

SCOTTISH AMBULANCE SERVICE

**Annual Report and Accounts
For the year ended 31 March 2023**

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SCOTTISH AMBULANCE SERVICE ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2023

SECTION 1 - PERFORMANCE REPORT

1. OVERVIEW

The purpose of the following overview is to provide a short summary providing sufficient information to gain an understanding of the Scottish Ambulance Service, its purpose, the key risks to the achievement of its objectives, and how it has performed throughout the year. Should you wish to find out more detailed information we have provided this in the rest of Performance Report, the Accountability Report and the financial statements.

1.1.1 WHO WE ARE

[The Scottish Ambulance Service](#) was established in 1999 under The Scottish Ambulance Service Board Order 1999, which amended the National Health Service (Scotland) Act 1978.

As a frontline of the NHS in Scotland and with over 5,800 (wte) members of staff, we provide an emergency ambulance service to a population of over five million four hundred thousand people serving all of the nation's mainland and island communities. Our Patient Transport Service undertakes over 400,000 journeys every year and provides care for patients who need support to reach their healthcare appointments due to their medical and mobility needs, support for discharges and transfers.

We are therefore responsible for a range of services for the people of Scotland, from accident and emergency response, to delivering primary care, providing patient transport, dispatching rapid air ambulance and ScotSTAR (Scottish Specialist Transport and Retrieval Service) support for critical patients, to being a Category 1 responder for national emergencies.

The Chief Executive is supported by an Executive Team comprising; Director of Finance, Logistics and Strategy, Medical Director, Director of Care Quality and Professional Development, Director of Workforce, Chief Operating Officer – Deputy Chief Executive, National Operations Director, North Operations Director, East Operations Director and West Operations Director.

The Service's Board is supported in its governance responsibilities by the following Committees; Staff Governance Committee, Audit and Risk Committee, Remuneration Committee and Clinical Governance Committee.

You can find key material on the Scottish Ambulance Service [website](#). The website includes the Board Members Handbook which explains how the system of governance works and gives pointers to other useful information about the Scottish Ambulance Service in your community.

This Performance Report summarises information about the Scottish Ambulance Service, its key issues and how it has performed during 2022/23.

Statement from our Chief Executive, Pauline Howie

Like other parts of the NHS, the pandemic and subsequent period has brought about an increase in demand for our urgent and unscheduled care services, an increase in patient acuity levels and, significantly increased hospital turnaround times. Despite these pressures, our 30-day survival rate for our most time-critically unwell patients continues to improve, and the year-to-date figures for 2022/23 are the best ever.

We have also introduced a number of new innovations aimed at supporting patients into the most appropriate care pathways and reducing avoidable attendance at Accident and Emergency. Our alternative pathways have been designed to ensure more patients are being treated at home, when safe to do so, to help take pressure away from A&E departments. Our Pathway Navigation hub supports our clinicians in making referrals to services that will improve outcomes for patients, without the need for hospital admission. We are also focussed on developing social care links and connections to other community services.

In autumn 2022 we piloted our Integrated Clinical Hub, where a multidisciplinary team of GPs, Advanced Practitioners and Clinical Advisers are based within the Ambulance Control Centres (ACCs). They manage the flow of patients presenting with non-immediately life-threatening conditions through a remote pre-dispatch clinical assessment. It has allowed for an increased number of patients managed at point of call and at the scene, with around 25% of emergency calls not requiring an ambulance response. The Hub is now being further strengthened before winter 2023/24.

Another initiative is Call Before Convey, which supports frontline clinicians in managing more patients on scene, and where there is potential for escalation through Flow Navigation Centres and other alternatives to hospital admission. The volume of patients managed at point of call and on-scene represents around 50% of demand.

One of the main challenges we experienced in 2022/23 was long turnaround times at hospital sites across the country, which prevented our crews from getting back out on the road to help other patients in need. We continue to work in partnership with health board colleagues to find solutions to these challenges, including introducing HALOs to manage flow at key hospital sites. The Scottish Government have now issued new safe handover guidance, with new protocols to ensure timely handover of patients at all sites.

Over the last year we have been holding a wide-ranging consultation to inform the re-procurement of our Air Ambulance Service, prior to its renewal. The Air Ambulance Service, which is funded in its entirety by the Scottish Government, is a vital service for patients living in remote, rural and island communities to and from hospital. This re-procurement is an exciting opportunity for the service, to develop and expand in accordance with the needs of the public and our stakeholders.

Three years after the start of the pandemic, we have fully adapted to new ways of working. Rigorous infection prevention control processes are part of everyday life, and agile working where possible is the norm. We are continuing to do everything in our power to support our staff, by focusing on staff experience, health and wellbeing. We've further developed our staff welfare by introducing a range of measures as part of the Health and Wellbeing Strategy 2021 to 2024. We are working closely with other health and social care partners to ensure crews received rest breaks. We have also introduced TRiM, a trauma-focused peer support system,

designed to help people who have experienced a traumatic, or potentially traumatic, event at work. The network, managed by our Wellbeing team, has trained 60 TRiM assessors who will offer peer support and assessment.

To help ease the pressures with increased staffing, our Demand and Capacity programme has recruited a record 1,388 staff over the last three years. The programme has also invested in new vehicles and stations across Scotland, with 52 additional ambulances, ten new locations, and aligned shift patterns to more closely match patient demand. There is obvious interest across the country to work with us, as we have seen an overwhelming increase in the number of people applying to join our Service, as well as applying to study the BSc Paramedic Science programme at Scottish Universities.

