement following the commissioning of the newly built AFSRC in April 2016.

- New Quay Ambulance station became surplus to requirement following the relocation of crews to a new social standby point in New Quay Fire Station.

13. Intangible assets

2016-17	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 2016	3,348	0	1,199	0	0	0	4,547
Revaluation		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
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Reclassifications	2,871	0	5	0	0	0	2,876
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
At 31 March 2017	6,219	0	1,204	0	0	0	7,423
Amortisation							
At 1 April 2016	3,197	0	891	0	0	0	4,088
Revaluation		0			0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Reclassifications	2,026	0	0	0	0	0	2,026
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Charged during the year	161	0	132	0	0	0	293
Accumulated amortisation at 31 March 2017	5,384	0	1,023	0	0	0	6,407
Net book value							
At 1 April 2016	151	0	308	0	0	0	459
Net book value							
At 31 March 2017	835	0	181	0	0	0	1,016
Net book value							
Purchased	835	0	181	0	0	0	1,016
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
At 31 March 2017	835	0	181	0	0	0	1,016

13. Intangible assets

2015-16	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 2015	3,586	0	0	0	0	0	3,586
Revaluation		0			0	0	0
Additions							
- purchased	15	0	0	0	0	0	15
- 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
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Reclassifications	(253)	0	1,199	0	0	0	946
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
At 31 March 2016	3,348	0	1,199	0	0	0	4,547
Amortisation							
At 1 April 2015	2,655	0	0	0	0	0	2,655
Revaluation		0			0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Reclassifications	(39)	0	891	0	0	0	852
Reclassified as held for sale	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Charged during the year	581	0	0	0	0	0	581
Accumulated amortisation at 31 March 2016	3,197	0	891	0	0	0	4,088
Net book value							
At 1 April 2015	931	0	0	0	0	0	931
Net book value							
At 31 March 2016	151	0	308	0	0	0	459
Net book value							
Purchased	151	0	308	0	0	0	459
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
At 31 March 2016	151	0	308	0	0	0	459

13. 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.

14. Revaluation reserve balance for intangible assets

	2016-17	2015-16
	£000	£000
At 1 April	0	0
Changes	0	0
At 31 March	0	0

15. Impairments

Impairments in the period arose from:	2016-17		2015-16	
	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	124	0
Changes in market price	0	0	0	0
Other (Specify)	5,727	0	678	0
Reversal of impairment	0	0	(196)	0
Impairments charged to operating expenses	5,727	0	606	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	5,727	0	606	0
Revaluation reserve	0	0	0	0
Total	5,727	0	606	0

In April 2016 the newly built Ambulance and Fire Services Resource Centre (AFSRC) in Wrexham was commissioned and became fully operational. As a result of a valuation undertaken by the District Valuer following commissioning, an impairment of £4.557m was recognised. This is included within the £5.727m shown above.

In respect of the balance of £1.170m. During the year a review was undertaken in connection with expenditure incurred on Trust buildings. This review identified expenditure of £1.170m on buildings where the value of the building had not been enhanced.

16. Capital commitments

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

	31 March 2017	31 March 2016
	£000	£000
Property, plant and equipment	1,545	107
Intangible assets	646	0
Total	2,191	107

17. Inventories

17.1 Inventories

	31 March	31 March
	2017	2016
	£000	£000
Drugs	164	168
Consumables	899	919
Energy	0	0
Work in progress	0	0
Other	110	96
Total	1,173	1,183
Of which held at net realisable value:	0	0

17.2 Inventories recognised in expenses

	31 March	31 March
	2017	2016
	£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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18. Trade and other receivables

