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Gwasanaethau Ambiwylans Cymru
Welsh Ambulance Services
NHS Trust

ACCOUNTABILITY REPORT AND ANNUAL ACCOUNTS

2020-21



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ACCOUNTABILITY REPORT

2020-21

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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 Welsh Government. 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 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.

Parliamentary Accountability and Audit Report: The Parliamentary 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

2020-21

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 2020-21. Voting Members of the Trust are marked with an asterisk in the Table below.

Name	Position	Declaration
Martin Woodford *	Trust Chairman and Non-Executive Director	None
Emrys Davies *	Non-Executive Director	Director and Chair, NRML (Newport Road Maintenance Ltd). Retired Member of Unite.
Kevin Davies *	Non-Executive Director	St John Volunteer COVID 19 Vaccination Programme (CTMUHB and C&VUHB). Trustee St John Ambulance Cymru. Patron Motivation and Learning Trust. Chair ABF The Soldiers Charity (Glamorgan). Member RCN.
Bethan Evans *	Non-Executive Director	Managing Director (Employed) at My Choice Healthcare Ltd. Non Executive Board Member at RHA (Social Housing Association). Company Director Moorlands Rehabilitation (Staffordshire) Ltd. Company Director My Choice Healthcare South Wales Limited. Company Director Homes of Excellence Healthcare Limited. Company Director Springfield (Bargoed) Limited.
Pamela Hall *	Non-Executive Director (left the Trust 31/12/20)	None

Name	Position	Declaration
Paul Hollard *	Non-Executive Director	Independent consultant providing occasional services to NHS Wales organisations and Welsh Government
Joga Singh *	Non-Executive Director	Geldards LLP, paid employment Sikh Council of Wales, voluntary role. Member of the Law Society and Employment Lawyers Association.
Martin Turner *	Non-Executive Director	Director and shareholder Martin Turner Associates Ltd,
Jason Killens *	Chief Executive	Honorary Professorship at Swansea University.
Brendan Lloyd *	Medical Director and Deputy Chief Executive (Interim)	None
Claire Roche *	Executive Director of Quality and Nursing	None
Christopher Turley *	Executive Director of Finance and Corporate Resources	None
Claire Vaughan *	Executive Director of Workforce and OD	None
Lee Brooks	Director of Operations	Partner employed by Welsh Ambulance Services NHS Trust.
Andy Haywood	Director of Digital	None
Estelle Hitchon	Director of Partnership and Engagement	None
Rachel Marsh	Director of Strategy, Planning and Performance	None
Andy Swinburn	Associate Director of Paramedicine	Consultancy work as an Advisor to the College of Paramedics.
Keith Cox	Board Secretary	Magistrate Cardiff and Vale.

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

Environmental, Social and Community Issues

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

- ensuring compliance with all relevant legislation and Welsh Government Directives;
- sharing the Welsh Government's ambition for public bodies to be carbon neutral by 2030;
- working in a manner that protects the environment for future generations by ensuring that long term and short term environmental issues are considered;
- preventing pollution and reducing potential environmental impact; and

- maintaining for the foreseeable future its ISO 14001 environmental management accreditation.

The Trust is aware that the Covid-19 pandemic has impacted on service provision not only from an operation point of view but also environmental; with an increase of both domestic and clinical waste, plus an increase in frontline vehicle journeys.

Cost Allocation and Charging Requirements

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

Statement of Accountable Officer's Responsibilities

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

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

Statement

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

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

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

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

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

Chief Executive Dated 10 June 2021
(Jason Killens)

Statement of Directors' Responsibilities in respect of the accounts

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

In preparing those accounts, the Directors are required to:

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

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

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

By Order of the Board

Signed:

Chairman Dated 10 June 2021

Chief Executive Dated 10 June 2021

Director of Finance
and Corporate Resources Dated 10 June 2021

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 2020-21 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.

Information on our performance over the last twelve months is set out in the Trust's 2020-21 Annual Report. Looking forward, our targets and ambitions are explained in the Trust's 'Integrated Medium Term Plan (IMTP) 2021-2024' which continues the programme of reviewing and updating our IMTP on a rolling three-year cycle.

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

Who we are and what we do

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

We attend more than 250,000 emergency calls a year and transport over 1.3 million non-emergency patients to over 200 treatment centres throughout England and Wales. We employ almost 3,400 people of which approximately 70% are within our emergency medical services (which includes our Clinical Contact Centres), and around 640 staff in our Non-Emergency Patient Transport Service. Our patient facing services are supported by approximately 500 staff in our corporate and support functions and by our valued extended volunteer workforce, which includes over 1,000 Community First Responders and 300 Volunteer Car Drivers.

We operate from 90 ambulance stations, three contact centres, three regional offices and five vehicle workshops. We also have our own National Training College to ensure our staff maintain high levels of performance and receive regular professional development.

We are also the host for the 111 service, which is an amalgamation of NHS Direct Wales and the front end call handling and clinical triage elements of the GP out-of-hours services.

Emergency Ambulance Services Committee

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

Committee as a joint committee of the seven local health boards (LHBs).
(<http://www.wales.nhs.uk/easc/about-us>)

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

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

Scope of responsibility

The Trust Board is accountable for governance, risk management and internal control in the organisation. The Chief Executive (and Accountable Officer) of the Trust has responsibility for maintaining appropriate governance structures and procedures. This includes ensuring that the Trust has a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives, whilst also safeguarding the public funds and this organisation's assets. For the year ended 31 March 2021 and through to the date of approval of the annual report and accounts, these have been carried out in accordance with the responsibilities assigned by the Accounting Officer of NHS Wales.

The Trust's Annual Report outlines the different ways we have had to work both internally and with partners in response to the unprecedented pressure in planning and providing services. It explains arrangements for ensuring standards of governance are maintained, risks are identified and mitigated and assurance has been sought and provided. Where necessary additional information is provided in the Annual Governance Statement, however the intention has been to reduce duplication where possible. It is therefore necessary to review other sections in the Annual Report alongside this Annual Governance Statement.

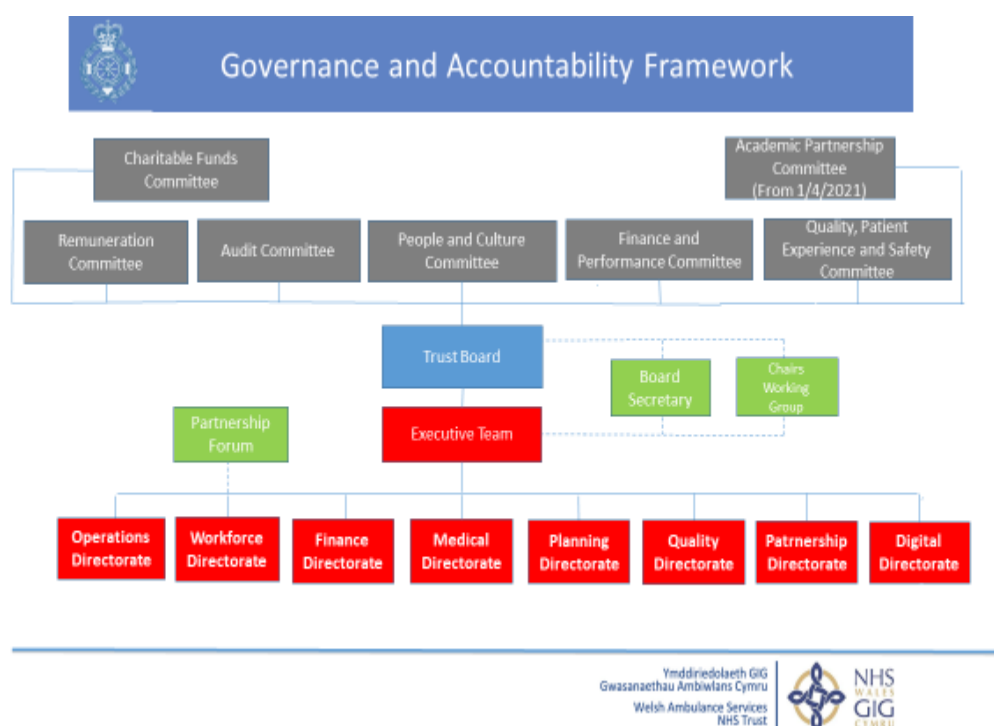
The Board is the senior leadership team and has final oversight for the Trust's governance and assurance systems and sets strategic objectives, monitors progress, agrees actions to achieve these objectives and ensures that appropriate controls are in place and are working properly throughout the organisation.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

During 2020-21, a small number of appointments and changes of personnel were made amongst Board members and senior staff of the Trust, and are set out below.

- Pamela Hall resigned her position as a Non-Executive Director and left the Trust on 31 December 2020. This resulted in a Non-Executive Director vacancy for the period 1 January 2021 through to 31 March 2021. Ceri Jackson was appointed as an Interim Non Executive Director by Welsh Government and took up post on 1 April 2021.
- Emrys Davies contract as a Non-Executive Director was extended by 12 months by Welsh Government with a revised completion date of 31 March 2022.

With regards to the first bullet point above, it should be noted that in order to ensure the Board and its Committees remained quorate and stable during the first quarter of 2021, that the Trust Board approved on 28 January 2021 a revised schedule of Non-Executive Director Committee membership. In addition, Trust Board agreed on 28 January 2021 to cover a vacant Non-Executive Director Finance and Performance Committee role on rotation, and to operate Charitable Funds Committee with one Non-Executive Director vacancy.

The table below sets out the Board governance and accountability framework that was introduced in April 2019 and amended in July 2020 when Trust Board approved the establishment of a new Academic Partnership Committee with responsibility for developing and overseeing academic partnership and benefits realisation in such areas as research and development, education and training and innovation. Terms of reference and membership of the Committee were approved by Trust Board in July 2020 with the first meeting of the Committee scheduled for 27 April 2021, with quarterly meetings programmed in the Trust's calendar of meetings thereafter.



Trust Board

The Trust Board is scheduled 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, four further (non-voting) Directors and the Associate Director of Paramedicine. Two trade union partners also attend Board meetings.

All Trust Board meetings in 2020-21 were appropriately constituted and were quorate. In addition to the scheduled six meetings of the Trust Board, an extra seven meetings were held in April 2020, May 2020, June 2020, July 2020, August 2020, October 2020, and November 2020 due to urgent business (details of meeting dates and members attendance is listed in **Appendix 1**). Agendas for 'open' Board sessions were published on the Trust's website seven days before the meeting, with the meetings streamed live via Facebook and Zoom for members of the public to listen to discussions and to understand how decisions had been reached. On occasions the Trust Board was required to hold 'closed' sessions where private and confidential information was discussed. Whilst the public were not entitled to attend, the Minutes of the meetings were published on the Trust's website.

The key focus of the Board during the year was delivery of performance and quality assurance and improvement during the Covid-19 pandemic whilst at the same time ensuring the Trust maintained pace in terms of strategic transformation.

Issues associated with the Covid-19 pandemic were key matters for the Board throughout the year and at the Trust Board meeting on 26 March 2020, it was confirmed that the Trust's Pandemic Plan had been triggered. A governance structure was established to respond to the pandemic which included a number of cells and groups across the operational, tactical and strategic levels of the organisation. Decisions and actions were recorded and maintained in the form of action logs and meeting notes with key decisions escalated where necessary. A report explaining how Trust Board and Committee responsibilities were discharged during the Covid-19 pandemic response phase was assessed by Trust Board at its meeting on 28 May 2020 <https://www.ambulance.wales.nhs.uk/en/396>. A summary of the required changes to Board and Committee governance resulting from the Covid-19 pandemic are listed in Appendix 1.

Examples of the key governance and control matters addressed by the Trust Board (open session) during 2020-21 were:

- Audit Wales structured assessment and annual report;
- Annual report, accounts and governance statements;
- Committee terms of reference review and Minutes of committees;
- Digital, health and wellbeing, and environment strategies;
- Integrated medium term plan – delivery and refresh;
- Integrated quality and performance reports;

- Quality, safety and patient experience integrated reports;
- Risk and Board assurance framework; and
- United Kingdom's exit from the European Union – preparedness/risks.

Board Development

The Board Development Programme continued in 2020-21 with quarterly meetings that consisted of three key areas: development of the board collectively and individually; statutory and essential knowledge based development and training (e.g. socio-economic duty); and thirdly, strategic discussion.

Board Committees

The Board has established six standing Board Committees (seven from 1 April 2021), 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 Trust's website.

Formal business updates are presented by Committees to each Trust Board meeting and Minutes of Committee meetings are presented to the Board once approved by the relevant Committee.

The terms of reference for each of the Board Committees are set out in the Trust's Standing Orders and a summary of each of the Committee's responsibilities is given below. The Trust completed a comprehensive review and update of the terms of reference for each Board Committee during 2020-21, with the revised terms of reference approved by Trust Board on 25 March 2021. To strengthen the Trust's governance processes, the following wording was added to the Terms of Reference for all Board Committees.

"The Audit Committee has overall responsibility for ensuring that corporate risks are identified and are being properly managed within the Trust. The Audit Committee also has responsibility for ensuring that there are processes in place to address and take forward audit recommendations. Nevertheless, each risk from the corporate risk register, and each recommendation from the audit tracker, will be allocated to an appropriate Board Committee who will be responsible for ensuring that the Trust is managing and progressing each item as planned. Regular reports will be provided to individual Committees on those items for which they have responsibility and overall Trust-wide progress reports will be presented to each Audit Committee."

Supporting the formal Board and Committee structure is a Chairs' Working Group that meets 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 2020-21 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of the key governance and control matters considered by the Audit Committee during 2020-21 were:

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

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 2020-21 when it discussed a number of issues, including the Charitable Funds Annual Report and Accounts, and an update on the bursary scheme that provides support to staff through continuing professional development.

In 2019 a Bids Panel was established as a formal group of the Charitable Funds Committee to consider and approve applications in respect of the Trust's charitable funds. The Bids Panel replaced the former Charitable Funds Advisory Group and met five times during 2020-21.

Finance and Performance Committee

The Finance and Performance Committee supports the Board by providing assurance with regards to the Trust's statutory financial and planning responsibilities and has a monitoring role in the delivery and performance of business functions across the Trust. The Committee met seven times during 2020-21 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of key governance and control matters considered by the Finance and Performance Committee during 2020-21 were:

- Capital programme updates;
- Committee assurance and audit recommendation tracker reports;
- Deep dive of tender cost variations;
- Finance performance reports and savings delivery updates;
- Integrated quality and performance report;
- Policy approvals e.g. vehicle disposals, emergency operations demand management;
- Strategic Outline Programmes for Estates and Fleet;
- Transfer of Non WAST NEPTS work to WAST; and

- Vehicle replacement and operational communications programmes.

People and Culture Committee

The People and Culture Committee supports the Board by providing assurance to the Board with regards to all matters pertaining to its workforce, both paid and volunteer. The Committee provides assurance to the Board of its leadership arrangements, behaviours and culture, training, education and development, equality, diversity and inclusion agenda, and Welsh Language. The Committee met four times during 2020-21 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of key governance and control matters considered by the People and Culture Committee during 2020-21 were

- Covid-19 staff survey;
- People and culture strategy;
- Policy approvals e.g. violence and aggression;
- Safeguarding the mental well-being of Trust staff;
- Seasonal planning/campaigns 2020-21;
- Staff suspension updates;
- Well-being strategy;
- Welsh language progress/updates; and
- Workforce performance scorecards

Quality, Patient Experience and Safety Committee (QuEST)

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 2020-21 (details of meeting dates and members attendance is listed in **Appendix 1**).

Examples of key governance and control matters considered by the Quality, Patient Experience and Safety Committee during 2020-21 were:

- Annual quality statement and quarterly quality assurance reports;
- Clinical audit programme;
- Clinical Contact Centre Clinical review;
- Deep dive of corporate risks;
- Demand management plan;
- Monthly integrated performance reports;
- Quality Strategy 2020-23
- Patient experience and community involvement highlight reports; and
- Policy approvals e.g. Putting Things Right, safer handling, information risk.

Remuneration Committee

The Remuneration Committee provides advice and assurance to the Board in relation to the Trust's arrangements for the remuneration and terms of service for staff, in particular senior staff. The Committee meets in closed session and met eight times during 2020-21.

Trust Board and Committee Membership

The membership of the Trust Board and its Committees is set out in **Appendix 1**, together with the dates of meetings and attendance in 2020-21. This appendix also provides further information on the Trust's constitution and how it complies with NHS (Wales) regulations. The table below sets out the Non-Executive Director representation on the Trust Board and its Committees at 31 March 2021.

	Emrys Davies	Kevin Davies	Bethan Evans	Paul Hollard	Joga Singh	Martin Turner	Martin Woodford	Vacancy
Academic Partnership (from 1/4/21)		Chair		✓		✓		
Audit	✓			✓	✓	Chair		
Charitable Funds	✓	Chair	✓					✓
Finance and Performance	Chair		✓		✓			✓
People and Culture		✓	✓	Chair	✓			
Quality, Patient Experience and Safety (QuEST)	✓	✓	Chair	✓				
Remuneration		✓			✓	✓	Chair	
Trust Board	✓	✓	✓	✓	✓	✓	Chair	✓

Senior Management Structure

The table below sets out the senior management structure of the Trust as at 31 March 2021. Executive Directors (Trust Board Members) are marked with an asterisk.