Our Drug Harm Reduction Leads continued their vital work in supporting front-line clinicians to identify those people at risk of drug harm, overcoming stigma and changing culture. Following the completion of the two year naloxone training programme, launched in 2021, all active crews at SAS have now been trained to supply life-saving Take Home Naloxone (THN) kits, which reverse the effects of an opioid overdose. What's more, 2333 kits have been distributed by crews to patient's family, friends and service workers who may have to administer naloxone in the future.

Almost £1 million in funding was provided by Macmillan, the cancer charity, to SAS, to develop the unique Macmillan Partnership. In April 2022, Macmillan committed around £970,314.00 to fund an innovative collaboration with SAS, to help our clinical staff better support people with cancer, and anyone needing palliative or end of life care.

Over the past year, this funding has provided specialist training and support to equip emergency responders with the expertise and skills to reduce unnecessary hospital admissions. As the number of people living with cancer continues to rise, it is vital that we offer the support to make their final days as comfortable and pain-free as possible. Where appropriate, the aim is to support them at home, to reduce stress and unplanned hospital admissions.

In November 2022 we entered into a new strategic partnership with the University of Glasgow. The aim of the partnership is to improve the health and wellbeing of the population of Glasgow, Scotland and beyond, while also achieving wider societal and economic benefits.

As part of our role as an anchor institution in Scotland's communities, we are seeking to build relationships and partnerships with community groups across the country. We have begun the initial development of a project to replace one of our busiest stations – Glasgow South Station – which is located in Govan, one of the most deprived areas in Scotland. The redevelopment will include working with partner services to create an integrated community hub to improve local population health, educate people on where best to access health care, and reduce health inequalities. This community hub will be the first in the UK and will inform how we develop this model across similar communities in Scotland.

The annual accounts, detailed below, provide a summary of our work and a comprehensive description of our financial performance during 2022/23.

PERFORMANCE REPORT**1.2. PERFORMANCE ANALYSIS**

The Board monitors its performance against a range of quality and performance measures, some of which are set nationally. The Board receives a Performance Report paper at every meeting, and this includes more detailed information. All Board papers are published on the Scottish Ambulance Service [website](#).

This Performance Analysis includes some further detail on how the Board has performed in 2022/23.

1.2.1 THE SCOTTISH GOVERNMENT VISION

The NHS has remained in Emergency footing during the 2022/23 Financial Year and has risen to the significant challenges posed by the COVID-19 pandemic; services were prioritised and adapted to help cope with demand.

Staff have shown incredible resolve, flexibility, and like many across the health and social care system have adapted to new ways of working.

The response to the pandemic has led to some remarkable and innovative developments for the benefit of patients particularly via the use of digital technology to enable more services to be delivered in the community or homely setting.

The Scottish Government published Re-mobilise, Recover, Re-design: The Framework for NHS Scotland in May 2020, which set out the framework for how health boards will safely and incrementally prioritise the resumption of services, while maintaining the ability to respond to COVID-19 demand and maintain resilience.

Boards were asked to develop remobilisation plans in 3 phases with the latest version developed to May 2022.

1.2.2 OUR STRATEGY DEVELOPMENT

Following a period of engagement and consultation with our staff and public in April 2022, our 2030 Strategy was completed and published in August 2022. A copy of the strategy can be downloaded using the link [Our 2030 Strategy](#).

Our new Strategy builds on the success of delivering our 2020 strategy “Taking care to the patient”. We have developed it through consultation with citizens, staff, partners organisations, volunteers, local and national government, educational institutions, community groups, charities and voluntary organisations. Our strategy capitalised on the positive whole system changes made throughout our response to the pandemic, ultimately benefitting patients and the wider Health and Social Care system.

Our strategy describes how we will play a vital role in:

- Saving more lives, improving clinical outcomes and healthy life expectancy
- Improving the Health and Wellbeing of our staff and citizens
- Continuing to shift the balance of care away from acute hospitals into people's homes and local communities, improving patient experience and avoiding unnecessary hospital admissions
- Improving our care by anticipating needs and responding quickly and safely as possible, delivering the right care in the right place at the right time
- Tackling the root cause of health issues and addressing the inequalities that the COVID-19 pandemic has exacerbated