18.1 Trade and other receivables

	31 March 2017 £000	31 March 2016 £000
Current		
Welsh Government	380	1,075
WHSSC & EASC	18	288
Welsh Health Boards	312	926
Welsh NHS Trusts	56	25
Non - Welsh Trusts	38	87
Other NHS	24	19
Welsh Risk Pool	5,200	8,089
Welsh Local Authorities	0	28
Other Local Authorities	0	0
Capital debtors	0	0
Other debtors	828	721
Provision for impairment of trade receivables	(273)	(424)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,021	1,406
Accrued income	0	0
Sub-total	<u>7,604</u>	<u>12,240</u>
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	0	0
Welsh Local Authorities	0	0
Other Local Authorities	0	0
Capital debtors	0	0
Other debtors	558	522
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>558</u>	<u>522</u>
Total trade and other receivables	<u><u>8,162</u></u>	<u><u>12,762</u></u>

The majority of trade is with the Welsh Government and Welsh Health Boards. As these bodies are either Welsh Government or funded by Welsh Government, no credit scoring of them is considered necessary.

Other debtors includes £0.965m re Compensation Recovery Unit (2015/16 £0.982m).

18.2 Receivables VAT	31 March	31 March
	2017	2016
	£000	£000
Trade receivables	27	51
Other	0	0
Total	27	51

18.3 Receivables past their due date but not impaired

	31 March	31 March
	2017	2016
	£000	£000
By up to 3 months	0	601
By 3 to 6 months	0	1
By more than 6 months	0	0
Balance at end of financial year	0	602

18.4 Allowance for bad and doubtful debts

	31 March	31 March
	2017	2016
	£000	£000
Balance at beginning of the year	(424)	(239)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	1	2
Provision written back during the year no longer required	0	0
(Increase)/Decrease in provision during year	150	(187)
Bad debts recovered during year	0	0
Balance at end of financial year	(273)	(424)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies.

19. Other financial assets

	31 March	31 March
	2017	2016
	£000	£000
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

20. Cash and cash equivalents

	31 March	31 March
	2017	2016
	£000	£000
Opening Balance	13,326	16,926
Net change in year	(1,200)	(3,600)
Closing Balance	12,126	13,326
Made up of:		
Cash with Government Banking Service (GBS)	295	283
Cash with Commercial banks	27	39
Cash in hand	4	4
Total cash	326	326
Current investments	11,800	13,000
Cash and cash equivalents as in SoFP	12,126	13,326
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	12,126	13,326

21. Trade and other payables at the SoFP Date	31 March	31 March
	2017	2016
Current	£000	£000
Welsh Government	28	1,105
WHSSC & EASC	0	89
Welsh Health Boards	495	588
Welsh NHS Trusts	161	112
Other NHS	88	52
Welsh Local Authorities	23	44
Other Local Authorities	0	1
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	59
Other taxes payable to HMRC	1,001	561
National Insurance contributions payable to HMRC	1,444	1,148
Non-NHS trade payables - revenue	1,466	1,142
Non-NHS trade payables - capital	5,155	7,439
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	1,529	1,475
Accruals	7,008	6,424
Deferred Income:		
Deferred income brought forward	0	0
Deferred income additions	0	52
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	18,398	20,291

In respect of the Pensions figure shown above, £1.526m relates to the NHS Pension scheme (2015-16 £1.472m) and £0.003m to the NEST pension scheme (2015-16 £0.002m).

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

	31 March 2017 £000	31 March 2016 £000
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Other NHS	0	0
Welsh Local Authorities	0	0
Other Local Authorities	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
Non-NHS 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	0	0
Total	18,398	20,291

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

22. Borrowings	31 March	31 March
	2017	2016
Current	£000	£000
Bank overdraft - 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	1,533	1,511
Other	0	0
Total	1,533	1,511
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	2,427	3,859
Other	0	0
Total	2,427	3,859

22.2 Loan advance/strategic assistance funding

The NHS Trust has received no loan advance or strategic funding from the Welsh Government.