Advisory Groups

In support of the Board, the Trust has established the Welsh Ambulance Service Partnership Team as a forum where the Trust Executives, Trade Unions and

Professional Organisations work together to improve the Trust's services for the people of Wales. It is the principal partnership forum for the discussion of national priorities and strategies and where key stakeholders engage with each other to inform, debate and seek to agree local priorities on workforce and health service issues.

During 2020-21, as part of the pandemic emergency arrangements, the Partnership Forum meetings were suspended and replaced by a Trade Union Partnership Cell which met at least weekly during the pandemic. These, more agile arrangements, allowed for more frequent discussions and quicker, more informed decisions and agreements. These arrangements have proved popular and discussions are taking place as to whether the Trust goes back to the previous Partnership Forum model or whether it adopts a model similar to that operated during the pandemic. A decision on the preferred model of working is expected to be agreed by the end of the first quarter of 2021-22.

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

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risks; it can therefore only provide reasonable and not absolute assurances of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts.

The Trust recognises that, as a result of the Covid-19 pandemic emergency, some changes to the Trust's internal controls were necessary in order to allow the Trust to respond quickly and effectively to the emergency, whilst at the same time maintaining good governance. As stated previously in this report, a paper detailing the changes that were made was presented to the Trust Board on 28 May 2020. This can be viewed in the following link <https://www.ambulance.wales.nhs.uk/en/396>.

Capacity to handle risk

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 2018/21 is due to be refreshed during 2021 to reflect upon the maturing risk management culture within the organisation. The strategy is aligned to the Trust's Integrated Medium Term Plan and our strategic aims with clearly defined priorities to incrementally move the risk maturity of the organisation forward.

Our strategy describes the systems that the Trust uses to embed risk management throughout the organisation to provide assurance that risks are effectively managed with sound internal control, assurance and escalation processes is in place. This provides the Board with assurance about the way in which the organisation manages risk.

The current version of the Trust's Risk Management Strategy and Framework can be found via Audit Committee, Item 4.2, 5 March 2020 on this link

<https://www.ambulance.wales.nhs.uk/en/215>

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 or its reputation or cause any disrepute with its stakeholders.

However, it should 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 which is set and developed by the Board.

Risk Profile

The risk profile of the Trust is subject to continuous, senior management scrutiny and revision and, as of 25 March 2021, the Trust Board was informed that there were eleven strategic risks scoring 15 or above on the Trust's Corporate Risk Register, with the two highest scoring risks of 25 due to pressure in the unscheduled care system and the emergence of long handover delays at hospital emergency departments.

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

RISK	RISK CATEGORY	DIRECTORATE	CURRENT RISK SCORE	COMMITTEE
Unable to attend patients in community who require See & Treat	Service Delivery	Operations	25 (5x5)	QuESt
Patients delayed on ambulances outside A&E Departments	Quality & Safety	Operations	25 (5x5)	QuESt

RISK	RISK CATEGORY	DIRECTORATE	CURRENT RISK SCORE	COMMITTEE
Business continuity for recording digital patient clinical records	Business Continuity	Medical and Clinical	20 (5x4)	Finance and Performance
Impact on EMS CCC service delivery due to estates constraints	Service Delivery	Operations	20 (5x4)	Finance and Performance
Compliance with Health and Safety legislation	Statutory Duties	Quality, Safety & Patient Experience	20 (4x5)	Audit; QuEST
Increased risk of personal injury claims citing COVID exposure	Statutory Duties	Quality, Safety & Patient Experience	20 (5x4)	QuEST
High Sickness Absence Rates	Resource Availability	Workforce & Organisational Development	16 (4x4)	People and Culture
On-call CCA ability to cover 24/7 command	Business Continuity	Operations	16 (4x4)	People and Culture
Failure to manage the cumulative impact on estate of the EMS Demand & Capacity Review, the NEPTS Review and GUH	Resource Availability	Finance & Corporate Resources	16 (4x4)	Finance and Performance
Trust Reputation	Stakeholder Relationships	Partnerships and Engagement	15 (3x5)	Trust Board
Inability to maintain safe & effective services during a disruptive challenge due to insufficient capacity in EMS CCCs.	Service Delivery	Operations	15 (3x5)	Finance & Performance

Risk Review Process

The Trust's Executive Management Team, Audit Committee and Trust Board regularly received, considered, and commented on the Risk Register during 2020-21. In addition, risks assigned to the Finance & Performance, People and Culture and the Quality, Safety and Patient Experience Committees were presented at each meeting. 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. These mitigating actions are explained further in the Trust's Board Assurance Framework Report (see below). The following link (Trust Board, Item 3.4, 25 March 2021) explains the mitigating actions in place to the risks set out in the table above <https://www.ambulance.wales.nhs.uk/en/422>.

The e-risk platform on Datix developed in 2019-20 by the Trust was embedded across the organisation in 2020-21 and increased the risk review capabilities across the organisation. The Assistant Director Leadership Team (ADLT) reviewed the Corporate Risk Register regularly as part of the programme of work, assessing new risks and making recommendations to the Executive Management Team for approval.

The Trust recognises that managing a number of its key risks relies on partnership working with key stakeholders (e.g. local health boards). The Trust works closely with key stakeholders at various levels in both organisations to ensure risks are understood and mitigating actions are carried out in partnership where necessary. The Trust receives information from a variety of other sources which helps inform the Trust's risks and mitigating actions. These sources include (but not limited to) feedback from patients and the public, concerns raised with the Trust and serious adverse incidents.

Board Assurance Framework Report

Trust Board and Audit Committee receive a composite report containing the Trust Corporate Risks, which are aligned to the strategic themes on the Board Assurance Framework. The report provides a platform to demonstrate how the Trust is continually improving its risk maturity in sourcing and controlling risks, in addition to providing strong internal and external assurances against the strategic themes described in the Integrated Medium Term Plan.

Trust Policies

The Trust continues the cycle of work to ensure all Trust policies remain up to date and provide assurance to the Board that the Trust is complying with current legislation, is meeting mandatory requirements and is discharging its statutory duty. The Policy Group meets monthly and in partnership with Trade Union colleagues to facilitate the programme of work. In addition, a central policy register provides tighter governance processes around version control and to track policies through the system.

Emergency Preparedness/Covid-19 Risks

As previously highlighted in this report, the need to plan and respond to the Covid-19 pandemic presented a number of challenges to the Trust in 2020-21. Having utilised our 'Major Incident Plan' and our 'Business Continuity Plan – Pandemic Influenza' to support management of the first wave, the subsequent debrief identified several lessons that the Trust needed to consider and implement where appropriate. As a result of the lessons identified a new Pandemic Plan was developed that was not specific to influenza and which gave flexibility to be able to meet and address the challenges faced. Alongside this new plan the Trust developed a suite of supporting pandemic documents relating to departmental functions such as Workforce and Organisational Development and Infection Prevention and Control and amended our pandemic structure to include additional 'cells' and teams to oversee specific areas of work to support the Trust response. We also implemented the role of an Evidence and Records Officer through our Corporate Governance team to ensure that we retained and securely stored all our physical and electronic records.

In addition, we moved away from the traditional Response to Recovery model when it became clear that the pandemic would not fall into the traditional linear model, and we introduced a two stage response phase which included a new Monitor Position. This acted as a bridge between the formal Response activities and the formal Recovery activities. This Monitor Position is where we moved to after wave one and wave two and it allowed us to step down some of the pandemic management functions in a controlled way and to manage them as part of the day-to-day business

but maintained the oversight of activity at tactical and strategic level and kept us in a state of readiness to resume the Response Position should that be required.

The Trust had a major incident and business continuity plan in place throughout the pandemic, as required by the Civil Contingencies Act 2004, but the scale and impact of the pandemic has been unprecedented, and we realised through the debrief process that we needed additional plans and guidance documents to manage the pandemic response.

The Trust is developing an Incident Response Plan (IRP) to replace our Major Incident Plan; this plan considers the national risk register, the local resilience forum risk register, NHS Wales guidance and UK ambulance service guidance documents. Aligned to this we have also produced a Command Policy and an Incident Notification and Escalation Procedure that clearly defines types of incidents and the response required. This was tested in December 2020 when we declared a Critical Incident using this new plan. Lessons learnt from the activation of the plan have been reviewed and where appropriate implemented within the Trust. Incident definitions are now consistent across all our incident management documentation including the Resource Escalation Action Plan, which was also amended following an assessment of the need to include pandemic related guiding triggers into our escalation procedures.

We have continued to work in partnership, through Local Resilience Forums (LRF), to address and mitigate the wide impacts of the pandemic. We have been key members of the four LRF Strategic Coordination Groups, Tactical Coordination Groups and their subgroups, and as we reach a point where we enter formally into a recovery position, our Business Continuity and Recovery Team will continue to work with the Recovery Coordination Groups and the Trust through its work to support the “pause, rest and reset” of the Trusts activities, also set out in our new Integrated Medium Term Plan.

We continue to engage and support at a national and local level to prepare and respond to the likely impact on the organisation and population. To better understand and be able to forecast our demands, our planning teams have developed a suite of reports focussing on key metrics to provide early indication of an increase in Covid-19 related pressure and these are reviewed with regularity within the ‘Response-Monitor-Recovery’ framework.

The organisation continues to work closely with a wide range of partners, including the Welsh Government as it continues with its response, and planning into the recovery phase. We have developed clear ‘Monitor to Recovery’ criteria which will be underpinned by robust risk management arrangements and the ability to identify, assess and mitigate risks which may impact on the ability of the organisation to achieve its strategic objectives.

Working with Partners/Stakeholders (Risks)

As stated previously in this report, 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.

The control framework

Quality Governance

For 2020-21, there has been no requirement to prepare a separate Annual Quality Statement (to which this report previously linked to for details of quality governance assurance). However, regular reporting of quality governance has continued to the Trusts Quality, Patient Experience and Safety Committee (QuEST) throughout the year providing insight and assurance on improving patient experience and outcomes. During 2020-21 we have ensured continued compliance with the Health and Care Standards and Commissioning Framework with the core quality requirements.

A 'Quality Governance Special Report' was produced for the QuEST Committee in May 2020 that gave a particular focus on the range of transformational activity that had taken place across the Trust since the start of the Covid-19 pandemic. The pandemic plan referred to previously in this report galvanised the Trust's already robust structure for good governance and identified opportunities to learn from this experience and to capture new processes and innovations going forward.

Quarterly reporting to the QuEST Committee has been aligned to the Trusts Quality Strategy and the Quality Governance Bill from Welsh Government. All quality governance reports are available to view on the Trust's website <https://www.ambulance.wales.nhs.uk/en/300>.

Board Level Self-Assessment

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

The Board has also been proactive in measuring its maturity and effectiveness. The Board and Committee Chairs meet regularly and discuss matters of common interest. Committee Chairs have taken time to examine, scrutinise and challenge the level, detail and scope of the information going to the Board and ensure this is timely and relevant.

All the Committees' terms of reference have been reviewed in the last twelve months and this was concluded in March 2020 with final Board approval.

During 2020-21, the Board undertook a development programme with an external training provider to help the Board develop to its next level of maturity. The training and development programme included supporting and equipping the Board to operate strategically, creatively and innovatively. Whilst Covid-19 restrictions limited the amount and type of training that could take place in 2020-21, further development sessions are nevertheless planned during 2021-22.

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 2017. 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 above and also evidenced by internal and external audits. The Trust is following the spirit of the Code to good effect and is conducting its business openly and in line with the Code. The Board recognises that not all reporting elements of the Code are outlined in this Governance Statement but are reported more fully in the Trust's wider Annual Report.

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

Other control framework elements

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

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

Integrated Medium Term Plan (IMTP)

The Trust's first Integrated Medium Term Plan for the three-year period from 2017-18 to 2019-20 was approved by the Cabinet Secretary for Health, Wellbeing and Sport in the Spring of 2017 and ensured the Trust met its statutory planning duty. All subsequent Welsh Government IMTP requirements and deadlines since 2017 have been met by the Trust.

In accordance with expectations from Welsh Government, the Trust submitted its Board approved 2020-23 IMTP on 31 January 2020, following Emergency Ambulance Services Committee approval on 28 January 2020 and a letter of support from the Chief Ambulance Services Commissioner.

The IMTP set out a refreshed set of deliverables for 2020-23, aligned to the Trust's Long Term Strategy, with clear delivery mechanisms and timescales. The IMTP built upon the progress of the 2019-22 IMTP and responded to what patients and colleagues said was important to them, as well as setting out the Trust's commitment to A Healthier Wales and the EASC commissioning intentions.

Despite positive informal feedback, the IMTP was not approved by the Minister for Health and Social Services prior to the implementation of the national pandemic response. Instead, during the pandemic response, Welsh Government required all NHS bodies in Wales to submit Board approved quarterly Operational Plans, setting out the key programmes of work and operational service requirements during the ongoing response to and recovery from the Covid-19 pandemic. The Trust met all requirements on this matter during 2020-21.

Throughout 2020-21 the Trust Board remained interested in progress against the IMTP and how this supported delivery of the Trust's longer term strategic ambitions. Regular update reports were presented to Trust Board and set out below are some IMTP headlines for 2020-21.

Full details on our performance during 2020-21 against our key performance indicators are set out in a range of public documents which includes the Monthly Integrated Quality & Performance Report which forms part of Trust Board papers and the Ambulance Quality Indicators which are published quarterly by the Emergency Ambulance Services Committee. The latest reports can be reviewed via this link <http://www.wales.nhs.uk/easc/ambulance-quality-indicators>.



The financial performance of the organisation for the last twelve months is detailed in the Trust's 2020-21 Annual Accounts. In summary, in accordance with Note 2 of the accounts for NHS Trusts, the organisation met its statutory financial breakeven duty 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. Due to the circumstances that arose as a result of Covid-19, the suspension of the National Loan Fund temporary deposit facility, and the requirement to issue year-end capital adjustments, the requirement to achieve the administrative External Financing Target was suspended for 2020-21.

Data security

The Trust had no reported “serious untoward incidents” during 2020-21 in relation to data security.

Ministerial Directions

Ministerial Directions are published by Welsh Government as part of their health and social care publications. There were no Ministerial Directions imposed on the Trust during the period 1 April 2020 to 31 March 2021. However, the National Health Service (Temporary Disapplication of Tenure of Office) (Wales) (Coronavirus) Regulations 2020, dated 11 June 2020 included all NHS Wales organisations except the Trust and included the Trust’s commissioners (EASC). Details of the Ministerial Direction can be found via the following hyperlink.

https://gov.wales/publications?keywords=&field_policy_areas%5B43%5D=43&%20All%20=All&publication_type%5B12%5D=12&published_after=01%2F04%2F2020&published_before=

Welsh Health Circulars were reintroduced in 2014-15 and the Trust has established a process to log and assess those that are applicable to the Trust. In accordance with Welsh Health Circular 2020/011, Trust Board on 30 July 2020 agreed a temporary amendment to Model Standing Orders, Reservation and Delegation of Powers. Details of the Circular are set out in Appendix 1.

Indexation

In 2020-21 the NHS Estate has been valued using indices provided by the District Valuer and disclosed in the Manual for Accounts.

Review of effectiveness

As Accountable Officer for the Trust, the Chief Executive has responsibility for reviewing the effectiveness of the system of internal control. The review of the system of internal control is informed by the work of the internal auditors, and the executive officers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by external auditors in their audit letter and other reports. All of which have effectively carried out their duties and responsibilities during 2020-21.

Trust Board

As set out earlier in this report, the Board, functioning as a corporate decision body, regularly considered throughout 2020-21 assurance reports on the financial position of the Trust, performance updates, and details on concerns and claims. The following paragraphs provide examples of the work and reviews carried out by the

Trust's internal and external auditors, and show where the Trust received both assurances and where there were opportunities for improvement. In doing so, the Trust received reassurance over the quality of its data (financial and performance).

Audit Committee

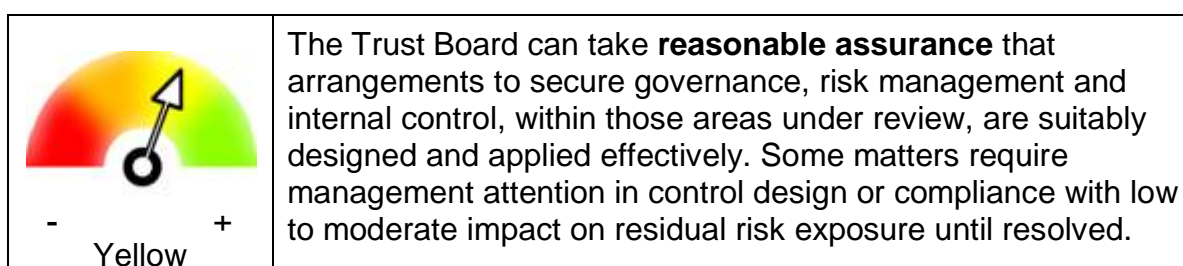
A key duty of the Audit Committee is to provide advice and assistance to the Board on the effectiveness of arrangements in place around strategic governance, assurance framework and processes for risk management and internal control.

Internal Audit

Internal Audit provides the Board, through the Audit Committee, with regular assurance on the system of internal control. In 2020-21 the Trust commissioned a programme of audit work which was delivered in accordance with Public Sector Internal Audit standards by the NHS Wales Shared Services Partnership. The scope of this work is agreed with the Audit Committee and is focussed on significant risk areas and local improvement priorities.