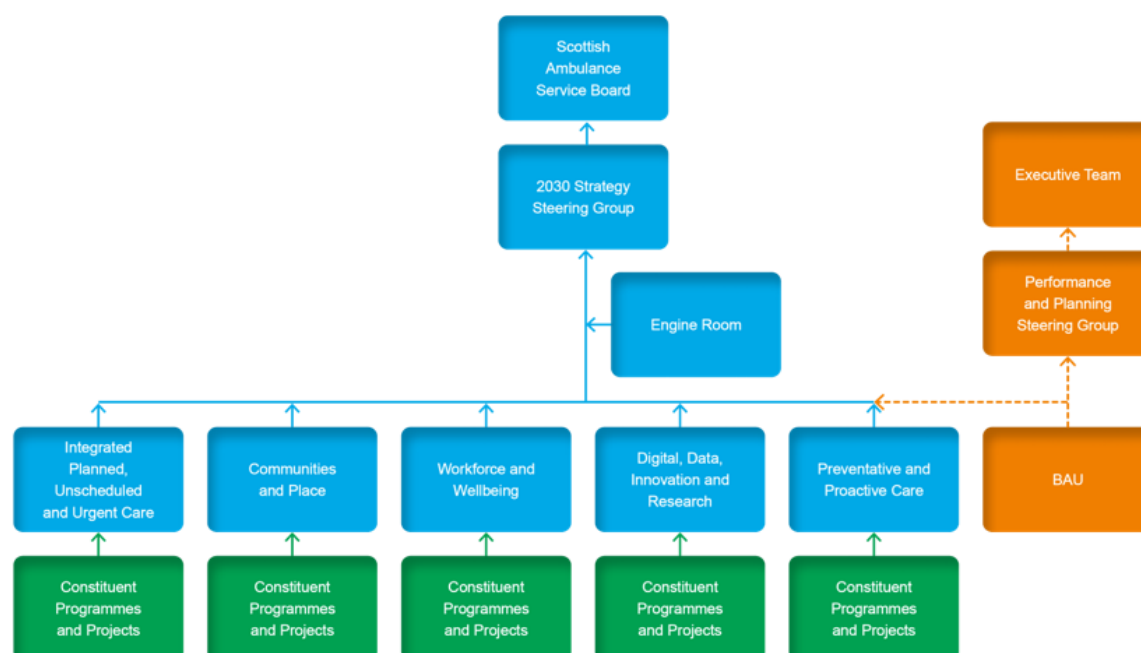
The delivery of our strategy is reported through five portfolio Boards each with clear actions and deliverables aligned to the Board Assurance Framework and the Corporate Risk Register.

The Board receives updates at each meeting on progress against each of the deliverables, key milestones and how this aligns to reducing the Service's greatest risks.

| Our Ambitions | Delivery Portfolios |
|--|---|
| We will provide the people of Scotland with compassionate, safe and effective care where and when they need it | <ul style="list-style-type: none"> • Integrated Planned, Unscheduled and Urgent Care • Preventative and Proactive Care • Communities and Place |
| We will be a great place to work, focusing on staff experience, health and wellbeing | <ul style="list-style-type: none"> • Workforce and Wellbeing |
| We will innovate to continually improve our care and enhance the resilience and sustainability of services | <ul style="list-style-type: none"> • Digital, Data Innovation and Research |
| We will work collaboratively with citizens and our partners to create healthier and safer communities | <ul style="list-style-type: none"> • Communities and Place • Integrated Planned, Unscheduled and Urgent Care |
| We will improve population health and tackle the impact of inequalities | <ul style="list-style-type: none"> • Preventative and Proactive Care • Communities and Place |
| We will deliver our net-zero climate targets | <ul style="list-style-type: none"> • Communities and Place |

The governance structure below is supported by our Annual Delivery Plan, our Workforce Plan and Financial Plan. In line with Scottish Government timelines, a three year delivery plan was developed in January 2023.

2030 Governance Structure



| Group | Description |
|-------------------------------------|---|
| 2030 Strategy Steering Group | The governance group for 2030 Strategy – reports into the Board. |
| Engine Room | The Engine Room will oversee change, commission new work and help manage interdependencies and escalations, reporting recommendations to 2030 Strategy Steering Group |
| Portfolio Boards | Portfolio Boards will be led by a nominated member of the Executive Team. They will report to the 2030 Strategy Steering Group on the portfolio's progress. |

Our Annual delivery Plan focused on deliverables that maximised performance and yielded improvements for our people, patients, and communities during the 2022/23 period. In addition to enhancing sustainability and maintaining financial balance, we ensured that the care provided to the citizens of Scotland was person-centred, safe, effective and met the highest quality standards. This was all supported by our focus on continuous quality improvement.

The plan built upon our achievements from 2021/2022, centring on priority areas highlighted by the Scottish Government that we could influence. This allowed us to reduce pressures on the wider Health & Social Care system, support the stabilisation of services, accelerate recovery, and provide the most benefit to patients and staff.

Our deliverables were carefully aligned with the Care & Well-being Programmes to ensure consistency with national priorities, objectives, and desired outcomes. This review of the 2022/23 period showcases the resilience and adaptability of the Scottish Ambulance Service and NHS during these extraordinary times.

Our Board risk register describes the greatest risks to the delivery of our Board objectives, defined through the annual delivery plan and our 2030 strategy implementation. These risks are reported to every Board meeting and Performance and Planning Steering Group, with detailed actions to mitigate and reduce the risk levels to within tolerance.

Our very high risks during 2022/23 continue to be: system wide pressures arising from increases in COVID-19 and non COVID-19 demand, higher patient acuity, workforce abstractions and challenges in handing over patients timeously at emergency departments because of wider health and care system pressures. A detailed plan to improve workforce capacity, create more operational capacity, manage demand and progress joint turnaround improvement plans with hospitals has been created and implementation is being progressed at pace.

Other very high risks reported during 2022/23 were failure to achieve financial target, the Service response to a cyber incident and delivery of a sustainable airwave provision.

The Corporate Risk Register describes the actions required to reduce the risk level to within tolerance, the effect this action will have on the risk, its expected delivery date and the committees and groups owning the actions and providing the assurance to the Board the actions have been completed.

The following performance summary relates to work undertaken and achieved in 2022/23.

Health and Well-being

Throughout the 12 months of this Annual Delivery Plan, we implemented the roadmap for Year Two of our Health and Well-being Strategy 2021-2024. Co-designed with our staff, our strategy and roadmap recognise the impact of the sustained pressures over the last 24 months on our workforce's work and home life. Our approach acknowledges that a wide range of support is required to meet staff well-being needs, including those which might not be directly related to work.