23. Other financial liabilities

	31 March	31 March
	2017	2016
	£000	£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	31 March
	2017	2016
	£000	£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

24. Provisions
2016-17

	At 1 April 2016	Structured settlement cases transferr-ed 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 2017
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	1,191	0	0	5,892	0	491	(603)	(4,712)	0	2,259
Personal injury	1,769	0	0	0	0	2,989	(1,393)	(784)	83	2,664
All other losses and special payments	0	0	0	0	0	200	(158)	(42)	0	0
Defence legal fees and other administration	333	0	0	0	0	226	(70)	(203)	0	286
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	21		0	7	0	10	(18)	0	2	22
Restructurings	65		0	0	0	137	(65)	0		137
Other	59		0	0	0	194	0	0		253
Total	3,438	0	0	5,899	0	4,247	(2,307)	(5,741)	85	5,621
Non Current										
Clinical negligence	5,892	0	0	(5,892)	0	0	0	0	0	0
Personal injury	6,114	0	0	0	0	1,133	0	0	0	7,247
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
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	114		0	(7)	0	0	0	0	0	107
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	12,120	0	0	(5,899)	0	1,133	0	0	0	7,354
TOTAL										
Clinical negligence	7,083	0	0	0	0	491	(603)	(4,712)	0	2,259
Personal injury	7,883	0	0	0	0	4,122	(1,393)	(784)	83	9,911
All other losses and special payments	0	0	0	0	0	200	(158)	(42)	0	0
Defence legal fees and other administration	333	0	0	0	0	226	(70)	(203)	0	286
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	135		0	0	0	10	(18)	0	2	129
Restructurings	65		0	0	0	137	(65)	0		137
Other	59		0	0	0	194	0	0		253
Total	15,558	0	0	0	0	5,380	(2,307)	(5,741)	85	12,975

Expected timing of cash flows:

	In year to 31 March 2018	Between 1 April 2018 and 31 March 2022	Thereafter	Totals
	£000	£000	£000	£000
Clinical negligence	2,259	0	0	2,259
Personal injury	2,664	1,627	5,620	9,911
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	286	0	0	286
Pensions - former directors	0	0	0	0
Pensions - other staff	22	71	36	129
Restructuring	137	0	0	137
Other	253	0	0	253
Total	5,621	1,698	5,656	12,975

"Other" provisions £0.253m (15-16 £0.059m) relates to a provision for dilapidation of leasehold premises £0.251m together with a provision for unpaid annual leave entitlement to staff in respect of frozen holiday leave entitlement £0.002m.

24. Provisions (continued)

2015-16

	At 1 April 2015	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 2016
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence	1,227	0	0	(28)	0	922	(164)	(766)	0	1,191
Personal injury	1,377	0	0	0	0	1,834	(771)	(752)	81	1,769
All other losses and special payments	0	0	0	0	0	180	(89)	(91)	0	0
Defence legal fees and other administration	230	0	0	0	0	364	(167)	(94)	0	333
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	22		0	0	0	15	(18)	0	2	21
Restructurings	430		0	0	0	199	(214)	(350)		65
Other	59		0	0	0	0	0	0		59
Total	3,345	0	0	(28)	0	3,514	(1,423)	(2,053)	83	3,438
Non Current										
Clinical negligence	0	0	0	28	0	5,873	(9)	0	0	5,892
Personal injury	5,851	0	0	0	0	263	0	0	0	6,114
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
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	114		0	0	0	0	0	0	0	114
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	5,965	0	0	28	0	6,136	(9)	0	0	12,120
TOTAL										
Clinical negligence	1,227	0	0	0	0	6,795	(173)	(766)	0	7,083
Personal injury	7,228	0	0	0	0	2,097	(771)	(752)	81	7,883
All other losses and special payments	0	0	0	0	0	180	(89)	(91)	0	0
Defence legal fees and other administration	230	0	0	0	0	364	(167)	(94)	0	333
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	136		0	0	0	15	(18)	0	2	135
Restructurings	430		0	0	0	199	(214)	(350)		65
Other	59		0	0	0	0	0	0		59
Total	9,310	0	0	0	0	9,650	(1,432)	(2,053)	83	15,558

"Other" provisions £0.059m (14-15 £0.059m) relates to a provision for dilapidation of leasehold premises £0.057m together with a provision for unpaid annual leave entitlement to staff in respect of frozen holiday leave entitlement £0.002m.