The overall opinion by the Head of Internal Audit on governance, risk management and control is a function of this risk based audit programme and contributes to the picture of assurance to the Board in reviewing effectiveness and supporting our drive for continuous improvement. The programme has been impacted by the need to respond to the Covid-19 pandemic with some audits deferred, cancelled or curtailed as the organisation responded to the pandemic. The Head of Internal Audit is satisfied that there has been sufficient internal audit coverage during the reporting period in order to provide the Head of Internal Audit Annual Opinion. In forming the Opinion, the Head of Internal Audit has considered the impact of the audits that have not been fully completed.

The Head of Internal Audit has concluded:



This conclusion is consistent to the “reasonable assurance” Head of Internal Audit Opinion reported in the Trust's 2019-20 Annual Governance Statement.

During the 2020-21 financial year Internal Audit produced 17 reports on Trust activities, as summarised in the table below.

Internal Audit Assurance Conclusion	Number of Reports
No Assurance	0
Limited Assurance	1
Reasonable Assurance	6
Substantial Assurance	0

Advisory Reports (No Assurance Conclusion)	4
Not Yet Reported to Audit Committee (Due June 2021)	6
Total	17

The figures in the table above differ from the number of reports presented to Audit Committee in 2020-21 (14). This is due to four of the reports presented at the June 2020 Audit Committee meeting being concerned with Internal Audit work undertaken in 2019-20 and as such, these were taken into account in the 2019-20 Head of Internal Audit Opinion.

In addition, six of the reports included in the total above were completed after the last Audit Committee meeting of the 2020-21 business cycle (March 2021). These will be reported to Audit Committee in its first meeting in the 2021-22 business cycle (June 2021) or as soon as possible thereafter but whose assurance conclusion has been included in the 2020-21 Head of Internal Audit Opinion.

‘No Assurance’ Internal Audit Reports

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

‘Limited Assurance’ Internal Audit Reports

Set out below is the one report that had a conclusion of ‘Limited Assurance’ that was reported to Audit Committee during 2020-21. (Note. The Trust develops an annual Internal Audit plan in conjunction with the internal auditors. The plan is risk based which directs the reviews to areas where management considers there may be potential weaknesses. In this regard, the Trust expects to receive a number of limited assurance reports and these should not detract from the overall progress the Trust continues to make.)

Job Evaluation

The review sought to provide the Trust with assurance that a suitable job evaluation framework was in place and provided a suitable mechanism to operate a rationale and fair pay structure.

Seven recommendations for action were identified, of which two were categorised as high priority (local process for job evaluation questionnaires (design), and strategic assessment (design)). A management action plan was agreed by Audit Committee in March 2021 and progress will be monitored by the Committee during 2021-22.

Copies of all Internal Audit reports and progress reports can be obtained in the Audit Committee papers section on the Trust’s website

<http://www.ambulance.wales.nhs.uk/en/215>. The full Head of Internal Audit Report 2020-21 can also be found via this link having been considered by Audit Committee at the June 2021 meeting.

The report below has been agreed with Trust officers with a ‘Limited Assurance’ conclusion but has yet to be presented to Audit Committee. This is scheduled for scrutiny in June 2021.

- Disaster Recovery

Auditor General for Wales Structured Assessment

The 2020 Structured Assessment work was designed in the context of the response to the Covid-19 pandemic by NHS bodies with a key focus on the corporate arrangements for ensuring that resources were used efficiently, effectively and economically.

The Structured Assessment concluded that the Trust had maintained effective arrangements while responding to the challenges presented by Covid-19 and that the Trust had placed a strong emphasis on transparency and collaborative working in the conduct of its business. The Trust had quickly adapted its quality, safety and planning arrangements and continued to identify opportunities to improve and become more resilient.

There were no recommendations in the Structured Assessment but a number of improvement opportunities were noted throughout the report. Set out below are the key findings and challenges for the Trust from the work undertaken in 2020 by Audit Wales.

Governance Arrangements

The Trust maintained generally effective governance arrangements during its response to Covid-19 including a focus on quality; however, it could make further improvements in terms of the recording of decisions and risk management:

- the Trust acted quickly to implement its Pandemic Plan and adapted the Plan as needed;
- the Board and committees sought to conduct business with openness and transparency during 2019-20, including in relation to Covid-19, although the publication of some committee minutes was delayed;
- the Trust was largely able to continue its usual Board and committee business during the pandemic;
- the Trust continued to demonstrate a commitment to learning and continuous improvement;
- the Trust continued to review and manage its risks, including in relation to Covid-19, and was improving its risk reporting arrangements;
- the Trust had effective systems for assuring the quality and safety of its services and staff wellbeing.

Managing Financial Resources

The Trust had effective financial controls and reporting arrangements, although expenditure in relation to Covid-19 posed a risk to financial balance during 2020-21:

- the Trust met its statutory financial duties for 2019-20, although performance for individual savings schemes remained variable and performance for 2020-21 was dependent on additional income for Covid-19 related expenditure;
- the Trust's financial controls had not changed significantly and although it was capturing and tracking Covid-19 related expenditure there was scope to formalise sign-off processes.

Operational Planning

The Trust had developed responsive operational plans which considered the resources required and were routinely monitored and reported, alongside continued development of other key strategic plans:

- the Trust had developed responsive operational plans that reflect Welsh Government guidance, while continuing to progress other key strategic plans;
- the Trust had developed mechanisms for ensuring a flexible workforce that can respond to possible future peaks of the pandemic, alongside taking steps to support the wellbeing of its workforce;
- the Trust had effective arrangements for the oversight and scrutiny of delivery of key plans.

The Structured Assessment was considered and agreed by Audit Committee on 17 September 2020 and progress by the Trust on the issues set out above will be monitored by the Committee during 2021-22.

Accountable Officer Statement

As indicated throughout this statement, the need to plan and respond to the Covid-19 has had a significant impact on the organisation, wider NHS and society as a whole. It has required a dynamic response which has presented a number of opportunities in addition to risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2021-22 and beyond. I will ensure our Governance Framework considers and responds to this need.

As Accountable Officer for the Welsh Ambulance Services NHS Trust, I confirm that the statements made in this report are correct for the year ended 31 March 2021 and up to the date of approval of the annual report and accounts, that there have been no significant internal or governance issues and I confirm that there were sound systems of internal control in place to support the delivery of the Trust's policy aims and objectives.

Signed by Chief Executive:

Date: 10 June 2021

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 2020-21. The table excludes the four Directors, the Associate Director of Paramedicine, and the Board Secretary who form part of the Trust's senior management structure but who do not have voting rights at Board meetings.

Name	Position	Board and Committees Attended
Section 1 Chair and Non-Executive Directors		
Martin Woodford	Trust Chairman	Trust Board Chair, Remuneration Committee Chair Trust Board (14), Remuneration (8), Chairs Action (9)
Emrys Davies	Non-Executive Director	Quality, Patient Experience and Safety Committee (QuEST) Chair to 31/12/20, Finance and Performance Chair from 1/1/21 Trust Board (14), Audit (4), Finance and Performance (7), QuEST (4), Remuneration (3), Chairs Action (9)
Kevin Davies	Non-Executive Director	Trust Board Vice Chair, Charitable Funds Committee Chair Trust Board (14), Charitable Funds (2), People and Culture (4), QuEST (4), Remuneration (4), Chairs Action (5)
Bethan Evans	Non-Executive Director	Quality, Patient Experience and Safety Committee (QuEST) Chair from 1/1/21 Trust Board (13), Charitable Funds (2), Finance and Performance (7), People and Culture (4), QuEST (4), Chairs Action (2)
Pamela Hall	Non-Executive Director (To 31 December 2020)	Audit Committee Chair to 31/12/20 Trust Board (9), Audit (3), Remuneration (5)
Paul Hollard	Non-Executive Director	People and Culture Committee Chair Trust Board (13), Audit (4), Charitable Funds (2), Finance and Performance (1), People and Culture (4), QuEST (4), Remuneration (1), Chairs Action (5)
Joga Singh	Non-Executive Director	Trust Board (10), Audit (4), Finance and Performance (7), People and Culture (3), Remuneration (6), Chairs Action (1)
Martin Turner	Non-Executive Director	Finance and Performance Committee Chair to 31/12/20, Audit Committee Chair from 1/1/21

Name	Position	Board and Committees Attended
		Trust Board (14), Audit (4), Finance and Performance (5), Remuneration (6), Chairs Action (2)
Section 2 Chief Executive and Executive Directors (as required by Terms of Reference)		
Jason Killens	Chief Executive	Trust Board (14), Remuneration (8), Chairs Action (9)
Claire Roche	Executive Director Quality and Nursing	Trust Board (14), QuEST (4), Chairs Action (1)
Chris Turley	Executive Director Finance & Corporate Resources	Trust Board (14), Audit (4), Charitable Funds (2), Finance and Performance (7), People and Culture (4), Chairs Action (5)
Brendan Lloyd	Executive Director Medical and Deputy Chief Executive (Interim)	Trust Board (14), QuEST (4)
Claire Vaughan	Executive Director (Workforce and OD)	Trust Board (14), Charitable Funds (2), People and Culture (4), Remuneration (8), Chairs Action (3)

All Committees are regularly supplemented by Executive Directors and Directors (Non-voting Board Members) to those listed in the terms of reference depending on the item under scrutiny or review.

Board and Committee Meetings (Covid-19)

In accordance with the Public Bodies (Admissions to Meetings) Act 1960 the organisation is required to meet in public. However, as a result of the public health risk linked to the Covid-19 pandemic, the UK and Welsh Government stopped public gatherings of more than two people and therefore it was not possible to allow the public to attend meetings of our board and committees from March 2020. To ensure business was conducted in as open and transparent manner as possible during this time the following actions were taken:

- The Trust Board meetings of 26 March 2020, 30 April 2020 (extraordinary meeting) and 18 May 2020 (extraordinary meeting) were held as closed/virtual access meetings. The Minutes of the meetings were made available to the public on the Trust's website. An assessment was made at each meeting to ensure that decisions were time critical and could not be held over until it was possible to allow members of the public to attend.
- Trust Board meetings since 28 May 2020 have been held remotely with live video coverage available to the public (with recordings of the meeting kept on the Trust's website) of Board open sessions. Members of the public were invited prior to the meetings to send in questions for the Board to consider, and British Sign Language interpreters attended Trust Board meetings from 26 November 2020.
- Trust Board on 26 March 2020 discussed that during the Covid-19 pandemic that there could be occasions whereby financial approval would be required above the Chief Executive's financial limit. It was agreed that the process for Chair's action, which had the same financial limit as the Board, would be utilised going forward. The Board recognised that Chair's actions would be on an infrequent basis and that the information to support them would be concise and relevant. As a result, nine Chairs' action meetings (one of which was subsequently rescinded) were held during 2020-21 to deal with urgent

business. The action notes arising from the meetings were presented to Trust Board throughout the year for ratification. Details of the meeting dates are shown in the Table at the bottom of this appendix.

- The scheduled People and Culture Committee on 21 April 2020 was rescheduled to 2 June 2020 and held as a closed virtual access meeting. The Minutes of the meeting were made available to the public on the Trust's website.
- The Audit Committee meeting scheduled for 21 May 2020 was postponed until 18 June 2020. This was due to the annual accounts timetable being put back one month by Welsh Government.
- The Charitable Funds Committee meeting scheduled for 11 February 2021 was cancelled due to the unavailability of members and attendees resulting from workload pressures. The planned business of the meeting has been carried forward to the next scheduled meeting of the Committee to be held on 3 June 2021.

Directorate and Locality Champions

In December 2017, Trust Board received a paper that set out the directorate and geographic area that each Non-Executive Director had lead responsibility for. This included the board champion duties that fall within each respective directorate and Non-Executive Director lead roles outside of the directorate champion roles.

Since December 2017 a number of appointments and changes of personnel have been made amongst Board members and senior staff of the Trust, thereby making the list of Non-Executive Director champions set out above as being outdated. As at 31 March 2021, a revised set of Non-Executive Director and Executive Director Board Champion responsibilities are in preparation with the aim for these to be considered by Trust Board early in 2021-22.

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.

In accordance with Welsh Health Circular 2020/011, Trust Board on 30 July 2020 agreed a temporary amendment to Model Standing Orders, Reservation and Delegation of Powers. This required the Trust to hold an AGM in public no later than 30 November 2020 and ceased to have effect on 31 March 2021. From 1 April 2021, the Trust's Standing Orders reverted back to the requirement that the Trust must hold an AGM in public no later than the 31 July each year

The Trust's governance structure accords with the governance e-manual and the Welsh Government's citizen-centred 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 and Committees.

The following table provides the dates of Board and Committee meetings for 2020-21 (including Annual Meeting). All meetings were quorate.

	Board and Committee Meetings 2020-21
Trust Annual Meeting	1/10/20 (1 Meeting)
Trust Board	30/4/20, 18/5/20, 28/5/20, 25/6/20, 2/7/20, 30/7/20, 17/8/20, 1/10/20, 16/10/20, 11/11/20, 26/11/20, 28/1/21, 24/3/21, 25/3/21 (14 Meetings)
Audit Committee	18/6/20, 17/9/20, 3/12/20, 4/3/21 (4 Meetings)
Charitable Funds Committee	2/6/20, 3/9/20 (2 Meetings)
Finance and Performance Committee	21/5/20, 19/6/20, 16/7/20, 15/9/20, 19/11/20, 14/1/20, 11/3/21 (7 Meetings)
People and Culture Committee	2/6/20, 14/7/20, 13/10/20, 4/2/21 (4 Meetings)
QuEST Committee	12/5/20, 8/9/20, 1/12/20, 23/2/21 (4 Meetings)
Remuneration Committee	13/4/20, 5/6/20, 11/8/20, 22/10/20, 8/12/20, 17/12/20, 9/3/21, 23/3/21 (8 Meetings)
Academic Partnership Working Group	8/10/20, 30/11/20 (2 Meetings)
Board Development	16/6/20, 22/9/20, 17/12/20, 18/2/21 (4 Meetings)
Chair's Action	7/4/20, 13/4/20, 17/4/20, 5/6/20, 9/9/20, 23/10/20, 21/12/20 (action subsequently rescinded), 24/2/21, 12/3/21 (9 Meetings)



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REMUNERATION AND STAFF REPORT

2020-21

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; four further (non-voting) Directors, the Associate Director of Paramedicine, and the Board Secretary.

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

Membership of the Remuneration and Terms of Services Committee

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

Statement of Policy on the Remuneration of Senior Managers

All senior manager pay and terms and conditions of service have been, and will be, determined by the Remuneration Committee within the framework set by the Welsh Government. Performance of senior managers is assessed against personal objectives and the overall performance of the Trust. The process sets objectives for the year and assesses individual performance against the objectives. The Trust does not make performance or other related bonus payments.

In keeping with the Welsh Government directive on pay for senior managers in NHS Wales, a 2% consolidated pay uplift was applied for employees from 1 April 2020. Whilst this uplift had been applied to all pay scales for individuals holding executive and senior posts, some senior staff of the Trust are on individually negotiated spot rates and where these staff were in post before 1 April 2020, the 2% pay uplift was also applied.

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 four year terms, which may be extended to a maximum of eight years in total. Senior managers are appointed to permanent contracts in line with Welsh Government guidance and are required to give three 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.

Senior Manager Contracts and Awards

Details of senior manager contracts are shown in the tables below. There was one payment for early termination to a senior manager contract (Patricia Roseblade) during 2020-21.

Remuneration Relationship

Details of the Trust's remuneration relationship are set out in Note 10.6 of the 2020-21 Annual Accounts.

Senior Managers in Post 2020-21

Name	Position Title	Assignment Category	Start Date in Position	Fixed Term End Date
Martin Woodford	Non-Executive Director/ Trust Chairman	Fixed Term	7 April 2014	31 March 2022
Emrys Davies	Non-Executive Director	Fixed Term	1 April 2014	31 March 2022
Kevin Davies	Non-Executive Director/ Trust Vice Chairman	Fixed Term	5 January 2015	31 December 2022
Bethan Evans	Non-Executive Director	Fixed Term	6 December 2019	5 December 2022
Pamela Hall	Non-Executive Director	Fixed Term	1 April 2014	Left the Trust 31 December 2020
Paul Hollard	Non-Executive Director	Fixed Term	1 April 2016	31 March 2024
Joga Singh	Non-Executive Director	Fixed Term	9 December 2019	8 December 2021
Martin Turner	Non-Executive Director	Fixed Term	13 December 2019	12 December 2023
Jason Killens	Chief Executive Officer	Permanent	Prior to 1 April 2020	Not Applicable
Brendan Lloyd	Executive Director/ Interim Deputy CEO	Permanent	Prior to 1 April 2020	Not Applicable
Claire Roche	Executive Director	Permanent	Prior to 1 April 2020	Not Applicable
Christopher Turley	Executive Director	Permanent	Prior to 1 April 2020	Not Applicable
Claire Vaughan	Executive Director	Permanent	Prior to 1 April 2020	Not Applicable
Keith Cox	Board Secretary	Permanent	Prior to 1 April 2020	Not Applicable
Lee Brooks	Director	Permanent	Prior to 1 April 2020	Not Applicable
Andy Haywood	Director	Permanent	Prior to 1 April 2020	Not Applicable
Estelle Hitchon	Director	Permanent	Prior to 1 April 2020	Not Applicable
Rachel Marsh	Director	Permanent	Prior to 1 April 2020	Not Applicable

Name	Position Title	Assignment Category	Start Date in Position	Fixed Term End Date
Andy Swinburn	Associate Director of Paramedicine	Permanent	Prior to 1 April 2020	Not Applicable

Further details of the contract arrangements of the Trust's senior managers in 2020-21 can be found in the Remuneration Table (and Notes) set out on pages 43 and 44 of this report.