The focus of our Health and Well-being Strategy is:

1. Creating a great place to work through:

- Healthy Culture
- Healthy Environment.

2. Being Well, through:

- Healthy Mind
- Healthy Body
- Healthy Lifestyle.

We have consistently offered and enhanced a variety of support and initiatives that address staff well-being in its broadest sense, encompassing mental, physical, and financial well-being, as well as improvements in our workplace environment and cultural development. In this Annual Delivery Plan, our priority well-being actions have focused on refining our approach to peer support, trauma management, and suicide prevention. Furthermore, we have assessed our Occupational Health arrangements to ensure they cater to the current needs of our workforce and accommodate diverse preferences and access opportunities.

We have relaunched and updated our leadership and management development programs, bolstering support for leaders and managers to lead and manage others effectively. We have also increased the availability of flexible and virtual learning opportunities, granting staff greater access to various career pathways. These measures contribute to a more supportive workplace, foster a culture of appreciation, and promote staff retention by enhancing the overall staff experience.

Beyond the specific actions derived from our Health and Well-being Strategy, our three-year Workforce Plan targets operational issues currently affecting staff. The Demand and Capacity Program has enabled the appointment of 578 additional staff to tackle capacity challenges, ensuring the right skill mix is available where and when needed to meet patient demand.

Recruitment

Staff recruitment and retention continue to be much less of a challenge for the service than some other areas of the Health & Social Care system. Over the last year, despite the pressures of the pandemic, we have continued to see an increase in the number of people applying to join our service. Consequently, this has facilitated the expansion of our workforce, empowering us to develop and scale up both new and existing services to effectively deliver on the commitments outlined in our annual delivery plan. During the 2022/23 period, we wound down the national covid testing infrastructure and worked with our NHS partners to redeploy staff into opportunities in other agencies. Once the impact of these temporary staff is taken into account, we have seen our workforce grow by 144 WTE, thereby:

- Develop a mobile vaccination service supporting remote and rural communities and health boards across Scotland.
- Implement actions from the drugs death task force.
- Increase our workforce in Urgent & Unscheduled Care to
 - Deliver our Demand & Capacity Programme
 - Reduce on-call working.
 - Further develop the capability of our integrated clinical hub with the provision of GPs
 - Ensure additional provision of temporary and permanent staff within our Ambulance Control Centres to cope with demand pressures
 - Enhance our capability to respond and recover from civil emergencies.

The BSc Paramedic Science degree programme also attracts more students than available course places and has become even more appealing since the introduction of student bursaries.

We believe that our ability to attract and retain staff, our presence in every community in Scotland and our ability to transform services at pace has put us in a unique position to support the wider reform of Health & Social Care, particularly primary and urgent care.

We have continued to enhance the capability of our workforce and volunteers to increase job satisfaction and to enable a more agile workforce that can adapt to support wider challenges and priorities within communities and the wider Health & Social Care system.

Over this last year, we have:

- Enhanced our multi-disciplinary Integrated Clinical Hub and Pathway Navigation provision to ensure patients are provided with the right care in the right place at the right time, reducing unnecessary ED attendance.
- Enhanced the role of our volunteers to help deliver care closer to home.
- We increased our provision in urgent and primary care.

The DIPHE programme for Technicians to upskill into the role of Paramedic is coming to an end in 2023. This has always been a positive career development pathway for existing staff, and therefore we are exploring options for existing staff to develop into Paramedics in the future.

Review of Demand & Capacity

Our Scheduled Care Service has become a crucial element in the recovery of planned care services by effectively transporting patients with clinical needs to and from hospitals. To address the growing backlog in healthcare services, we have proactively established strong communication channels with National Treatment Centres (NTCs) and carried out a preliminary analysis to understand the resources necessary for handling the anticipated surge in patient transport requests. Our strategy includes examining NTC allocation requirements, with a particular emphasis on cross-boundary demand, which ensures prompt transport and care for patients and maintains our healthcare system's ability to adapt to the population's evolving needs.

In our commitment to ongoing improvement, we undertook an external review of Demand and Capacity for scheduled care. This evaluation sought to identify the resources required to manage on-the-day urgent care demand, maintain our ability to transport patients with clinical needs to and from hospital appointments and uphold our discharge capacity to ensure capability in maintaining a smooth flow throughout the hospitals.

Consequently, we have launched a comprehensive program to act on the review's recommendations, re-evaluate our current patient needs assessment, and refine our scheduled care strategy. This strategic and high-level approach underscores our dedication to improving patient care and fostering the resilience and adaptability of our healthcare system.

System Enhancements

Our commitment to developing our systems and processes has been directed towards improving the assessment and response to patients' needs. One key objective has been to enhance patient and professional booking arrangements through telephone and online platforms, ensuring a more streamlined and efficient process for accessing patient transport services. Simultaneously, we have been dedicated to refining and implementing an improved Patients Needs Assessment (PNA) to triage clinical priorities more effectively and minimise unnecessary demands from patients who do not require ambulance care. Following this approach, patients who can safely rely on transport-only services are directed to alternative options. This focus has enabled us to concentrate our capacity on addressing clinical demand throughout the system and bolstering discharge capabilities.

We are pleased that the revamped PNA is now fully functional, focusing on streamlining the call-handling process. We will closely monitor the impact of these enhancements. Moving forward, our vision involves the seamless integration of scheduled and unscheduled care systems to improve the triage process for both non-emergency and emergency patients. By adopting this "One Ambulance" approach, we can more effectively address the varied health and care needs of the public.