25. Contingencies

25.1 Contingent liabilities

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

	31 March	31 March
	2017	2016
	£000	£000
Legal claims for alleged medical or employer negligence	8,364	2,657
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	0	0
Other (Please specify)	0	0
Total value of disputed claims	8,364	2,657
Amount recovered under insurance arrangements in the event of these claims being successful	(7,045)	(1,769)
Net contingent liability	1,319	888

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

25.2. Remote contingent liabilities

	31 March	31 March
	2017	2016
	£000	£000
Legal claims for alleged medical or employer negligence	838	861
Amount recovered	(753)	(741)
Total	85	120

25.3 Contingent assets

	31 March	31 March
	2017	2016
	£000	£000
	0	0
	0	0
	0	0
	0	0

The Trust has no contingent assets.

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 2017		Approved to write-off year to 31 March 2017	
	Number	£	Number	£
Clinical negligence	8	603,074	1	137,500
Personal injury	102	1,393,320	14	143,651
All other losses and special payments	123	157,858	20	14,361
Total	233	2,154,252	35	295,512
FHoT losses and special payments	0	0	0	0
Consolidated Total	233	2,154,252	35	295,512

Analysis of cases:

	Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
Cases where cumulative amount exceeds £300,000			
Case reference			
14RT4PI0008	342,843	378,967	0
15RT4PI0033	214,281	319,163	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
Sub-total	557,124	698,130	0
All other cases	1,597,128	7,304,239	295,512
Total cases	2,154,252	8,002,369	295,512

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 is the only asset included within 'Other' below.

Amounts payable under finance leases:

LAND	31 March 2017 £000	31 March 2016 £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 2017 £000	31 March 2016 £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 2017 £000	31 March 2016 £000
Minimum lease payments		
Within one year	1,672	1,699
Between one and five years	2,551	4,107
After five years	0	0
Less finance charges allocated to future periods	(263)	(436)
Minimum lease payments	3,960	5,370
Included in: Current borrowings	1,533	1,511
Non-current borrowings	2,427	3,859
Total	3,960	5,370
Present value of minimum lease payments		
Within one year	1,533	1,511
Between one and five years	2,427	3,859
After five years	0	0
Total present value of minimum lease payments	3,960	5,370
Included in: Current borrowings	1,533	1,511
Non-current borrowings	2,427	3,859
Total	3,960	5,370

27.2 Finance lease receivables (as lessor)

There are no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2017 £000	31 March 2016 £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	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>
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	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	<u>0</u>	<u>0</u>
Total	<u>0</u>	<u>0</u>

27.3 Rental Revenue	31 March	31 March
	2017	2016
	£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 2016-17.

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

Liquidity risk

NHS 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.

The funds held on Trust are exposed to fluctuations in interest rates on the monies invested in deposits and on the stock market.

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 NHS 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. Financial Performance

30.1 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(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) is at the end of 2016-17, being the first three year period of assessment.

Welsh Health Circular WHC/2016/054 replaces 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 and is effective for 2016-17.

30.1.1 Financial Duty

	Annual financial performance			2014-17 Financial duty £000
	2014-15 £000	2015-16 £000	2016-17 £000	
Retained surplus	148	49	44	241
Less Donated asset / grant funded revenue adjustment	0	0	0	0
Adjusted surplus/(deficit)	<u>148</u>	<u>49</u>	<u>44</u>	<u>241</u>

The Welsh Ambulance Services NHS Trust has met its financial duty to break even over the 3 years 2014-15 to 2016-17.

30.1.2 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 submitted an Integrated Medium Term Plan for the period 2016-17 to 2018-19 in accordance with NHS Wales Planning Framework.