Senior Managers who left the Trust during 2020-21

Name	Position Title	Assignment Category	Start Date in Position	Leaving Date
Patricia Roseblade (Note 1)	Deputy Chief Executive/ Director of Finance & ICT (Supernumerary)	Permanent	Prior to 1 April 2020	31 August 2020
Pamela Hall	Non-Executive Director	Fixed Term	1 April 2014	31 December 2020

Senior Managers seconded from the Trust during 2020-21

Name	Position Title	Assignment Category	Start Date in Position	Leaving Date
Hannah Evans (Note 2)	Director	Permanent	Prior to 1 April 2020	6 August 2018
Patricia Roseblade (Note 1)	Deputy Chief Executive/ Director of Finance & ICT (Supernumerary)	Permanent	Prior to 1 April 2020	15 October 2018

Note 1: Patricia Roseblade left the Trust on 15 October 2018 on an initial secondment to Powys Teaching Health Board before commencing a Welsh Government funded secondment with Swansea Bay University Health Board on 18 April 2019. Funding for the Swansea Bay University Health Board secondment ended on 31 August 2020 at which point in time Mrs Roseblade exited the employment of the Trust. In accordance with requirements, the Trust sought Welsh Government approval for the settlement payment prior to confirming the settlement offer to Mrs Roseblade. Mrs Roseblade was paid a settlement within the range £175-£180k which included £23k as a payment in lieu of notice.

Note 2: Hannah Evans left the Trust on external secondment to Swansea Bay University Health Board on 6 August 2018.

Hutton Report Information

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

The banded remuneration of the highest-paid director in post at 31 March 2021 in the Welsh Ambulance Services NHS Trust in the financial year 2020-21 was £165k to £170k (2019-20, £160k to £165k). This was 5.77 times (2019-20, 5.40 times) the median remuneration of the workforce, which was £29,013 (2019-20, £30,091).

	2020-21	2019-20
Band of Highest paid Director's Total Remuneration £000	165-70	160-165
Median Total Remuneration £000	29	30
Ratio	5.77	5.40

In 2020-21, 0 (2019-20, 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,185 to £167,500 (2019-20 £17,562 to £162,500).

The reason for the increase in remuneration together with the upward rise in ratio and the decrease in median remuneration compared to 2019-20 are the result of the 2% pay increase for Directors and a larger recruitment drive of staff below the median remuneration value of 2019-20.

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.

The NHS one off non-consolidated non-pensionable bonus of £735 is not included within total remuneration as payment was not made until May 2021, this will therefore be included in the 2021/22 report.

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

Salary and Pension Entitlements of Senior Managers

A) Remuneration									
Name and Title	2020-21					2019-20			
	Salary (bands of £5000)	Bonus Payments (bands of £5000) (Note 15)	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)
Martin Woodford (Chairman)	40-45				40-45	40-45			40-45
Kevin Davies (Non Executive Director / Vice Chairman)	15-20				15-20	15-20			15-20
Pamela J Hall (Non Executive Director) (Note 1)	5-10				5-10	5-10			5-10
Emrys Davies (Non Executive Director)	5-10				5-10	5-10			5-10
Paul Hollard (Non Executive Director)	5-10				5-10	5-10			5-10
Martin Turner (Non Executive Director)	5-10				5-10	5-10			5-10
Anoop Joga Singh (Non Executive Director) (Note 2)	5-10				5-10	0-5			0-5
Bethan Evans (Non Executive Director) (Note 3)	5-10				5-10	0-5			0-5
Jason Killens (Chief Executive) (Note 4)	160-165	0-5	4,600	41	210-215	155-160	4,000	156	315-320
Christopher Turley (Executive Director of Finance & Corporate Resources) (Note 5)	110-115	0-5	2,500	57	170-175	100-105	5,400	35	140-145
Dr Brendan Lloyd (Medical Director / Interim Deputy Chief Executive) (Note 6)	155-160	0-5	2,100		160-165	150-155	4,100		155-160
Claire Vaughan (Executive Director of Workforce & OD)	95-100	0-5	-	26	120-125	90-95	-	23	115-120
Claire Bevan (Executive Director of Quality & Nursing) (Note 7)						80-85	900		80-85
Claire Roche (Executive Director of Quality and Nursing) (Note 8)	105-110	0-5	2,300	214	325-330	25-30	600	32	55-60
Estelle Hitchon (Director of Partnership & Engagement) (Note 9)	90-95	0-5	-	11	100-105	90-95	-	14	100-105
Rachel Marsh (Director of Strategy Performance & Planning) (Note 10)	100-105	0-5	-	52	155-160	95-100	-	36	130-135
Lee Brooks (Director of Operations) (Note 11)	115-120	0-5	4,200	27	150-155	80-85	2,700	11	90-95
Louise Platt (Interim Director of Operations) (Note 12)						30-35	-	7	35-40
Andrew Haywood (Director of Digital Services) (Note 13)	105-110	0-5	-	26	130-135	20-25	-	3	20-25
Andrew Swinburn (Associate Director of Paramedicine) (Note 14)	90-95	0-5	7,700	21	120-125	20-25	2,400		25-30
Keith Cox (Board Secretary)	90-95	0-5	-		90-95	85-90	-		85-90
Note 1 - Pamela J Hall retired on 31st December 2020									
Note 2 - Anoop Joga Singh was appointed as Non Executive Director from 9th December 2019									
Note 3 - Bethan Evans was appointed as Non Executive Director from 6th December 2019									
Note 4 - Jason Killens' salary includes an accrual of £3,093 for annual leave sold prior to 31st March 2021									
Note 5 - Christopher Turley was Interim Executive Director of Finance & ICT until 1st February 2020 when he was appointed Executive Director of Finance & Corporate Resources. Salary includes an accrual of £3,022 for annual leave sold prior to 31st March 2021 and excludes £5,306 sacrificed in respect of NHS Fleet Solutions									
Note 6 - Brendan Lloyd's tenure as Interim Deputy Chief Executive has been extended until 31st December 2021. Salary includes an accrual of £4,173 for annual leave sold prior to 31st March 2021									
Note 7 - Claire Bevan retired on 31st December 2019									
Note 8 - Claire Roche was appointed Executive Director of Quality and Nursing on 1st January 2020. Salary includes an accrual of £2,056 for annual leave sold prior to 31st March 2021									
Note 9 - Estelle Hitchon chose to leave the pension scheme on 31st October 2020									
Note 10 - Rachel Marsh joined the Trust as Interim Director of Strategy Planning & Performance on 3rd December 2018 and was appointed Director of Strategy, Performance & Planning on 1st November 2019. Salary includes an accrual of £3,124 for annual leave sold prior to 31st March 2021									
Note 11 - Lee Brooks was appointed Director of Operations on 8th July 2019. Salary includes £4,008 in terms of annual leave sold and an accrual of £3,012 for 2020/21 annual leave sold prior to 31st March 2021									
Note 12 - Louise Platt was Interim Director of Operations from 1st November 2018 until 31st July 2019									
Note 13 - Andy Haywood joined the Trust as Director of Digital Services on 20th January 2020									
Note 14 - Andrew Swinburn was appointed Associate Director of Paramedicine on 3rd January 2020. Salary includes £673 paid in terms of annual leave sold. We are unable to calculate pension benefits for 2019-20 as Andrew was not previously identified as a Trust Board member, therefore the previous year information was not obtained from the NHS Pensions Greenbury system. As a result, we do not have comparative figures for the previous year									
Note 15 - The one off non-consolidated non-pensionable bonus payment of £735 gross, payable to all directly employed NHS staff with at least one month's continuous service in the NHS in Wales between 17 March 2020 and 28 February 2021. The payment does not apply to Board Chairs and Non-Executive Directors									

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 2021 (bands of £5,000)	Lump sum at age 60 related to accrued pension at 31 March 2021 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2021	Cash Equivalent Transfer Value at 31 March 2020	Real increase in Cash Equivalent Transfer Value	Employer's contribution to stakeholder pension
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Jason Killens (Chief Executive)	2.5-5	0-2.5	45-50	115-120	805	738	31	33
Christopher Turley (Executive Director of Finance & Corporate Resources)	2.5-5	2.5-5	45-50	100-105	829	748	54	22
Dr Brendan Lloyd (Medical Director / Interim Deputy Chief Executive) *	-2.5-0	-2.5-0	30-35	95-100	-	789	- 816	19
Claire Vaughan (Executive Director of Workforce & OD)	0-2.5	0-2.5	25-30	45-50	430	391	19	20
Estelle Hitchon (Director of Partnership & Engagement) **	0-2.5	-2.5-0	30-35	60-65	557	525	15	11
Claire Roche (Executive Director of Quality and Nursing)	10-12.5	22.5-25	40-45	105-110	810	590	196	22
Rachel Marsh (Director of Strategy Performance & Planning)	2.5-5	0-2.5	40-45	55-60	676	607	45	21
Lee Brooks (Director of Operations)	0-2.5	0	25-30	0	323	292	11	23
Andrew Haywood (Director of Digital Services)	0-2.5	0	5-10	0	56	36	5	22
Andrew Swinburn (Associate Director of Paramedicine)	0-2.5	-2.5-0	30-35	75-80	632	589	21	19
Keith Cox (Board Secretary) ***	0	0	0	0	-	-	-	-
*Dr Brendan Lloyd re-joined the pension scheme from 1st September 2020								
** Estelle Hitchon chose to leave the pension scheme on 31st October 2020								
***Keith Cox chose not to be covered by the NHS pension arrangements in the prior year, as well as the current reporting year								

Staff Report

Staff Numbers

An analysis of staff numbers by category during 2020-21 are set out below. The figures relate to the average number of employees under contract of service in each month of the financial year, divided by 12 (and rounded to nearest fte). The table below excludes agency and seconded in staff.

Category	2020-21	2019-20
Additional Clinical Services	1,746	1,464
Additional Professional, Scientific & Technical	1	0
Administrative & Clerical	541	531
Allied Health Professionals	1,103	1,055
Estates & Ancillary	61	58
Medical & Dental	1	1
Nursing and Midwifery	169	165
Total	3,622	3,274

Staff Composition

An analysis of the number of persons of each sex who are senior managers of the Trust (i.e. Non-Executive Directors, Executive Directors, Directors, Associate Director of Paramedicine, Board Secretary) as at 31 March 2021 are set out below (excludes secondees out of the Trust). This compares to a Trust wide staff composition of 46% female, 54% male.

Gender	Headcount	%
Female	5	28
Male	13	72
Total	18	100

Sickness Absence Data

	2020-21	2019-20
Days lost (long term)	65,017.51	61,110.67
Days lost (short term)	31,864.22	23,734.84
Total days lost	96,881.73	84,845.51
Average working days lost	16.79	16.25
Total staff employed in period (headcount)	3,907	3,530
Total staff employed in period with no absence (headcount)	1,496	955
Percentage staff with no sick leave	36.61%	28.01%

Note 1: The percentage and total number of staff without absence in the year has been sourced from the standard ESR Business Intelligence (BI) report. With regard to the reporting in relation to the percentage of staff with 'no sickness', the standard BI report excludes new entrants and also bank and locum assignments. Therefore, the number of staff who have had a whole year with no sickness absence is being divided into a smaller number than the total headcount at the end of the year.

Note 2: "Total staff employed in period with no absence (headcount)" is purely sickness absence and does not include those isolating/shielding due to Covid-19.

The Trust continues to performance manage absence robustly and has implemented a number of actions in 2020–2021. These include:

- Recommendations from the short term sickness audit (completed in 2020) were actioned, such as amendments to the return to work form, and to the sickness audit paperwork.
- Quarterly checks of GRS and ESR data were undertaken to ensure consistency across both systems.
- Regular meetings continued to take place to manage sickness absence within the Trust in all regions across Wales.
- Regular case reviews were undertaken across EMS to discuss complex sickness cases and alternative duties arrangements.
- Weekly drop in workshops for anxiety, trauma, wellbeing and mental health awareness were held since the first wave of the Covid pandemic
- The Trust saw a rise in staff accessing the Employee Assistance Programme and wellbeing offers such as Silvercloud, and online CBT.
- Additional wellbeing support, including face to face sessions, was ongoing for staff in Clinical Contact Centres and 111NHSDW to take time out during their shifts.
- Occupational Health and Wellbeing provided ad hoc support to managers and colleagues where colleagues had suffered the bereavement of a colleague.

- Occupational Health ran a series of webinars for managers to aid understanding of the impacts of Long Covid on the individual and work.
- Occupational Health continued to monitor DATIX for musculo-skeletal incidents to inform staff of the Trust's fast track physiotherapy service.
- The road to recovery support group met monthly with a range of invited speakers to offer support to staff who are currently unwell due to Long Covid.
- A monthly Menopause Café was held virtually to give information and offer a safe area of peer support to both women and men.

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. Staff can access these policy documents through the Trust's Intranet.

Expenditure on Consultancy

Expenditure during 2020-21 in respect of consultancy costs was £0.434m (2019-20 £0.300m) across the following areas:

Human Resource, training and education	88,821.11
Programme and Project Management	6,442.88
Finance	2,000.00
Organisation and Change Management	130,337.67
Property and Construction	99,092.12
Strategy	99,760.00
IT/IS	7,132.00
Marketing and Communication	684.00
	434,269.78

Off-Payroll Engagements

The Trust has a nil return in 2020-21 for off-payroll engagements. This is consistent to that reported in 2019-20.

Exit Packages

The Trust has a cost of £306,212 in 2020-21 for four staff exit packages. This compares to a nil return in 2019-20. Exit packages are described in Note 10.5 within the financial statements.



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PARLIMENTARY ACCOUNTABILITY AND AUDIT REPORT

2020-21

Introduction

The Parliamentary 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 Welsh Parliament and that the financial transactions recorded in the financial statements conform to the authorities which govern them. The Trust confirms its expenditure for the year is regular.

Fees and charges

The Trust is required by Welsh Government to ensure that the full cost of providing commercial services is passed on in its fees and charges and confirms that proper controls were in place in 2020-21 over how, when and at what level charges were levied. The Trust confirms its fees and charges are in accordance with Welsh Government requirements.

Material remote contingent liabilities

The Trust has no material remote contingent liabilities within its 2020-21 accounts. This is consistent to that reported in 2019-20.

Audit certificate and report

The certificate and report of the Auditor General to the Welsh Parliament is attached on the following pages.

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

Opinion on financial statements

I certify that I have audited the financial statements of the Welsh Ambulance Services NHS Trust for the year ended 31 March 2021 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 Taxpayers' Equity and related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual.

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the Welsh Ambulances Services NHS Trust as at 31 March 2021 and of its surplus for the year then ended;
- have been properly prepared in accordance with international accounting standards as interpreted and adapted by HM Treasury's Financial Reporting Manual; 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 Senedd and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis of opinions

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Trust in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinions.

Emphasis of Matter – Clinicians' pension tax liabilities

I draw attention to Note 24 of the financial statements, which describes the impact of a Ministerial Direction issued on 18 December 2019 to the Permanent Secretary of the Welsh Government in respect of clinicians' pension tax liabilities. My opinion is not modified in respect of this matter.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Chief Executive is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

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

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

- the information given in the Corporate Governance Report for the financial year for which the financial statements are prepared is consistent with the financial statements, and the Corporate Governance Report has been prepared in accordance with Welsh Ministers' guidance; and
- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Performance Report has been prepared in accordance with Welsh Ministers' guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance Report or the Governance Report.

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

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements and the audited part of the Remuneration Report 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.

Responsibilities

Responsibilities of Directors and the Chief Executive for the financial statements

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

In preparing the financial statements, the Directors and Chief Executive are responsible for assessing the Trust's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management, the audited entity's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Welsh Ambulance Services NHS Trust's policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following area: management override.
- Obtaining an understanding of the Welsh Ambulance Services NHS Trust's framework of authority, as well as other legal and regulatory frameworks that the Welsh Ambulance Services NHS Trust operates in. Focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Welsh Ambulance Services NHS Trust.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Board; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of

a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Welsh Ambulances Services NHS Trust's controls, and the nature, timing and extent of the audit procedures performed.

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

Responsibilities for regularity

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

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

Report

Please see my report.

Adrian Crompton
Auditor General for Wales
15 June 2021

24 Cathedral Road
Cardiff
CF11 9LJ

Report of the Auditor General to the Senedd

Introduction

Under the Public Audit Wales Act 2004, I am responsible for auditing, certifying and reporting on the Welsh Ambulance Services NHS Trust's financial statements. I am reporting on these financial statements for the year ended 31 March 2021 to draw attention to a key matter for my audit. This is the implications of the ministerial direction on senior clinicians' pensions. I have not qualified my 'true and fair' opinion in respect of any of these matters.

Ministerial direction on senior clinicians' pensions

NHS Pension scheme and pension tax legislation is not devolved to Wales. HM Treasury's changes to the tax arrangements on pension contributions in recent years included the reduction in the Annual Allowance limit from over £200,000 in 2011-12 to £40,000 in 2018-19. As a result, in cases where an individual's pension contributions exceed certain annual and/or lifetime pension contribution allowance limits, then they are taxed at a higher rate on all their contributions, creating a sharp increase in tax liability.