Scheduled Care Strategy

While our initial intention was to develop a new scheduled care strategy in 2022/2023, we have postponed its completion until March 2024. This extension will allow us sufficient time to gain a deeper understanding of the pandemic's impact, and the service changes over recent years, and the implementation of National Treatment Centres. Our scheduled care strategy will be closely aligned with other key strategic programs to enhance patient flow throughout the health and care system, improve technology and systems integration, develop skills, promote well-being, and ensure environmental and financial sustainability.

Stabilising and Improving Urgent & Unscheduled Care

The Service acknowledges that Urgent and Unscheduled Care Services persistently face substantial pressure, causing delays in patients receiving unplanned care. This strain on territorial health boards has inadvertently affected hospital ambulance handover times, leading to longer response times for other patients awaiting ambulances. We remain dedicated to collaborating with boards to alleviate this pressure.

Integrated Clinical Hub & Pathway Navigation

The Service's role has continuously evolved and expanded over the past year. We have provided patients and carers with virtual care (pre-dispatch), in-home care (non-conveyed), secondary care in suitable settings, and Emergency Department (ED) transportation, ensuring rapid response for time-critical events while considering resource utilisation.

The pandemic prompted us to re-design our response model, focusing on person-centred care through a Realistic Medicine approach. This strategy allowed us to offer meaningful care without always resorting to conveying patients to busy EDs, improving their experience and confidence in our services.

The key initiative is the development of the Integrated Clinical Hub. Here, we offer a clinical assessment that tailors the care needs of patients with non-immediately life-threatening conditions to facilitate the right care in the right place at the right time. This aligns closely with our vision of saving more lives, reducing inequalities and improving the health and well-being of the citizens of Scotland.

The integration we deliver ensures that we offer safe, appropriate, sustainable, and innovative care. We operate in a virtual environment staffed by a multi-disciplinary clinical team of paramedics, nurses, advanced practice clinicians and GPs. It is designed to manage the flow of patients from point-of-call through to an agreed outcome which may include self-care, onward referral to another pathway or the dispatch of a conveying resource.

As proof of concept, and by way of example, the impact of the introduction of GP Advisors has been that around 64% of their calls are managed in ways that do not require an ambulance response.

Though still in development, the Integrated Clinical Hub has already produced significant benefits for patients, staff, the Service, and the broader system. In 2022-23, it managed about 25% of emergency demand without traditional ambulance responses.

We have successfully collaborated with several Boards to introduce the "Call Before Convey" model, acknowledging the value of frontline clinicians having access to senior clinical decision-making support. We have also focused on managing more patients on-scene using our Pathway Navigation Hub. In 2022-23, we experienced increased use of Flow Navigation Centres, senior decision support, and developing pathways beyond the ED, such as Same Day Emergency Care for low-risk chest pain.

The available alternative care pathways continue to expand, including Mental Health pathways, Alcohol and Drug partnerships, social services, and third-sector options. Our Pathway Navigation Hub, which handles around 500 calls per month, supports frontline clinicians in accessing pathways and completing referrals while connecting patients with other services. This work contributes to greater hospital avoidance and ensures patients are referred to services that best address their specific needs.

In 2022-23, the Integrated Clinical Hub and Pathway Navigation efforts along with management of patients at scene allowed us to manage approximately 50% of demand without requiring ED attendance.

Unscheduled Care - Demand & Capacity Programme

Providing people with safe and effective urgent and emergency care, where and when needed, is enabled by having the right number of people with the right skills and equipment in the right place at the right time.

We are in the final stage of implementing our Demand and Capacity programme in Unscheduled Care. We have:

- Attracted and employed 578 staff to increase the number of staff and ambulance resources available to respond to citizens.
- Implemented new shift patterns for Double Crewed Ambulances, with those for Urgent Tiers, Rapid Response Vehicles and Advanced Practitioners due to go live by the end of June 2023 that are more closely aligned with demand to respond when we are needed the most.
- Introduced 10 new ambulance locations (8 of which are shared with SFRS) (Grampian, Ayrshire & Arran)
- Upskilled our existing staff and further embedding new ways of working to support the wider development of sustainable services, for example, in Primary Care, and helping to reduce pressures on Urgent & Unscheduled Care services
- Developed new roles, education, and development opportunities with partners to meet changing healthcare needs.

This will be supported by the re-design and restructure of our resource planning function to deliver automation of system processes as well as improved forecasting, planning and scheduling of resources to improve staff experience, maximise shift coverage and efficiency, and enable support to Primary and Urgent Care.

Enhancing our Contribution to Primary & Urgent Care

During 2022/23, our Advanced Practitioners (APs) significantly contributed to supporting Urgent and Primary Care delivery across Scotland. The delivery plan primarily focused on enhancing workforce capacity, continuously developing AP skills, and effectively facilitating primary care support through innovative digital and remote prescribing methods. By implementing a rotational model, our APs have seamlessly integrated within Primary Care or Out-of-Hours services in their respective local and regional areas.

These highly skilled and experienced APs not only provided Boards with additional Advanced Practitioner workforce capacity on a rostered basis but also offered enhanced coverage during periods of increased system pressures and demand. Consequently, they become integral members of local, integrated multi-disciplinary teams, bolstering resilience and delivering enhanced patient care.