**Financial duty
2016-17
to
2018-19
Status**

The Cabinet Secretary for Health, Well-being and Sport approval status

Approved

The Welsh Ambulance Services NHS Trust has met its annual financial duty to have an approved financial plan for the period 2016-17 to 2018-19.

The Trust submitted an initial Integrated Medium Term Plan for the period 2015-16 to 2017-18 in accordance with NHS Wales Planning Framework. Following receipt of this and advice from Welsh Government, due to the significant amount of change planned by the Trust in the first year of this plan (2015-16), including the piloting of a new clinical response model, completion of a business case for the future provision and direction of the Non Emergency Patient Transport Service and preparations for the implementation of the pathfinder project for the 111 service in Wales for which it is the selected host provider, it was agreed that a revised IMTP and financial plan for the Trust for 2015-16 only be submitted. This was submitted to Welsh Government on 30th September 2015, the income, funding and financial assumptions within which were fully agreed by the Trust's commissioners, and were paid to the Trust throughout the remainder of the 2015-16 financial year and were the basis for the 2015-16 accounts.

The Trust's 2014-15 to 2016-17 IMTP was not approved.

30. Financial Performance (cont)

30.2 ADMINISTRATIVE REQUIREMENTS

30.2.1. External financing

The Trust is given an external financing limit which it permitted to undershoot	31 March 2017 £000	31 March 2016 £000
External financing limit set by the Welsh Government	(1,121)	4,859
Cash flow financing	(1,121)	4,859
Finance leases taken out in the year	0	0
Other capital receipts	0	0
External financing requirement	<u>(1,121)</u>	<u>4,859</u>
Undershoot (overshoot)	<u>0</u>	<u>0</u>

The Trust has achieved its external financing limit.

30.2.2. 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:

	2016-17
Total number of non-NHS bills paid 2016-17	40,174
Total number of non-NHS bills paid within target	39,785
Percentage of non-NHS bills paid within target	99.0%

The Trust has met the target.

31. Third party assets

	31 March	31 March
	2017	2016
	£000	£000
Investments	0	0
Monetary Assets	0	0
Total	0	0

The Trust has no Third Party Assets.

32. Events after reporting period

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

33. 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 the Trust has 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, as disclosed below

	Expenditure with related party	Income from related party	Amounts owed to related party	Amounts due from related party
	£000	£000	£000	£000
Welsh Government	1,256	12,963	28	380
WHSSC/EASC	39	136,605	0	18
Abertawe Bro Morgannwg Universit	595	3,686	114	14
Aneurin Bevan LHB	242	4,031	25	107
Betsi Cadwaladr University LHB	480	4,698	131	1
Cardiff & Vale University LHB	80	3,531	102	100
Cwm Taff LHB	100	1,231	55	5
Hywel Dda LHB	175	3,069	19	38
Powys LHB	48	1,022	48	48
Public Health Wales NHS Trust	74	39	5	0
Velindre NHS Trust	1,372	1,769	156	56
Welsh Local Authorities	1,438	71	23	0
Welsh Risk Pool	0	0	0	1,184
TOTAL	5,899	172,715	706	1,951

In addition, the Trust has had a number of material transactions with other Government departments and other central and local Government bodies.

The Trust Board is the corporate trustee of the Welsh Ambulance Services NHS Trust Charity. All voting members of the Trust Board can act as corporate trustees of the charity. In addition three non-executive directors have roles on the Charitable Fund Committee. During the year receipts from the Charity amounted to £0.010m (2015-16: £0.010m) with no other transactions being made. Net assets of the charity amount to just under £0.3m.

The Welsh Government income shown above includes £5.727m relating to impairment funding and £0.235m that relates to PDC capital received during 2016-17.

In July 2016 the Trust Chairman was awarded a Honorary Professorship from Swansea University. During the year receipts from Swansea University amounted to £0.191m and payments to Swansea University amounted to £0.249m.

34. Pooled budgets

Welsh Ambulance Services NHS Trust has no pooled budgets.

35. 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.

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 (FReM), 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 FReM 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)