In a Written Statement on 13 November 2019, the Minister for Health and Social Services had noted that NHS Wales bodies were: 'regularly reporting that senior clinical staff are unwilling to take on additional work and sessions due to the potentially punitive tax liability'. In certain circumstances this could lead to additional tax charges in excess of any additional income earned.

On 18 December 2019, the First Minister (mirroring earlier action by the Secretary of State for Health and Social Care for England) issued a Ministerial Direction to the Permanent Secretary to proceed with plans to commit to making payments to clinical staff to restore the value of their pension benefits packages. If NHS clinicians opted to use the 'Scheme Pays' facility to settle annual allowance tax charges arising from their 2019-20 NHS pension savings (i.e. settling the charge by way of reduced annual pension, rather than by making an immediate one-off payment), then their NHS employers would meet the impact of those tax charges on their pension when they retire.

The Ministerial Direction was required because this solution could be viewed by HMRC to constitute tax planning and potentially tax avoidance, hence making the expenditure irregular. Managing Welsh Public Money (which mirrors its English equivalent) specifically states that 'public sector organisations should not engage in...tax evasion, tax avoidance or tax planning'.

A Ministerial Direction does not make regular what would otherwise be irregular, but it does move the accountability for such decisions from the Accounting Officer to the Minister issuing the direction.

The solution applies only to annual allowance tax charges arising from an increase in the benefits accrued in the NHS Pension Scheme during the tax year ended 5 April 2020. For the tax year ended 5 April 2021, the Chancellor increased the thresholds for the tapered annual allowance and, as a result, it is anticipated that the risk to the supply of clinical staff has been mitigated.

The Trust currently has insufficient information to calculate and recognise an estimate of the potential costs of compensating senior clinical staff for pension benefits that they would otherwise have lost, by using the 'Scheme Pays' arrangement. As a result, no expenditure is recognised in the financial statements but as required the Trust has disclosed a contingent liability in note 24 of its financial statements.

All NHS bodies will be held harmless for the impact of the Ministerial Direction, however in my opinion any transactions included in the Trust's financial statements to recognise this liability would be irregular and material by their nature. This is because the payments are contrary to paragraph 5.6.1 of Managing Public Money and constitute a form of tax planning which will leave the Exchequer as a whole worse off. The Minister's direction alone does not regularise the scheme. Furthermore, the arrangements are novel and contentious and potentially precedent setting.

I have not modified my regularity opinion in this respect this year because as set out above, no expenditure has been recognised in the year ended 31 March 2021. I have however placed an Emphasis of Matter paragraph in my audit report to highlight this issue and, have prepared this report to bring the arrangement to the attention of the Senedd.

Adrian Crompton
Auditor General for Wales
15 June 2021



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth GIG
Gwasanaethau Ambiwylans Cymru
Welsh Ambulance Services
NHS Trust



ANNUAL ACCOUNTS

2020-21

Welsh Ambulance Services NHS Trust

Foreword

These accounts for the period ended 31 March 2021 have been prepared to comply with International Financial Reporting Standards (IFRS) adopted by the European Union, in accordance with HM Treasury's FReM by Public Health Wales NHS Trust under schedule 9 section 178 Para 3 (1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers, with the approval of the Treasury, directed.

Statutory background

The Trust was established in 1998. Spread over an area of almost 8000 square miles and serving a population of over 3 million, our diverse area encompasses tranquil rural retreats, busy seaside resorts and large urban boroughs.

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

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

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

We operate from over 100 buildings including ambulance stations, three control centres, three regional offices and five vehicle workshops.

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

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

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

Performance Management and Financial Results

This Welsh Health Circular WHC/2016/054 replaces WHC/2015/014 'Statutory and Administrative Financial Duties of NHS Trusts and Local Health Boards' and further clarifies the statutory financial duties of NHS Wales bodies and is effective for 2020-2021. The annual financial duty has been revoked and the statutory breakeven duty has reverted to a three year duty, with the first assessment of this duty in 2016-2017.

Under the National Health Services (Wales) Act 2006 the financial obligations of the NHS Trust are contained within Schedules 4 2(1) and 4 2(2). Each NHS trust must ensure that its revenue is not less than sufficient, taking one financial year with another, to meet outgoings properly chargeable to the revenue account. The first assessment of performance against the 3-year statutory duty under Schedules 4 2(1) and 4 2(2) was at the end of 2016-2017, being the first three year period of assessment.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020-21 £000	2019-20 £000
Revenue from patient care activities	3	232,768	200,000
Other operating revenue	4	8,988	11,339
Operating expenses	5.1	(241,847)	(211,622)
Operating (deficit)/surplus		(91)	(283)
Investment revenue	6	5	117
Other gains and losses	7	175	296
Finance costs	8	(19)	(85)
Consolidated Total			
Retained surplus	2.1.1	70	45
Other Comprehensive Income			
Items that will not be reclassified to net operating costs:			
Net gain/(loss) on revaluation of property, plant and equipment		522	374
Net gain/(loss) on revaluation of intangible assets		0	0
Movements in other reserves		0	0
Net gain/(loss) on revaluation of PPE and Intangible assets held for sale		0	(15)
Impairments and reversals		(643)	(161)
Transfers between reserves		0	0
Reclassification adjustment on disposal of available for sale financial asse		0	0
Sub total		(121)	198
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		(121)	198
Total comprehensive income for the year		(51)	243

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

		Note	31 March 2021	31 March 2020
			£000	£000
Non-current assets	Property, plant and equipment	13	89,390	87,680
	Intangible assets	14	3,463	5,133
	Trade and other receivables	17.1	2,278	536
	Other financial assets	18	0	0
	Total non-current assets		95,131	93,349
Current assets	Inventories	16.1	1,628	1,556
	Trade and other receivables	17.1	14,481	9,086
	Other financial assets	18	0	0
	Cash and cash equivalents	19	18,468	24,582
			34,577	35,224
	Non-current assets held for sale	13.2	130	246
	Total current assets		34,707	35,470
Total assets			129,838	128,819
Current liabilities	Trade and other payables	20	(28,521)	(27,523)
	Borrowings	21	(1,616)	(1,970)
	Other financial liabilities	22	0	0
	Provisions	23	(6,949)	(7,293)
	Total current liabilities		(37,086)	(36,786)
Net current assets/(liabilities)			(2,379)	(1,316)
Total assets less current liabilities			92,752	92,033
Non-current liabilities	Trade and other payables	20	0	0
	Borrowings	21	(1,059)	(2,667)
	Other financial liabilities	22	0	0
	Provisions	23	(11,887)	(9,554)
	Total non-current liabilities		(12,946)	(12,221)
Total assets employed			79,806	79,812
Financed by Taxpayers' equity:				
	Public dividend capital		76,354	76,309
	Retained earnings		(5,961)	(6,209)
	Revaluation reserve		9,413	9,712
	Other reserves		0	0
	Total taxpayers' equity		79,806	79,812

The financial statements were approved by the Board on 10th June 2021 and signed on behalf of the Board by:

Chief Executive : Jason Killens.....

Date: 10th June 2021

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2020-21	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000
Changes in taxpayers' equity for 2020-21				
Balance as at 31 March 2020	76,309	(6,209)	9,712	79,812
Retained surplus/(deficit) for the year		70		70
Net gain/(loss) on revaluation of property, plant and equipment		0	522	522
Net gain/(loss) on revaluation of intangible assets		0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0
Net gain/(loss) on revaluation of assets held for sale		0	0	0
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0
Impairments and reversals		0	(643)	(643)
Other reserve movement		0	0	0
Transfers between reserves		178	(178)	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0
Reserves eliminated on dissolution	0			0
Total in year movement	0	248	(299)	(51)
New Public Dividend Capital received	835			835
Public Dividend Capital repaid in year	(790)			(790)
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	0			0
Balance at 31 March 2021	76,354	(5,961)	9,413	79,806

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

2019-20	Public Dividend Capital £000	Retained earnings £000	Revaluation reserve £000	Total £000
Changes in taxpayers' equity for 2019-20				
Balance at 31 March 2019	68,386	(6,254)	9,514	71,646
Retained surplus/(deficit) for the year		45		45
Net gain/(loss) on revaluation of property, plant and equipment		0	374	374
Net gain/(loss) on revaluation of intangible assets		0	0	0
Net gain/(loss) on revaluation of financial assets		0	0	0
Net gain/(loss) on revaluation of assets held for sale		0	(15)	(15)
Net gain/(loss) on revaluation of financial assets held for sale		0	0	0
Impairments and reversals		0	(161)	(161)
Other reserve movement		0	0	0
Transfers between reserves		0	0	0
Reclassification adjustment on disposal of available for sale financial assets		0	0	0
Reserves eliminated on dissolution	0			0
Total in year movement	0	45	198	243
New Public Dividend Capital received	8,914			8,914
Public Dividend Capital repaid in year	(123)			(123)
Public Dividend Capital extinguished/written off	0			0
Other movements in PDC in year	(868)			(868)
Balance at 31 March 2020	76,309	(6,209)	9,712	79,812

The notes on pages 6 to 74 form part of these accounts.

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021

	Note	2020-21 £000	2019-20 £000
Cash flows from operating activities			
Operating surplus/(deficit)	SOCI	(91)	(283)
Movements in working capital	30	(450)	(894)
Other cash flow adjustments	31	20,659	24,400
Provisions utilised		(2,504)	(1,706)
Interest paid		(19)	(85)
Net cash inflow (outflow) from operating activities		17,595	21,432
Cash flows from investing activities			
Interest received		5	117
(Payments) for property, plant and equipment		(22,259)	(23,476)
Proceeds from disposal of property, plant and equipment		291	393
(Payments) for intangible assets		171	(362)
Proceeds from disposal of intangible assets		0	0
Payments for investments with Welsh Government		0	0
Proceeds from disposals with Welsh Government		0	0
(Payments) for financial assets.		0	0
Proceeds from disposal of financial assets.		0	0
Net cash inflow (outflow) from investing activities		(21,792)	(23,328)
Net cash inflow (outflow) before financing		(4,197)	(1,896)
Cash flows from financing activities			
Public Dividend Capital received		835	8,914
Public Dividend Capital repaid		(790)	(123)
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	365
Capital elements of finance leases and on-SOFP PFI		(1,962)	3,696
Cash transferred (to)/from other NHS Wales bodies		0	0
Net cash inflow (outflow) from financing activities		(1,917)	12,852
Net increase (decrease) in cash and cash equivalents		(6,114)	10,956
Cash [and] cash equivalents at the beginning of the financial year	19	24,582	13,626
Cash [and] cash equivalents at the end of the financial year	19	18,468	24,582

The notes on pages 6 to 74 form part of these accounts.

Notes to the Accounts

1. Accounting policies

The Minister for Health and Social Services has directed that the financial statements of NHS Trusts (NHST) in Wales shall meet the accounting requirements of the NHS Wales Manual for Accounts. Consequently, the following financial statements have been prepared in accordance with the 2020-2021 Manual for Accounts. The accounting policies contained in that manual follow the 2020-2021 Financial Reporting Manual (FReM), in accordance with international accounting standards in conformity with the requirements of the Companies Act 2006 except for IFRS 16 Leases, which is deferred until 1 April 2022; to the extent that they are meaningful and appropriate to the NHS in Wales.

Where the NHST 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 NHST for the purpose of giving a true and fair view has been selected. The particular policies adopted by the NHST are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

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

1.3 Revenue

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

From 2018-2019, IFRS 15 Revenue from Contracts with Customers has been applied, as interpreted and adapted for the public sector, in the FReM. It replaces the previous standards IAS 11 Construction Contracts and IAS 18 Revenue and related IFRIC and SIC interpretations. The potential amendments identified as a result of the adoption of IFRS 15 are significantly below materiality levels.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred.

1.4 Employee benefits

Short-term 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 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.

The latest NHS Pension Scheme valuation results indicated that an increase in benefit required a 6.3% increase (14.38% to 20.68%) which was implemented from 1 April 2019.

As an organisation within the full funding scope, the joint (in NHS England and NHS Wales) transitional arrangement operated from 2019-2020 where employers in the Scheme would continue to pay 14.38% employer contributions under their normal monthly payment process, and in Wales the additional 6.3% would be funded by Welsh Government directly to the Pension Scheme administrator, the NHS Business Services Authority (BSA, the NHS Pensions Agency).

However, NHS Wales organisations are required to account for **their staff** employer contributions of 20.68% in full and on a gross basis, in their annual accounts. Payments made on their behalf by Welsh Government are accounted for on a notional basis. For detailed information see Note 37 'Other Information' starting on page 71 of these accounts.

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 NHS Wales organisation's 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

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

1.5 Other expenses

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

1.6 Property, plant and equipment

Recognition

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the NHS Wales organisation;
- 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 treated as separate assets and 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 services or for administrative purposes are stated in the Statement of Financial Position (SoFP) at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

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

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales' organisations have applied these new valuation requirements from 1 April 2009.

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.

In 2017-2018 a formal revaluation exercise was applied to land and properties. 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.

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

From 2015-2016, 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 Trust 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.

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 carrying value of the item replaced is written-out and charged to the SoCI. As highlighted in previous years the NHS in Wales does not have systems in place to ensure that all items being "replaced" can be identified and hence the cost involved to be quantified. The NHS in Wales has thus established a national protocol to ensure it complies with the standard as far as it is able to which is outlined in the capital accounting chapter of the Manual For Accounts. This ensures that asset carrying values are not materially overstated.

For All Wales Capital Schemes that are completed in a financial year, NHS Wales organisations are required to obtain a revaluation during that year (prior to them being brought into use) and also similar revaluations are needed for all Discretionary Building Schemes completed which have a spend greater than £0.5m. The write downs so identified are then charged to operating expenses.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the 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 use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

Measurement

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

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

1.8 Depreciation, amortisation and impairments

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

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

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

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCI. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCI. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

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 benefits there from can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCI on a systematic basis over the period expected to benefit from the project.

1.10 Non-current assets held for sale

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

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the SoCI. 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

1.11 Leases

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

1.11.1 The NHS Wales organisation 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 of interest on the remaining balance of the liability. Finance charges are recognised in calculating the NHS Trust's surplus/deficit charged.

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

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

1.11.2 The NHS Wales organisation as lessor

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

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

1.12 Inventories

Whilst it is accounting convention for inventories to be valued at the lower of cost and net realisable value using the weighted average or "first-in first-out" cost formula, it should be recognised that the NHS is a special case in that inventories are not generally held for the intention of resale and indeed there is no market readily available where such items could be sold. Inventories are valued at cost and this is considered to be a reasonable approximation to fair value due to the high turnover of stocks. Work-in-progress comprises goods in intermediate stages of production. Partially completed contracts for patient services are not accounted for as work-in-progress.

1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Statement of Cash flows (SoCF), cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of the cash management.

1.14 Provisions

Provisions are recognised when the NHS Wales organisation has a present legal or constructive obligation as a result of a past event, it is probable that the NHS Wales organisation 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 the discount rate 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 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 NHS Wales organisation 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 NHS Wales organisation has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.14.1 Clinical negligence and personal injury costs

The Welsh Risk Pool Services (WRPS) operate 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 implemented in both 2020-21 and 2019-2020. The WRPS is hosted by Velindre University NHS Trust.

1.15 Financial Instruments

From 2018-2019 IFRS 9 Financial Instruments is applied, as interpreted and adapted for the public sector, in the FReM. The principal impact of IFRS 9 adoption by NHS Wales organisations is a change to the calculation basis for bad debt provisions: changing from an incurred loss basis to a lifetime expected credit loss (ECL) basis.

1.16 Financial assets

Financial assets are recognised on the SoFP when the NHS Wales organisation 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.

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

All entities applying the FReM should utilise IFRS 9's simplified approach to impairment for relevant assets.

IFRS 9 requirements required a revised approach for the calculation of the bad debt provision, applying the principles of expected credit loss, using the practical expedients within IFRS 9 to construct a provision matrix.

1.16.1 Financial assets are initially recognised at fair value

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

1.16.2 Financial assets at fair value through SoCI

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

1.16.3 Held to maturity investments

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

1.16.4 Available for sale financial assets

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

1.16.5 Loans and receivables

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

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 net carrying amount of the financial asset.

At the SOFP date, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if 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 the Expenditure and the carrying amount of the asset is reduced directly, or through a provision of 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 the 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.

1.16.6 Other financial assets

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

1.17 Financial liabilities

Financial liabilities are recognised on the SOFP when the NHS Wales organisation 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 Welsh Government are recognised at historical cost.

1.17.1 Financial liabilities are initially recognised at fair value through SoCI

Financial liabilities are classified as either financial liabilities at fair value through the SoCI or other financial liabilities.

1.17.2 Financial liabilities at fair value through the SoCI

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

1.17.3 Other financial liabilities

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

1.18 Value Added Tax (VAT)

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

1.19 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the SoCI. At the SoFP date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.20 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the NHS Wales organisation has no beneficial interest in them. Details of third party assets are given in the Notes to the accounts.

1.21 Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the SoCI on an accruals basis, including losses which would have been made good through insurance cover had the NHS Wales organisation 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 register which is prepared on a cash basis.

The Trust accounts for all losses and special payments gross (including assistance from the WRPS).

The Trust accrues or provides for the best estimate of future payouts for certain 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 WRP are included in debtors. For those claims where the probability of settlement is between 5-50%, the liability is disclosed as a contingent liability.