In Primary Care, particularly within remote and rural parts of Scotland, we have successfully expanded and enhanced an innovative approach, utilising our paramedics to undertake home visits for acute, chronic, and palliative care patients. This transformative change produced numerous benefits, such as improved patient experiences, facilitated shared decision-making, improved patient outcomes, increased community-based care, and increased capacity within primary care. For our paramedics, the benefits extend beyond developing new skills, as they also strengthen our relationships with the wider health and care system, solidifying a collaborative approach to healthcare delivery.

Reducing Drug Deaths

Reducing Drug deaths is a key priority. We continue to play a key role in driving the programme of actions defined within the Scottish Government's National Drugs Mission Plan to reduce drug deaths and improve the lives of those impacted by drugs. Our actions to date have saved lives through the distribution of Naloxone, referral of patients to Alcohol & Drug Partnerships and utilising the national non-fatal overdose data-sharing pathway.

Feedback from partners suggests that approximately 40% of the people we respond to are not actively in drug or alcohol treatment. To date:

- All available ambulance clinicians are trained to supply Take Home Naloxone, which rapidly reverses the effects of an opioid overdose.
- Over 2400 Take Home Naloxone Kits have been supplied to those likely to witness an opioid overdose.
- We have expanded the use of Naloxone by training and supplying Community First Responder and Wildcat Cardiac Responder colleagues.
- Acquired the necessary governance and embedded a daily, data-driven non-fatal overdose referral pathway with every health board in Scotland.
- Over 11,000 incidents were referred via the non-fatal overdose pathway.

- Built and established links with Alcohol and Drug Partnerships and community service providers to ensure patients are signposted to services direct from the scene of an emergency.

Our annual delivery plan actions focus on

- Maintaining and maximising the distribution of Take Home Naloxone.
- We are introducing the supply of safe injecting equipment.
- Increase the number of people identified as suitable for connection with drug treatment and support services.
- Re-design of electronic patient recording system to ensure our intelligence contribution to the 'National Mission' remains relevant and will evolve with the changing landscape of drug harms across our population.
- Utilising our data to understand better the presentations of people we respond to who is at risk from drugs and insight around other contributory factors such as mental health and alcohol to inform how the whole system can better meet their needs.
- We are working alongside key partners to support the delivery of strategic objectives.

Mental Health

We continue progressing towards our mental health ambitions as described in our Mental Health Strategy. Our five key areas are - education, leadership, collaboration, sharing and listening and research and innovation. Key aspects of the work in 22/23 include;

- In partnership with NHS24 and Police Scotland, we are looking at optimal mechanisms to connect people with support that most effectively meets their needs across the three services, irrespective of which service the person came into contact with first. This work looks at processes to connect people across the services and understand demand/need and operational models that enable joined-up responses where appropriate.
- We have contributed to the review of mental health unscheduled care led by the Scottish Government and have mapped mental health pathways across Scotland, launching three further professional-to-professional pathways connecting us, and the person we support, with local secondary mental health care, frequently without the need for conveyance to accident and emergency. The ambition would be to access professional mental health support via local pathways across all regions.
- The Mental Health Car project has moved into a substantive delivery model within the service, and retitled, mental health paramedic response unit service. The pilot year was evaluated and shared with key stakeholders. Highlights from the evaluation include a reduced conveyance rate compared with a standard ambulance response and a strong sense of providing the best care possible to people from the clinicians within the service. A review of identified gaps will be undertaken during financial year 2023/24.

- Learning/training needs analysis has been undertaken across all clinical roles within the service and learning priorities have been identified. Knowledge skills and improvement frameworks will be used to design and deliver learning opportunities concerning suicide intervention and prevention, self-harm and psychological trauma in partnership with NHS Education for Scotland colleagues, with an initial trial of resources being undertaken. Additionally, bespoke learning resources and experiences from external partners, such as Samaritans, have been commissioned to support colleagues by providing remote and telephone support for people at risk of suicide.

Palliative and End of Life Care

Most people, if asked, would prefer to die in their own homes and yet approximately half die in an acute hospital. If early conversations regarding anticipatory care planning occur, the crisis risk can be reduced, and more people could die at home. Recent research identified that the need for unscheduled care increases in the last year of life, especially in the last month of life. With the excess deaths since the pandemic, the demand for palliative care will increase further.

In April 2022, a three-year Partnership Project funded by Macmillan Cancer Support was launched. The Macmillan Project Team consists of:

- Programme Lead
- Nurse Consultant for Palliative and End of Life Care
- 3 Clinical Effectiveness Leads

The project aims to improve the quality of palliative and end of life care provided by the Service in recognition of the increased calls to people with palliative or end of life care needs. Many of these calls are made due to a lack of planning and result in conveyance to hospital with the person not dying in their own home or care home. To avoid this, the development of alternative pathways to admission is required. The team works with multiple teams in Health and Social Care and the third sector to develop new pathways.

A comprehensive education programme commenced in September 2022 with the two overarching themes of symptom control and communication skills. All sessions are evidence-based and will be evaluated. To date, the evaluation has been extremely positive.

Achievements during 2022/23 include:

- Formal engagement with all hospices across Scotland with professional-to-professional support and direct admission possible in the majority
- Collaborative working with the Health Boards and HSCPs in the development of pathways is culminating in excellent progress and tests of change in eight of the Boards, with engagement with all other Boards well underway.
- Collaborative working with the Lead Nurses in three areas (one in each of the three regions) to complete tests of change regarding reducing conveyance at the end of life for Care Home residents.

- The Clinical Effectiveness Leads have trained as facilitators of Last Aid Training and will deliver a programme commencing with senior managers during Dying Matters week.

The key components of the project are summarised below:

- | | |
|---|---------------------|
| • Alternative pathways | Education |
| • Bereavement | Care Homes |
| • Carer involvement | Marginalised groups |
| • Data (to inform measurable outcomes) | Complaints |
| • Prisons | |
| • Establishment of Professional-to-Professional support | |

Each of these components will be embraced in all project planning of the four phases of the project and in accordance with the governance processes. Dignity and respect are pivotal to the success of the project.

1.2.3 Performance summary

| | Performance Indicator | 2021/22 | 2022/23 | 2022/23 Recovery Aim |
|--|---|----------|---------------------|----------------------|
| People | | | | |
| | Sickness Absence % Sickness Absence | 8.1% | 8.9% | ≤ 8.5% |
| | Shift Coverage A&E % Shift Coverage | 91.3% | 91.2% | ≥ 93% |
| | | | | |
| | Critically Unwell Patients Survival Rate | 54.7% | 55.6% * to Dec 2022 | >50% |
| | Cardiac Arrest Survival Return of Spontaneous Circulation (ROSC) in people experiencing VF/VT arrest | 52.3% | 50.7% | >46 % |
| | Critically Unwell Incident Response Times Median time Purple incidents responded to from identification & dispatch | 00:07:24 | 00:07:20 | ≤00:07:05 |
| | Critically Unwell Incident Response Times 95th Centile time Purple incidents responded to from identification & dispatch | 00:20:29 | 00:21:02 | ≤00:20:30 |
| Patients With a High Risk of Acute Deterioration | | | | |
| | High Risk Incident Response Times Median time Red incidents responded to from identification & dispatch | 00:08:53 | 00:08:52 | ≤00:08:45 |
| | High Risk Incident Response Times 95th Centile time Red incidents responded to from identification & dispatch | 00:25:25 | 00:26:36 | ≤00:30:30 |
| Patients requiring Further Specialist Intervention | | | | |
| | Stroke Stroke - Call to Treatment (thrombolysis) | | 02:08:54 | TBC |
| | SAS Amber Incident Response Times Median time Amber incidents responded to from identification & dispatch | 00:18:19 | 00:17:28 | ≤00:18:30 |
| | SAS Amber Incident Response Times 95th Centile time Amber incidents responded to from identification & dispatch | 01:03:07 | 01:02:55 | ≤01:31:00 |
| Emergency Incidents with Highest Potential for Non-Emergency Dept. Management | | | | |
| | Shifting the Balance of Care – new definition Emergency patients managed at point of call or on scene | 47.8% | 48.6% | ≥ 46% |
| | SAS Yellow Incident Response Times Median time Yellow incidents responded to | 00:39:52 | 00:35:35 | ≤00:36:30 |
| | SAS Yellow Incident Response Times 95th Centile time Yellow incidents responded to from identification & dispatch | 05:11:17 | 04:43:29 | ≤04:18:00 |

| | Performance Indicator | 2021/22 | 2022/23 | 2022/23 Recovery Aim |
|----------------------------|--|----------|----------|----------------------|
| HCP Scheduled | | | | |
| | HCP Scheduled Incident Response Times % Within Target HCP Schedule - 1 Hour | 36.4% | 41.6% | ≥ 40% |
| | HCP Scheduled Incident Response Times % Within Target HCP Schedule - 2 Hour | 55.3% | 62.8% | ≥ 65% |
| | HCP Scheduled Incident Response Times % Within Target HCP Schedule - 4 Hour | 69.5% | 75.5% | ≥ 75% |
| Single Crewing | | | | |
| | A&E Resourcing % A&E Shifts Single Crewed | 1.7% | 1.8% | ≤ 2.0% |
| Turnaround Time | | | | |
| | Turnaround Time at Hospital Average Turnaround Time - Emergency Incidents | 00:43:44 | 00:56:35 | ≤00:50:00 |
| Scheduled Care | | | | |
| | Scheduled Care Punctuality for Inward Journey | 75.4% | 73.2% | ≥ 73% |
| | Scheduled Care Punctuality for Outward Journey | 82.9% | 82.5% | ≥ 80% |
| | Scheduled Care Cancelled by SAS No Resource | 1.0% | 0.9% | ≤ 0.8% |
| Call Answering | | | | |
| | Call Answering 999 Call Handling Pickup in 10 Seconds | 82.2% | 91.2% | ≥ 90% |
| Complaints Handling | | | | |
| | Complaint Compliance within Timescales Stage 1 Complaints Compliance | 72.9% | 92.5% | ≥ 90% |
| | Complaint Compliance within Timescales Stage 2 Complaints Compliance | 45.0% | 87.5% | ≥ 70% |

Sickness Absence

Sickness absence, as at March 2023, was 8.9%. Figures reported for 2022/23 include covid related absences which has contributed to the increase. Managers continue to manage attendance in line with the Attendance Policy as a key priority. We continue towards our strategic aim, agreed with the Service's Staff Governance Committee, to further reduce absence, with a national target to reduce absence by 1%.

SAS 2.2 Purple Median Times

Median response times to purple in March 2023 was 7 minutes 2 seconds. We reached 95% of these patients in 21 minutes 02 seconds (95th percentile). The key influencing factors on

response times are service time (which includes hospital turnaround times), emergency demand, shift cover and staff availability during shift.