1.22 Pooled budget

The Trust has not entered into pooled budgets with Local Authorities.

1.23 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the 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. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.24 Key sources of estimation uncertainty

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

Significant estimations are made in relation to on-going clinical negligence and personal injury claims. Assumptions as to the likely outcome, the potential liabilities and the timings of these litigation claims are provided by independent legal advisors. Any material changes in liabilities associated with these claims would be recoverable through the WRPS.

1.25 Provisions

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

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

Probable & Certain Cases – Accounting Treatment

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

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

** Personal injury cases - Defence fee costs are provided for at 25%.*

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

The solicitor will estimate the case value including defence fees, using professional judgement and from obtaining counsel advice. Valuations are then discounted for the future loss elements using individual life expectancies and the Government Actuary's Department actuarial tables (Ogden tables) and Personal Injury Discount Rate of -0.25%.

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

Annual leave payments for employees working in the NHS

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

An assessment has been made in respect of the level of financial impact the most recent and relevant case namely, *Flowers Vs East of England Ambulance Trust*, would have on organisations within NHS Wales. The two year impact for this Trust is assessed to be £1.761m.

1.26 Private Finance Initiative (PFI) transactions

The Trust has no PFI arrangements.

1.27 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 NHS Wales organisation, 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 NHS Wales organisation. 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.

1.28 Absorption accounting

Transfers of function are accounted for as either by merger or by absorption accounting dependent upon the treatment prescribed in the FReM. Absorption accounting requires that entities account for their transactions in the period in which they took place with no restatement of performance required.

For transfers of functions involving NHS Wales Trusts in receipt of PDC the double entry for the fixed asset NBV value and the net movement in assets is PDC.

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

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

IFRS14 Regulatory Deferral Accounts

Applies to first time adopters of IFRS after 1 January 2016. Therefore not applicable.

IFRS 16 Leases is to be effective from 1 April 2022.

IFRS 17 Insurance Contracts, Application required for accounting periods beginning on or after 1 January 2021, but not yet adopted by the FReM: early adoption is not therefore permitted.

1.30 Accounting standards issued that have been adopted early

During 2020-2021 there have been no accounting standards that have been adopted early. All early adoption of accounting standards will be led by HM Treasury.

1.31 Charities

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

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

However, the organisation has with the agreement of the Welsh Government adopted the IAS 27 (10) exemption to consolidate. Welsh Government as the ultimate parent of the NHS Wales organisations will disclose the Charitable Accounts in the Welsh Government Consolidated Accounts. Details of the transactions with the charity are included in the related parties notes.

1.32 Subsidiaries

The trust has no subsidiaries other than The Welsh Ambulance Services NHS Trust Charity as explained above.

1.33 Borrowing costs

Borrowing costs are recognised as expenses as they are incurred.

1.34 Public Dividend Capital (PDC) and PDC dividend

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

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

2. Financial Performance

2.1 STATUTORY FINANCIAL DUTIES

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

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

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

2.1.1 Financial Duty

	Annual financial performance			to 2020-21
	2018-19	2019-20	2020-21	Financial
	£000	£000	£000	duty
				£000
Retained surplus	57	45	70	172
Less Donated asset / grant funded revenue	0	0	0	0
Adjusted surplus/ (Deficit)	57	45	70	172

The Welsh Ambulance Services NHS Trust has met its financial duty to break even over the 3 years 2018-2019 to 2020-2021.

2.1.2 Integrated Medium Term Plan (IMTP)

Due to the pandemic, the process for the 2020-23 integrated plan was paused in spring 2020 and a temporary quarterly planning arrangement put in place for 2020-21.

As a result the extant planning duty for 2020-21 remains the requirement to submit and have approved a 2019-22 integrated plan, as set out in the NHS Wales Planning Framework 2019-22.

The Welsh Ambulance Services NHS Trust submitted a 2019-22 integrated plan in accordance with the planning framework.

The Minister for Health and Social Services extant approval.

Status	Approved
Date	18/04/2019

The Welsh Ambulance Services NHS Trust has met its annual financial duty to have an approved extant financial plan.

2. Financial Performance (continued)

2.2 ADMINISTRATIVE REQUIREMENTS

2.2.1. External financing

Due to the circumstances that arose as a result of Coronavirus Covid 19,

- the suspension of the National Loan Fund temporary deposit facility, and
- the requirement to issue year-end capital adjustments,

the requirement to achieve the administrative External Financing Target has been suspended for 2020-21.

2.3. 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:

	2020-21	2019-20
Total number of non-NHS bills paid	48,451	45,221
Total number of non-NHS bills paid within target	47,079	43,949
Percentage of non-NHS bills paid within target	97.2%	97.2%
The Trust has met the target.		

3. Revenue from patient care activities	2020-21	2019-20
	£000	£000
Local health boards	35,433	31,050
Services Committees (WHSSC & EASC)	172,180	158,533
Welsh NHS Trusts	751	703
Health Education and Improvement Wales (HEIW)	0	0
Foundation Trusts	0	0
Other NHS England bodies	127	124
Other NHS Bodies	0	7
Local Authorities	2	4
Welsh Government	21,658	9,072
Welsh Government - Hosted Bodies	0	0
Non NHS:		
Private patient income	4	9
Overseas patients (non-reciprocal)	0	0
Injury Costs Recovery (ICR) Scheme	194	310
Other revenue from activities	2,419	188
Total	232,768	200,000
Welsh Government Covid 19 income included in total above;	13,811	0

Included within Non NHS: Other revenue from activities £2.419m above is £2.354m from the Department of Health, this relates to funding provided for Covid -19 Mobile testing Units (MTU).

Injury Cost Recovery (ICR) Scheme income	2020-21	2019-20
	%	%
To reflect expected rates of collection ICR income is subject to a provision for impairment of:	22.43	21.79

4. Other operating revenue	2020-21	2019-20
	£000	£000
Income generation	0	0
Patient transport services	0	0
Education, training and research	685	1,193
Charitable and other contributions to expenditure	0	0
Receipt of NWSSP Covid centrally purchased assets	1,946	0
Receipt of Covid centrally purchased assets from other organisations	0	0
Receipt of donations for capital acquisitions	0	0
Receipt of government grants for capital acquisitions	0	0
Non-patient care services to other bodies	0	0
Rental revenue from finance leases	127	113
Rental revenue from operating leases	0	0
Other revenue:		
Provision of pathology/microbiology services	0	0
Accommodation and catering charges	0	0
Mortuary fees	0	0
Staff payments for use of cars	128	159
Business unit	0	0
Other	6,102	9,874
Total	8,988	11,339

Other revenue comprises:

Personal injury benefit scheme (PIBS)	921	3,233
Air Ambulance paramedic funding	0	135
Hazardous Area Response Team (HART)	2,457	2,392
Other minor services income	2,086	3,047
Funding for impairments (as funds flow monies)	638	1,067
Total	6,102	9,874

5. Operating expenses	2020-21	2019-20
5.1 Operating expenses	£000	£000
Local Health Boards	228	233
Welsh NHS Trusts	837	858
Health Education and Improvement Wales (HEIW)	0	0
Goods and services from other non Welsh NHS bodies	0	0
WHSSC/EASC	0	0
Local Authorities	0	0
Purchase of healthcare from non-NHS bodies	8,694	5,147
Welsh Government	312	0
Other NHS Trusts	0	0
Directors' costs	1,625	1,325
Operational Staff costs	172,004	147,850
Single lead employer Staff Trainee Cost	0	0
Supplies and services - clinical	7,228	3,667
Supplies and services - general	3,245	1,132
Consultancy Services	434	300
Establishment	3,544	3,883
Transport	13,462	14,487
Premises	9,207	8,100
Impairments and Reversals of Receivables	0	0
Depreciation	13,707	14,785
Amortisation	1,821	1,853
Impairments and reversals of property, plant and equipment	638	1,067
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	150	162
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	1,409	4,076
Research and development	0	0
Other operating expenses	3,302	2,697
Total	241,847	211,622

5. Operating expenses (continued)

5.2 Losses, special payments and irrecoverable debts:

Charges to operating expenses	2020-21	2019-20
Increase/(decrease) in provision for future payments:	£000	£000
Clinical negligence;-		
Secondary care	2,237	563
Primary care	0	0
Redress Secondary Care	330	0
Redress Primary Care	0	0
Personal injury	1,563	5,046
All other losses and special payments	0	164
Defence legal fees and other administrative costs	274	184
Structured Settlements Welsh Risk Pool	0	0
Gross increase/(decrease) in provision for future payments	4,404	5,957
Contribution to Welsh Risk Pool	0	89
Premium for other insurance arrangements	0	0
Irrecoverable debts	(28)	40
Less: income received/ due from Welsh Risk Pool	(2,967)	(2,010)
Total charge	1,409	4,076

Personal injury includes £0.915m in respect of permanent injury benefits (2019-20 £3.178m). This expenditure includes £Nil re new / reviewed cases and a charge of £0.560m relating to the change in the rate at which the provision for future payments is calculated.

	2020-21	2019-20
	£	£
Permanent injury included within personal injury:	914,891	3,177,715

6. Investment revenue	2020-21	2019-20
Rental revenue :	£000	£000
PFI finance lease revenue:		
Planned	0	0
Contingent	0	0
Other finance lease revenue	0	0
Interest revenue:		
Bank accounts	5	117
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	5	117

7. Other gains and losses	2020-21	2019-20
	£000	£000
Gain/(loss) on disposal of property, plant and equipment	0	0
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of assets held for sale	175	296
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	175	296

8. Finance costs	2020-21	2019-20
	£000	£000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	68	64
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	68	64
Provisions unwinding of discount	(49)	21
Periodical Payment Order unwinding of discount	0	0
Other finance costs	0	0
Total	19	85

9. Operating leases

9.1 Trust as lessee

Operating lease payments represent rentals payable by Welsh Ambulance Services NHS Trust for properties and equipment.

Payments recognised as an expense	2020-21	2019-20
	£000	£000
Minimum lease payments	1,969	1,628
Contingent rents	0	0
Sub-lease payments	0	0
Total	1,969	1,628

Total future minimum lease payments	2020-21	2019-20
Payable:	£000	£000
Not later than one year	1,637	1,666
Between one and five years	2,303	2,355
After 5 years	1,802	2,117
Total	5,742	6,138

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

9.2 Trust as lessor

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

Rental Revenue

Receipts recognised as income	2020-21 £000	2019-20 £000
Rent	0	0
Contingent rent	0	0
Other	121	113
Total rental revenue	121	113

Total future minimum lease payments	2020-21 £000	2019-20 £000
Receivable:		
Not later than one year	0	13
Between one and five years	0	0
After 5 years	1	2
Total	1	15

10. Employee costs and numbers

						2020-21	2019-20
10.1 Employee costs	Permanently employed staff	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	£000	£000
	£000	£000	£000	£000	£000	£000	£000
Salaries and wages	143,748	340	1,002	0	0	145,090	123,792
Social security costs	12,857	0	0	0	0	12,857	11,666
Employer contributions to NHS Pensions Scheme	15,903	0	0	0	0	15,903	14,010
Other pension costs	2	0	0	0	0	2	9
Other post-employment benefits	0	0	0	0	0	0	0
Termination benefits	306	0	0	0	0	306	0
Total	172,816	340	1,002	0	0	174,158	149,477
Of the total above:							
Charged to capital						652	415
Charged to revenue						173,506	149,062
Total						174,158	149,477
Net movement in accrued employee benefits (untaken staff leave accrual included above)						1,466	96
Covid 19 Net movement in accrued employee benefits (untaken staff leave accrual included in above)						1,466	0

10.2 Average number of employees

						2020-21	2019-20
	Permanently Employed	Staff on Inward Secondment	Agency Staff	Specialist Trainee (SLE)	Other Staff	Total	Total
	Number	Number	Number	Number	Number	Number	Number
Administrative, clerical and board members	541	4	13	0	0	558	531
Medical and dental	1	0	0	0	0	1	1
Nursing, midwifery registered	169	0	1	0	0	170	165
Professional, scientific and technical staff	1	0	0	0	0	1	0
Additional Clinical Services	1,746	0	9	0	0	1,755	1,464
Allied Health Professions	1,103	1	2	0	0	1,106	1,055
Healthcare scientists	0	0	0	0	0	0	0
Estates and Ancillary	61	0	1	0	0	62	58
Students	0	0	0	0	0	0	0
Total	3,622	5	26	0	0	3,653	3,274

10.3. Retirements due to ill-health

	2020-21	2019-20
Number	3	1
Estimated additional pension costs £	150,929	4,733

The estimated additional pension costs of these ill-health retirements have been calculated on an average basis and are borne by the NHS Pension Scheme.

10.4 Employee benefits

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

10.5 Reporting of other compensation schemes - exit packages

	2020-21	2020-21	2020-21	2020-21	2019-20
				Number of departures where special payments have been made Whole	
Exit packages cost band (including any special payment element)	Number of compulsory redundancies Whole numbers only	Number of other departures Whole numbers only	Total number of exit packages Whole numbers only		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	2	2	0	0
£50,000 to £100,000	0	1	1	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	1	1	0	0
more than £200,000	0	0	0	0	0
Total	0	4	4	0	0

	2020-21	2020-21	2020-21	2020-21	2019-20
				Cost of special element included in exit packages	
Exit packages cost band (including any special payment element)	Cost of compulsory redundancies £	Cost of other departures £	Total cost of 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	63,551	63,551	0	0
£50,000 to £100,000	0	66,417	66,417	0	0
£100,000 to £150,000	0	0	0	0	0
£150,000 to £200,000	0	176,244	176,244	0	0
more than £200,000	0	0	0	0	0
Total	0	306,212	306,212	0	0

Exit costs paid in year of departure	Total paid in year 2020-21 £'s	Total paid in year 2019-20 £'s
Exit costs paid in year	239,796	0
Total	239,796	0

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

The disclosure reports the number and value of exit packages agreed in the year in line with the Welsh Government manual for accounts. The costs disclosed above exclude costs relating to Payments in Lieu of Notice (PILON).

10.6 Remuneration Relationship

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

The banded remuneration of the highest-paid director in post at 31st March 2021 in the Welsh Ambulance Services NHS Trust in the financial year 2020-21 was £165k to £170k (2019-20, £160k to £165k). This was 5.77 times (2019-20, 5.40 times) the median remuneration of the workforce, which was £29,013 (2019-20, £30,091).

In 2020-21, 0 (2019-20, 0) employees received remuneration in excess of the highest-paid director.

Remuneration ranged from £18,185 to £167,500 (2019-20 £17,652 to £162,500).

The reason for the increase in remuneration together with the upward rise in ratio and the decrease in median remuneration compared to 2019-20 are the result of the 2% pay increase for Directors and a large recruitment drive of staff below the median remuneration value of 2019-20.

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.

The NHS one off non-consolidated non-pensionable bonus of £735 is not included within total remuneration as payment was not made until May 2021, this will therefore be included in the 2021/22 report.

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

11. Pensions

PENSION COSTS

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2021, is based on valuation data as 31 March 2020, updated to 31 March 2021 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the report of the scheme actuary, which forms part of the annual NHS Pension Scheme Accounts. These accounts can be viewed on the NHS Pensions website and are published annually. Copies can also be obtained from The Stationery Office.

b) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the schemes (taking into account recent demographic experience), and to recommend contribution rates payable by employees and employers.

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay. The 2016 funding valuation was also expected to test the cost of the Scheme relative to the employer cost cap that was set following the 2012 valuation. In January 2019, the Government announced a pause to the cost control element of the 2016 valuations, due to the uncertainty around member benefits caused by the discrimination ruling relating to the McCloud case.

The Government subsequently announced in July 2020 that the pause had been lifted, and so the cost control element of the 2016 valuations could be completed. The Government has set out that the costs of remedy of the discrimination will be included in this process. HMT valuation directions will set out the technical detail of how the costs of remedy will be included in the valuation process. The Government has also confirmed that the Government Actuary is reviewing the cost control mechanism (as was originally announced in 2018). The review will assess whether the cost control mechanism is working in line with original government objectives and reported to Government in April 2021. The findings of this review will not impact the 2016 valuations, with the aim for any changes to the cost cap mechanism to be made in time for the completion of the 2020 actuarial valuations.

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 8% of a jobholder's qualifying earnings, for employers whose legal duties have started. The employer must pay at least 3% of this.

The earnings band used to calculate minimum contributions under existing legislation is called qualifying earnings. Qualifying earnings are currently those between £6,240 and £50,000 for the 2020-2021 tax year (2019-2020 £6,136 and £50,000).

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

12. Public Sector Payment Policy

12.1 Prompt payment code - measure of compliance

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

	2020-21 Number	2020-21 £000	2019-20 Number	2019-20 £000
NHS				
Total bills paid in year	889	7,578	826	4,588
Total bills paid within target	806	6,937	686	3,746
Percentage of bills paid within target	90.7%	91.5%	83.1%	81.6%
Non-NHS				
Total bills paid in year	48,451	106,133	45,221	92,589
Total bills paid within target	47,079	104,195	43,949	90,773
Percentage of bills paid within target	97.2%	98.2%	97.2%	98.0%
Total				
Total bills paid in year	49,340	113,711	46,047	97,177
Total bills paid within target	47,885	111,132	44,635	94,519
Percentage of bills paid within target	97.1%	97.7%	96.9%	97.3%

12.2 The Late Payment of Commercial Debts (Interest) Act 1998	2020-21 £	2019-20 £
Amounts included within finance costs from claims made under legislation	0	0
Compensation paid to cover debt recovery costs under legislation	0	0
Total	0	0

13. Property, plant and equipment :

2020-21

	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 2020	8,772	20,649	0	22,100	20,959	67,473	32,423	1,833	174,209
Indexation	0	585	0	0	0	0	0	0	585
Additions - purchased	0	170	0	13,192	5	1,388	661	1	15,417
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	835	0	0	0	0	835
Reclassifications	0	715	0	(18,945)	1,633	13,798	2,709	14	(76)
Revaluation	(153)	(490)	0	0	0	0	0	0	(643)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(21)	(560)	0	0	0	0	(62)	0	(643)
Reclassified as held for sale	0	0	0	0	0	(4,260)	0	0	(4,260)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
At 31 March 2021	8,598	21,069	0	17,182	22,597	78,399	35,731	1,848	185,424
Depreciation									
At 1 April 2020	0	2,165	0	0	14,170	44,154	24,953	1,087	86,529
Indexation	0	63	0	0	0	0	0	0	63
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	(5)	0	(5)
Reclassified as held for sale	0	0	0	0	0	(4,260)	0	0	(4,260)
Disposals other than by sale	0	0	0	0	0	0	0	0	0
Charged during the year	0	877	0	0	2,033	7,441	3,165	191	13,707
At 31 March 2021	0	3,105	0	0	16,203	47,335	28,113	1,278	96,034
Net book value									
At 1 April 2020	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
Net book value									
At 31 March 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Net book value at 31 March 2021 comprises :									
Purchased	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390
Asset Financing:									
Owned	8,598	17,964	0	17,182	6,394	31,064	4,968	570	86,740
Held on finance lease	0	0	0	0	0	0	2,650	0	2,650
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 2021	8,598	17,964	0	17,182	6,394	31,064	7,618	570	89,390

The net book value of land, buildings and dwellings at 31 March 2021 comprises :

	£000
Freehold	23,688
Long Leasehold	2,874
Short Leasehold	0
Total	26,562

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

The £0.835m shown above under Assets under Construction relates to costs incurred by Aneurin Bevan UHB on the 111 Salus system transferred to the Trust in year.

13. Property, plant and equipment :

2019-20

	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 2019	9,095	20,127	0	10,095	20,349	71,808	27,875	1,778	161,127
Indexation	0	399	0	0	0	0	0	0	399
Additions - purchased	(6)	63	0	18,286	18	904	6,221	1	25,487
Additions - donated	0	0	0	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	1,072	0	(6,281)	1,321	3,532	(1,386)	87	(1,655)
Revaluation	(83)	(78)	0	0	0	0	0	0	(161)
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	(6)	(934)	0	0	0	0	(125)	0	(1,065)
Reclassified as held for sale	(228)	0	0	0	(729)	(8,427)	0	(33)	(9,417)
Disposals other than by sale	0	0	0	0	0	(344)	(162)	0	(506)
At 31 March 2020	8,772	20,649	0	22,100	20,959	67,473	32,423	1,833	174,209
Depreciation									
At 1 April 2019	0	1,263	0	0	12,676	45,060	21,857	935	81,791
Indexation	0	25	0	0	0	0	0	0	25
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	38	0	0	(52)	52	(417)	0	(379)
Revaluation	0	0	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0	0	0
Impairments	0	2	0	0	0	0	0	0	2
Reclassified as held for sale	0	0	0	0	(729)	(8,427)	0	(33)	(9,189)
Disposals other than by sale	0	0	0	0	0	(344)	(162)	0	(506)
Charged during the year	0	837	0	0	2,275	7,813	3,675	185	14,785
At 31 March 2020	0	2,165	0	0	14,170	44,154	24,953	1,087	86,529
Net book value									
At 1 April 2019	9,095	18,864	0	10,095	7,673	26,748	6,018	843	79,336
Net book value									
At 31 March 2020	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
Net book value at 31 March 2020 comprises :									
Purchased	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
Donated	0	0	0	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2020	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
Asset Financing:									
Owned	8,772	18,484	0	22,100	6,789	23,319	3,054	746	83,264
Held on finance lease	0	0	0	0	0	0	4,416	0	4,416
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 2020	8,772	18,484	0	22,100	6,789	23,319	7,470	746	87,680
The net book value of land, buildings and dwellings at 31 March 2020 comprises :									
									£000
Freehold									24,397
Long Leasehold									2,859
Short Leasehold									0
Total									27,256

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

13. Property, plant and equipment :

Disclosures:

i) Donated Assets

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

ii) Valuations

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

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

iii) Asset Lives

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

Equipment lives range from six to eight years.

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

iv) Compensation and Write downs

£0.638 million was received from the Welsh Assembly Government in respect of compensation for assets impaired during the year. This is included in the income statement.

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

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

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

Gain/(Loss) on Sale

Asset description	Reason for sale	Gain/(Loss) on sale £000
Vehicles	No longer serviceable	116
Equipment	No longer serviceable	11
Land	Surplus to requirement	48
		<u>175</u>

13.2 Non-current assets held for sale

	Land	Buildings, including dwellings	Other property plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance b/f 1 April 2020	246	0	0	0	0	246
Plus assets classified as held for sale in year	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Less assets sold in year	(116)	0	0	0	0	(116)
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by	0	0	0	0	0	0
Balance c/f 31 March 2021	130	0	0	0	0	130
Balance b/f 1 April 2019	130	0	0	0	0	130
Plus assets classified as held for sale in year	228	0	0	0	0	228
Revaluation	(15)	0	0	0	0	(15)
Less assets sold in year	(97)	0	0	0	0	(97)
Plus reversal of impairments	0	0	0	0	0	0
Less impairment for assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale for reasons other than disposal by	0	0	0	0	0	0
Balance c/f 31 March 2020	246	0	0	0	0	246

As at 31st March 2021, one property is included within this category.

The property included became surplus to requirement following the relocation of staff to new office accommodation during the latter part of the 2018/19 financial year. The sale of the property was originally anticipated to take place during the financial year 2019/20 but as a result of delays caused by events outside of the Trust's control the sale is now anticipated to take place during the financial year 2021/22.

One property which had become surplus to requirement during 2019/20 following the relocation of staff to shared accommodation was sold during 2020/21.

Within Note 13 there is £4.26m of Transport equipment that is reclassified as held for sale. These relate wholly to fully depreciated vehicles and equipment which are then sold at auction. The gain on sale of these transport assets within the year is included in full within Note 13 (vi) (£0.116m). These items are passing through the above note in year with a net book value of

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade-marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2020	11,419	0	4,589	0	0	0	16,008
Revaluation	0	0			0	0	0
Reclassifications	76	0	0	0	0	0	76
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	75	0	0	0	0	0	75
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
At 31 March 2021	11,570	0	4,589	0	0	0	16,159
Amortisation							
At 1 April 2020	8,352	0	2,523	0	0	0	10,875
Revaluation		0			0	0	0
Reclassifications	0	0	0	0	0	0	0
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	1,096	0	725	0	0	0	1,821
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	0	0	0	0	0	0	0
Accumulated amortisation at 31 March 2021	9,448	0	3,248	0	0	0	12,696
Net book value At 1 April 2020	3,067	0	2,066	0	0	0	5,133
Net book value At 31 March 2021	2,122	0	1,341	0	0	0	3,463
Net book value							
Purchased	2,122	0	1,341	0	0	0	3,463
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2021	2,122	0	1,341	0	0	0	3,463

14. Intangible assets

	Computer software purchased	Computer software internally developed	Licenses and trade- marks	Patents	Development expenditure internally generated	CRC Emission Trading Scheme	Total
Cost or valuation	£000	£000	£000	£000	£000	£000	£000
At 1 April 2019	11,205	0	3,159	0	0	0	14,364
Revaluation	(365)	0			0	0	(365)
Reclassifications	586	0	1,069	0	0	0	1,655
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Additions							
- purchased	1	0	361	0	0	0	362
- internally generated	0	0	0	0	0	0	0
- donated	0	0	0	0	0	0	0
- government granted	0	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	(8)	0	0	0	0	0	(8)
At 31 March 2020	11,419	0	4,589	0	0	0	16,008
Amortisation							
At 1 April 2019	7,152	0	1,499	0	0	0	8,651
Revaluation	0	0			0	0	0
Reclassifications	18	0	361	0	0	0	379
Reversal of impairments	0	0	0	0	0	0	0
Impairments	0	0	0	0	0	0	0
Charged during the year	1,190	0	663	0	0	0	1,853
Reclassified as held for sale	0	0	0	0	0	0	0
Transfers from/(into) other NHS bodies	0	0	0	0	0	0	0
Disposals other than by sale	(8)	0	0	0	0	0	(8)
Accumulated amortisation at 31 March 2020	8,352	0	2,523	0	0	0	10,875
Net book value At 1 April 2019	4,053	0	1,660	0	0	0	5,713
Net book value At 31 March 2020	3,067	0	2,066	0	0	0	5,133
Net book value							
Purchased	3,067	0	2,066	0	0	0	5,133
Donated	0	0	0	0	0	0	0
Government granted	0	0	0	0	0	0	0
Internally Generated	0	0	0	0	0	0	0
At 31 March 2020	3,067	0	2,066	0	0	0	5,133

14. Intangible assets

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

15. Impairments

Impairments in the period arose from:	2020-21		2019-20	
	Property, plant & equipment	Intangible assets	Property, plant & equipment	Intangible assets
	£000	£000	£000	£000
Loss or damage from normal operations	0	0	0	0
Abandonment of assets in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Other	638	0	1,067	0
Reversal of impairment	0	0	0	0
Impairments charged to operating expenses	638	0	1,067	0

Analysis of impairments :

Operating expenses in Statement of Comprehensive Income	638	0	1,067	0
Revaluation reserve	643	0	176	0
Total	1,281	0	1,243	0

Included within the above total of £1.281m are the following items:-

- a review undertaken in connection with expenditure incurred on Trust buildings identified that a total impairment of £1.050m was required as there were instances where the value of the buildings had not been enhanced. Of this amount, £0.560m was charged to operating expenses.
- a review of equipment and vehicles during the year identified £0.057m of obsolete items requiring impairment. All of this was charged to operating expense.
- the 2020/21 indexation for land resulted in all land assets requiring impairment, a total of £0.174m, in accordance with paragraph 7.169 of the Manual for Accounts. Of this amount, £0.021m was charged to operating expenses.

16. Inventories

16.1 Inventories

	31 March 2021 £000	31 March 2020 £000
Drugs	121	115
Consumables	1,265	1,170
Energy	0	0
Work in progress	0	0
Other	242	271
Total	1,628	1,556
Of which held at net realisable value:	0	0

16.2 Inventories recognised in expenses

	31 March 2021 £000	31 March 2020 £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

17. Trade and other receivables

17.1 Trade and other receivables

	31 March 2021 £000	31 March 2020 £000
Current		
Welsh Government	4,777	1,518
WHSSC & EASC	1,453	43
Welsh Health Boards	1,837	1,110
Welsh NHS Trusts	158	310
Health Education and Improvement Wales (HEIW)	19	5
Non - Welsh Trusts	0	0
Other NHS	6	13
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement:-		
NHS Wales Secondary Health Sector	4,268	3,887
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	36	18
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	1,063	1,163
Provision for impairment of trade receivables	(259)	(290)
Pension Prepayments		
NHS Pensions Agency	0	0
NEST	0	0
Other prepayments	1,123	1,309
Accrued income	0	0
Sub-total	14,481	9,086
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
2019-20 Scheme Pays - Welsh Government Reimbursement	0	0
Welsh Risk Pool Claim reimbursement		
NHS Wales Secondary Health Sector	1,831	0
NHS Wales Primary Sector FLS Reimbursement	0	0
NHS Wales Redress	0	0
Other	0	0
Local Authorities	0	0
Capital debtors- Tangible	0	0
Capital debtors- Intangible	0	0
Other debtors	447	536
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	2,278	536
Total trade and other receivables	16,759	9,622

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

Other debtors includes £0.731m re Compensation Recovery Unit (2019-20 £0.839m).

17.2 Receivables past their due date but not impaired

	31 March 2021 £000	31 March 2020 £000
By up to 3 months	854	615
By 3 to 6 months	0	0
By more than 6 months	0	0
Balance at end of financial year	854	615

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

	31 March 2021 £000	31 March 2020 £000
Balance at 1 April	(290)	(254)
Transfer to other NHS Wales body	0	0
Provision utilised (Amount written off during the year)	3	4
Provision written back during the year no longer required	0	0
(Increase)/Decrease in provision during year	28	(40)
ECL/Bad debts recovered during year	0	0
Balance at end of financial year	(259)	(290)

17.4 Receivables VAT

	31 March 2021 £000	31 March 2020 £000
Trade receivables	16	19
Other	0	0
Total	16	19

18. Other financial assets

	31 March 2021 £000	31 March 2020 £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

19. Cash and cash equivalents

	31 March 2021 £000	31 March 2020 £000
Opening Balance	24,582	13,626
Net change in year	(6,114)	10,956
Closing Balance	18,468	24,582
Made up of:		
Cash with Government Banking Service (GBS)	18,424	24,551
Cash with Commercial banks	39	25
Cash in hand	5	6
Total cash	18,468	24,582
Current investments	0	0
Cash and cash equivalents as in SoFP	18,468	24,582
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	0	0
Cash & cash equivalents as in Statement of Cash Flows	18,468	24,582

In response to the IAS 7 requirement for additional disclosure, the changes in liabilities arising for financing activities are:

Lease Liabilities £1.962m reduction.

The movement relates to cash, no comparative information is required by IAS 7 in 2020-21.

20. Trade and other payables at the SoFP Date	31 March 2021 £000	31 March 2020 £000
Current		
Welsh Government	313	299
WHSSC & EASC	12	818
Welsh Health Boards	266	228
Welsh NHS Trusts	241	218
Health Education and Improvement Wales (HEIW)	325	0
Other NHS	0	0
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	1,454	1,267
National Insurance contributions payable to HMRC	1,997	1,791
Non-NHS trade payables - revenue	1,938	1,847
Local Authorities	155	6
Capital payables-Tangible	3,374	9,381
Capital payables- Intangible	246	0
Overdraft	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	2,190	1,911
Non NHS Accruals	15,780	9,550
Deferred Income:		
Deferred income brought forward	207	145
Deferred income additions	23	62
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	28,521	27,523

In respect of the Pensions figure shown above, £2.167m relates to the NHS Pension scheme (2019-20 £1.891m) and £0.022m to the NEST pension scheme (2019-20 £0.020m).

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

	31 March 2021 £000	31 March 2020 £000
Non-current		
Welsh Government	0	0
WHSSC & EASC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Health Education and Improvement Wales (HEIW)	0	0
Other NHS	0	0
Taxation and social security payable / refunds:		
Refunds of taxation by HMRC	0	0
VAT payable to HMRC	0	0
Other taxes payable to HMRC	0	0
National Insurance contributions payable to HMRC	0	0
Non-NHS trade payables - revenue	0	0
Local Authorities	0	0
Capital payables- Tangible	0	0
Capital payables- Intangible	0	0
Overdraft	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
Non NHS 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
Payments on account	0	0
Sub-total	0	0
Total	28,521	27,523

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

21. Borrowings	31 March	31 March
Current	2021	2020
	£000	£000
Bank overdraft - Government Banking Service (GBS)	0	0
Bank overdraft - Commercial bank	0	0
Loans from:		
Welsh Government	0	0
Other entities	0	0
PFI liabilities:		
Main liability	0	0
Lifecycle replacement received in advance	0	0
Finance lease liabilities	1,616	1,970
Other	0	0
Total	1,616	1,970
 Non-current		
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	1,059	2,667
Other	0	0
Total	1,059	2,667

A finance lease contract was entered into with Airwave during 2007-08 in respect of the National Ambulance Radio Re-procurement Project. During the financial year 2019-20, the Airwave finance lease was extended to November 2022 due to the national replacement scheme being delayed. This is the only finance lease liability included within the above.

21.2 Loan advance/strategic assistance funding

	31 March	31 March
	2021	2020
	£000	£000
Amounts falling due:		
In one year or less	0	0
Between one and two years	0	0
Between two and five years	0	0
In five years or more	0	0
Sub-total	0	0
Wholly repayable within five years	0	0
Wholly repayable after five years, not by instalments	0	0
Wholly or partially repayable after five years by instalments	0	0
Sub-total	0	0
Total repayable after five years by instalments	0	0

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

22. Other financial liabilities

	31 March 2021 £000	31 March 2020 £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 2021 £000	31 March 2020 £000
Non-current		
Financial Guarantees		
At amortised cost	0	0
At fair value through SoCI	0	0
Derivatives at fair value through SoCI	0	0
Other		
At amortised cost	0	0
At fair value through SoCI	0	0
Total	0	0

23. Provisions

2020-21

	At 1 April 2020	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 2021
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	1,977	0	0	0	0	1,690	(863)	(93)	0	2,711
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	485	(172)	(155)	0	158
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	2,408	0	0	(1,100)	0	1,504	(786)	(456)	(49)	1,521
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	312	0	0	(37)	0	607	(178)	(391)	0	313
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	19		0	13	0	7	(15)	(6)	0	18
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,577		0	0	0	137	(486)	0		2,228
Total	7,293	0	0	(1,124)	0	4,430	(2,500)	(1,101)	(49)	6,949

Non Current

Clinical negligence:-										
Secondary Care	0	0	0	0	0	640	0	0	0	640
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	9,481	0	0	1,100	0	515	0	0	0	11,096
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	37	0	66	(4)	(8)	0	91
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	73		0	(13)	0	0	0	0	0	60
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	9,554	0	0	1,124	0	1,221	(4)	(8)	0	11,887

TOTAL

Clinical negligence:-										
Secondary Care	1,977	0	0	0	0	2,330	(863)	(93)	0	3,351
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	485	(172)	(155)	0	158
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	11,889	0	0	0	0	2,019	(786)	(456)	(49)	12,617
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	312	0	0	0	0	673	(182)	(399)	0	404
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	92		0	0	0	7	(15)	(6)	0	78
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	2,577		0	0	0	137	(486)	0		2,228
Total	16,847	0	0	0	0	5,651	(2,504)	(1,109)	(49)	18,836

Expected timing of cash flows:

	In year to 31 March 2022 £000	Between 01-Apr-22 to 31 March 2026 £000	Thereafter £000	Totals £000
Clinical negligence:-				
Secondary Care	2,711	640	0	3,351
Primary Care	0	0	0	0
Redress Secondary Care	158	0	0	158
Redress Primary Care	0	0	0	0
Personal injury	1,521	3,223	7,873	12,617
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	313	91	0	404
Structured Settlements - WRPS	0	0	0	0
Pensions - former directors	0	0	0	0
Pensions - other staff	18	57	3	78
2019-20 Scheme Pays - Reimbursement	0	0	0	0
Restructuring	0	0	0	0
Other	2,228	0	0	2,228
Total	6,949	4,011	7,876	18,836

"Other" provisions £2.228m (2019-20 £2.577m) relates to a provision of £1.761m in respect of an evaluation of recent employment legislation and case law affecting the calculation of annual leave payments for employees working in the NHS, £0.134m in relation to a present constructive obligation for potential staff exit packages and £0.333m for dilapidation of leasehold premises.

23. Provisions (continued)

2019-20

	At 1 April 2019	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 2020
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current										
Clinical negligence:-										
Secondary Care	1,485	0	0	0	0	869	(71)	(306)	0	1,977
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	1,244	0	0	0	0	2,902	(1,317)	(442)	21	2,408
All other losses and special payments	0	0	0	0	0	284	(164)	(120)	0	0
Defence legal fees and other administration	266	0	0	0	0	379	(138)	(195)	0	312
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	20		0	6	0	16	(16)	(7)	0	19
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,869		0	0	0	708	0	0		2,577
Total	4,884	0	0	6	0	5,158	(1,706)	(1,070)	21	7,293
Non Current										
Clinical negligence:-										
Secondary Care	0	0	0	0	0	0	0	0	0	0
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	6,895	0	0	0	0	2,586	0	0	0	9,481
All other losses and special payments	0	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0	0	0	0	0
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	79		0	(6)	0	0	0	0	0	73
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	0		0	0	0	0	0	0		0
Total	6,974	0	0	(6)	0	2,586	0	0	0	9,554
TOTAL										
Clinical negligence:-										
Secondary Care	1,485	0	0	0	0	869	(71)	(306)	0	1,977
Primary Care	0	0	0	0	0	0	0	0	0	0
Redress Secondary Care	0	0	0	0	0	0	0	0	0	0
Redress Primary Care	0	0	0	0	0	0	0	0	0	0
Personal injury	8,139	0	0	0	0	5,488	(1,317)	(442)	21	11,889
All other losses and special payments	0	0	0	0	0	284	(164)	(120)	0	0
Defence legal fees and other administration	266	0	0	0	0	379	(138)	(195)	0	312
Structured Settlements - WRPS	0	0	0	0	0	0	0	0	0	0
Pensions relating to: former directors	0		0	0	0	0	0	0	0	0
Pensions relating to: other staff	99		0	0	0	16	(16)	(7)	0	92
2019-20 Scheme Pays - Reimbursement	0		0	0	0	0	0	0	0	0
Restructurings	0		0	0	0	0	0	0		0
Other	1,869		0	0	0	708	0	0		2,577
Total	11,858	0	0	0	0	7,744	(1,706)	(1,070)	21	16,847

24 Contingencies

24.1 Contingent liabilities

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

	31 March 2021 £000	31 March 2020 £000
Legal claims for alleged medical or employer negligence;		
Secondary care	5,624	7,714
Primary Care	0	0
Secondary care - Redress	0	0
Primary Care - Redress	0	0
Doubtful debts	0	0
Equal pay cases	0	0
Defence costs	235	286
Other: Damage to third party equipment	0	0
Total value of disputed claims	5,859	8,000
Amount recovered under insurance arrangements in the event of these claims being successful	(4,848)	(6,897)
Net contingent liability	1,011	1,103

In accordance with a Ministerial Direction issued on 18 December 2019, the Welsh Government have taken action to support circumstances where pensions tax rules are impacting upon clinical staff who want to work additional hours, and have determined that:

clinical staff who are members of the NHS Pension Scheme and who, as a result of work undertaken in the 2019-20 tax year, face a tax charge on the growth of their NHS pension benefits, may opt to have this charge paid by the NHS Pension Scheme, with their pension reduced on retirement.

Welsh Government, on behalf of Welsh Ambulance Services NHS Trust, will pay the members who opt for reimbursement of their pension, a corresponding amount on retirement, ensuring that they are fully compensated for the effect of the deduction.

This scheme will be funded directly by the Welsh Government to the NHS Business Services Authority Pension Division, the administrators on behalf of the Welsh claimants.

Clinical staff have until 31 March 2022 to opt for this scheme and the ability to make changes up to 31 July 2026.

At the date of approval of these accounts, there was insufficient data of take-up of the scheme by the Welsh clinical staff to enable a reasonable assessment of future take up to be made. As no reliable estimate can therefore be made to support the creation of a provision at 31 March 2021, the existence of an unquantified contingent liability is instead disclosed.

24.2. Remote contingent liabilities

	31 March 2021 £000	31 March 2020 £000
Guarantees	0	0
Indemnities	0	0
Letters of comfort	0	0
Total	0	0

24.3 Contingent assets

	31 March 2021 £000	31 March 2020 £000
	0	0
	0	0
	0	0
Total	0	0

The Trust has no contingent assets.

25. Capital commitments

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

	31 March	31 March
	2021	2020
	£000	£000
Property, plant and equipment	9,268	2,864
Intangible assets	232	190
Total	9,500	3,054

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 2021	
	Number	£
Clinical negligence	7	863,360
Personal injury	69	786,132
All other losses and special payments	134	172,103
Total	210	1,821,595

Analysis of cases:

Case Reference	Number of cases	Case Type	Amounts paid out in year	Cumulative amount
Cases where cumulative amount exceeds £300,000			£	£
14RT4MN0003	1	Clinical Negligence	0	704,493
14RT4PI0008	1	Personal Injury	0	378,967
15RT4MN0010	1	Clinical Negligence	568,585	568,585
15RT4PI0033	1	Personal Injury	0	4,314,610

Sub-total	4	568,585	5,966,655
All other cases	206	1,253,010	8,493,330
Total cases	210	1,821,595	14,459,985

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. During the financial year 2019-20, the Airwave finance lease was extended to November 2022 due to the national replacement scheme being delayed.

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

Amounts payable under finance leases:

LAND	31 March 2021 £000	31 March 2020 £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 2021 £000	31 March 2020 £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 2021 £000	31 March 2020 £000
Minimum lease payments		
Within one year	1,651	2,037
Between one and five years	1,066	2,709
After five years	0	0
Less finance charges allocated to future periods	(42)	(109)
Minimum lease payments	2,675	4,637
Included in: Current borrowings	1,616	1,970
Non-current borrowings	1,059	2,667
Total	2,675	4,637
Present value of minimum lease payments		
Within one year	1,616	1,970
Between one and five years	1,059	2,667
After five years	0	0
Total present value of minimum lease payments	2,675	4,637
Included in: Current borrowings	1,616	1,970
Non-current borrowings	1,059	2,667
Total	2,675	4,637

27.2 Finance lease receivables (as lessor)

The Trust has no finance lease receivables.

Amounts receivable under finance leases:

	31 March 2021 £000	31 March 2020 £000
Gross investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Total present value of minimum lease payments	0	0
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
Total	0	0

27.3 Finance Lease Commitment

The Welsh Ambulance Service NHS Trust extended the contract of the Airwave Finance Lease during 2019-20, this remains the only finance lease that the Trust has. The Airwave Finance Lease has been extended to November 2022 due to the national replacement being delayed.

28. Private finance transactions

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

The Trust has no PFI or PPP Schemes.

29. Financial Risk Management

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

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

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

Liquidity risk

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

Interest-rate risks

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

Foreign currency risk

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

Credit Risk

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

General

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

30. Movements in working capital

	31 March 2021 £000	31 March 2020 £000
Movements in working capital		
(Increase) / decrease in inventories	(72)	(138)
(Increase) / decrease in trade and other receivables - non-current	(1,742)	(13)
(Increase) / decrease in trade and other receivables - current	(5,395)	(1,714)
Increase / (decrease) in trade and other payables - non-current	0	0
Increase / (decrease) in trade and other payables - current	998	3,850
Total	(6,211)	1,985
Adjustment for accrual movements in fixed assets - creditors	5,761	(1,731)
Adjustment for accrual movements in fixed assets - debtors	0	(280)
Other adjustments	0	(868)
Total	(450)	(894)

31. Other cash flow adjustments

	31 March 2021 £000	31 March 2020 £000
Other cash flow adjustments		
Depreciation	13,707	14,785
Amortisation	1,821	1,853
Impairments and reversals	638	1,067
Release of PFI deferred credits	0	0
NWSSP Covid assets issued debited to expenditure but non-cash	0	
NWSSP Covid assets received credited to revenue but non-cash	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	4,493	6,695
Total	20,659	24,400

32. Events after reporting period

The need to plan and respond to the COVID-19 pandemic has had a significant impact on the organisation, wider NHS and society as a whole for over twelve months. This situation continues to require a dynamic response.

In common with most NHS organisations COVID-19 has presented this Trust with a number of opportunities in addition to the risks. The need to respond and recover from the pandemic will be with the organisation and wider society throughout 2021/22 and beyond. The organisation's Governance Framework has been and will need to continue to be considered and respond to this need.

These financial statements were authorised for issue by the Chief Executive and Accountable Officer on the date they were certified by the Auditor General for Wales.

33. Related Party transactions

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

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, namely:

	Expenditure to related party £000	Income from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	1,140	20,441	313	4,777
WHSSC/EASC	40	172,320	12	1,453
Aneurin Bevan University Health Board	1,144	10,721	82	477
Betsi Cadwaladr University Health Board	389	5,827	103	83
Cardiff & Vale University Health Board	52	4,675	3	388
Cwm Taf Morgannwg University Health Board	35	2,413	3	595
Hywel Dda University Health Board	122	5,087	10	28
Powys Teaching Health Board	51	1,243	51	118
Swansea Bay University Health Board	66	5,671	14	147
Public Health Wales NHS Trust	95	63	17	0
Velindre University NHS Trust	2,650	1,277	224	158
Health Education and Improvement Wales (HEIW)	0	335	325	19
Welsh Local Authorities	2,094	199	155	36
Cardiff University	2	0	0	0
Swansea University	130	76	0	1
Cardiff Metropolitan University	0	0	0	0
University of South Wales	6	0	2	0
University of Wales	72	0	0	0
Bangor University	0	0	0	0
Glyndwr University	0	0	0	0
	8,088	230,348	1,314	8,280

The Trust Board is the Corporate Trustee of the Welsh Ambulance Services NHS Trust Charity. All voting members of the Trust (marked with an asterisk in the table overleaf) can act as a corporate trustee of the charity. During the year receipts from the Charity amounted to £0.010m (2019/20: £0.010m) with no other transactions being made. Net assets of the charity amount to £0.737m.

The Welsh Government income shown above includes £0.638m relating to impairment funding and £0.835m that relates to PDC capital received during 2020/21.

33. Related Party transactions (continued)

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

Name	Position	Declaration
Martin Woodford *	Trust Chairman and Non-Executive Director	None
Emrys Davies *	Non-Executive Director	Director and Chair, NRML (Newport Road Maintenance Ltd). Retired Member of Unite.
Kevin Davies *	Non-Executive Director	St John Volunteer COVID 19 Vaccination Programme (CTMUHB and C&VUHB). Trustee St John Ambulance Cymru. Patron Motivation and Learning Trust. Chair ABF The Soldiers Charity (Glamorgan). Member RCN.
Bethan Evans *	Non-Executive Director	Managing Director (Employed) at My Choice Healthcare Ltd. Non Executive Board Member at RHA (Social Housing Association). Company Director Moorlands Rehabilitation (Staffordshire) Ltd. Company Director My Choice Healthcare South Wales Limited. Company Director Homes of Excellence Healthcare Limited. Company Director Springfield (Bargoed) Limited.
Pamela Hall *	Non-Executive Director (left the Trust 31/12/20)	None
Paul Hollard *	Non-Executive Director	Independent consultant providing occasional services to NHS Wales organisations and Welsh Government
Joga Singh *	Non-Executive Director	Geldards LLP, paid employment Sikh Council of Wales, voluntary role. Member of the Law Society and Employment Lawyers Association.
Martin Turner *	Non-Executive Director	Director and shareholder Martin Turner Associates Ltd.
Jason Killens *	Chief Executive	Honorary Professorship at Swansea University.
Brendan Lloyd *	Medical Director and Deputy Chief Executive (Interim)	None
Claire Roche *	Executive Director of Quality and Nursing	None
Christopher Turley *	Executive Director of Finance and Corporate Resources	None
Claire Vaughan *	Executive Director of Workforce and OD	None
Lee Brooks	Director of Operations	Partner employed by Welsh Ambulance Services NHS Trust.
Andy Haywood	Director of Digital	None
Estelle Hitchon	Director of Partnership and Engagement	None
Rachel Marsh	Director of Strategy, Planning and Performance	None
Andy Swinburn	Associate Director of Paramedicine	Consultancy work as an Advisor to the College of Paramedics.
Keith Cox	Board Secretary	Magistrate Cardiff and Vale.

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

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

33. Related Party transactions (continued)

Material transactions between the Trust and related parties disclosed on page 67 during 2020-21 were as follows (unless already reported on page 67) :

	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due from related party £000
St John Ambulance	2,900	0	0	0
TOTAL	2,900	0	0	0

34. Third party assets

The Trust has no third party assets.

35. Pooled budgets

The Welsh Ambulance Services NHS Trust has no pooled budgets.

36. Operating Segments

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

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

The Trust therefore is deemed to operate as one segment.

37. Other Information

37.1. 6.3% Staff Employer Pension Contributions - Notional Element

The value of notional transactions is based on estimated costs for the twelve month period 1 April 2020 to 31 March 2021. This has been calculated from actual Welsh Government expenditure for the 6.3% staff employer pension contributions between April 2020 and February 2021 alongside Trust data for March 2021.

Transactions include notional expenditure in relation to the 6.3% paid to NHS BSA by Welsh Government and notional funding to cover that expenditure as follows:

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2021	2020-21 £000	2019-20 £000
Revenue from patient care activities	6,966	6,137
Operating expenses	6,966	6,137
 3. Analysis of gross operating costs		
3. Revenue from patient care activities		
Welsh Government	6,966	6,137
Welsh Government - Hosted Bodies	0	0
 5.1 Operating expenses		
Directors' costs	59	46
Staff costs	6,907	6,091

37. Other Information (continued)

37.2. Welsh Government Covid 19 Funding

	2020-21
	£000
Capital	
Capital Funding Field Hospitals	-
Capital Funding Equipment & Works	1,491
Capital Funding other (Specify)	-
Welsh Government Covid 19 Capital Funding	<u>1,491</u>
Revenue	
Sustainability Funding	6,218
C-19 Pay Costs Q1 (Future Quarters covered by SF)	2,143
Field Hospital (Set Up Costs, Decommissioning & Consequential losses)	-
PPE (including All Wales Equipment via NWSSP)	-
TTP- Testing & Sampling - Pay & Non Pay	-
TTP - NHS & LA Tracing - Pay & Non Pay	-
Vaccination - Extended Flu Programme	-
Vaccination - COVID-19	-
Bonus Payment	3,655
Annual Leave Accrual - Increase due to Covid	1,777
Urgent & Emergency Care	-
Support for Adult Social Care Providers	-
Hospices	-
Independent Health Sector	-
Mental Health	-
Other Primary Care	-
Other	18
Welsh Government Covid 19 Revenue Funding	<u>13,811</u>

£2.354m was also received from the Department of Health, this relates to revenue funding provided for Covid -19 Mobile testing Units (MTU).

37. Other Information (continued)

37.3 Implementation of IFRS 16

HM Treasury agreed with the Financial Reporting Advisory Board (FRAB), to defer the implementation of IFRS 16 Leases until 1 April 2022, because of the circumstances caused by Covid-19.

To ease the pressure on NHS Wales Finance Departments the IFRS 16 detailed impact statement has been removed by the Welsh Government Health and Social Services Group, Finance Department.

We expect the introduction of IFRS16 will have a significant impact and this will be worked through for disclosure in our 2021-22 financial statements.

**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,