Work is ongoing around these four priority areas:

- 1) Reducing service time (through auto-allocation, new static sites for ambulances, reducing hospital turnaround times and timely access to professional-to-professional support).
- 2) Reducing the number of Accident and Emergency unit dispatches (through Advanced Paramedic clinical assessment, alternative pathways of care, flow navigation centres, specialist response vehicles for mental health and accessing mental health assessment centres).
- 3) Increasing ambulance resources (demand and capacity programme).
- 4) Reducing unavailable time (through make ready, equipment, cleaning vehicles, welfare packs at hospital sites).

We have increased ambulance resources and are implementing new rosters through the demand and capacity programme. We are focused on working to maximise shift coverage, support abstractions for paramedic training and managing sickness absence levels.

Community first responders and cardiac responders continue to play a valuable role in responding to immediately life-threatening calls across Scotland and work is underway to increase their availability and deployment.

We are continuing to see extended hospital turnaround times in many hospital sites. This remains an area of significant concern. Extended hospital turnaround times are affecting staff rest periods, ambulance availability, ambulance response times and shift over runs. Health Boards have been working with regional management teams to produce site action plans to support flow and reduce ambulance handover delays. Work is also underway to embed the use of the Hospital Arrival Screens handover module at all major hospital sites in Scotland. The system has been reconfigured to allow us to report on the notify time (the time at which the crew informed the hospital they were in the department and ready to handover) and the handover time. Compliance with the use of these screens is now monitored and reported to regional teams, Health Board partners, and Scottish Government. Additional Hospital Ambulance Liaison Officer (HALO) posts have been funded by Scottish Government with all the additional people now in post. The Performance Manager appointed on a secondment, based at the QEUH, also now works with the Ayrshire Hospitals, to share improvement work with their site teams and help with ambulance handover and hospital flow.

Turnaround Times

Although an improvement has been seen in turnaround times in January and February 2023, they remain at levels significantly higher than have been seen historically. Increased turnaround times translates to reduced availability of ambulances to respond to other patients who have made emergency calls. In addition to more time being spent at hospital, tasking crews from hospital rather than tactical deployment points can also negatively impact on the time taken to reach patients. Increased time at hospital for turnaround delays increases overall service time and consequently utilisation which conversely reduces ambulance availability.

Hospital Ambulance Liaison Officers (HALOs) have been deployed at the busiest hospital sites to ensure we are fully integrated in support of whole system hospital flow. HALOs are supported by managers. Additional HALOs are now in place across the three regions funded by the unscheduled care and systems pressure money. There are now six additional HALOs in the

West Region, three in the East Region, and two in the North Region. NHS Lanarkshire has also funded an additional HALO post to work in the Flow Centre. The Service now has 17 WTE HALOs in post covering the major Emergency Department sites.

Other specific actions include:

- Weekly or bi-weekly meetings between Chief Executives at the most challenging sites
- Increased use of 'safe to sit' practice to avoid patients waiting in ambulances where they can safely wait in COVID-19 compliant waiting areas.
- Hospital arrival screens available to Hospital teams to monitor ambulance patients who are waiting to be handed over and ambulance patients due to come into Emergency Departments and the hospital helping with managing flow.
- Review of joint improvement plans in place with acute sites is ongoing and this is being refreshed as part of our winter planning activity.
- Daily conference calls with our HALOs take place to ensure early escalation of issues but also to ensure support for the HALOs in engaging with sites.
- In Ayrshire there is a 24/7 Call Before Convey process which has been implemented which is averaging 13 patients per day referred through the Service and a non conveyance rate of 89%. Discussions are ongoing to further improve the process and refer higher volumes appropriately.
- Direct access to both a Hospital at Home and Home 1st pathway commenced in March across West Lothian. Engagement sessions are taking place locally to promote appropriate referrals to these pathways.
- Advanced Paramedics continue to support 'call before you convey' as a test of change across Lothian. In total over the 4 month testing period they have taken calls to support 1054 jobs attended. 459 calls were in relation to accessing advance pathways which our crews do not normally have access to. Of these, 89% resulted in an alternative pathway preventing the need to attend A&E.

Scheduled Care Cancellation

The percentage of patient transport journeys cancelled by the Service in the 'No Resources' category was 0.9% in February, which is higher than the 2022/23 recovery aim of 0.8%.

While physical distancing measures have been relaxed, we continue to maintain single journey arrangements for immunocompromised patients. The increase in "No Resource" cancellations can be attributed to several factors. Operating at REAP level 4 in conjunction with raised levels of staff absence affected the number of resources available for general outpatients, with Scheduled Care also continuing to contribute resource to alleviate wider system pressures.

We are updating our systems and reporting processes to enable us to accurately measure and understand the effect on Scheduled Care of wider system pressures. Engagement with ACC staff to clarify use of the system codes used for cancellations and aborts and associated rational. The Discharge Patient Needs Assessment has been live since 11 January 2023 and feedback continues to be positive from both Health Boards and Scheduled Care Coordinators. The Patient Needs Assessment has been finalised in our systems and was launched on 1 March 2023. Learning from the launches of the Discharge and Patient PNA will assist with how we land the Transfer and Inter-hospital Outpatient Needs Assessment. It is proposed that the inter-hospital Outpatient PNA will be the next focus and the timeline for this is mid-end May 2023 including training and move to live system.

Our continuing engagement with NHS Boards and the Transport to Health team at Scottish Government about potential additional Scheduled Care demand through Planned Care activity and National Treatment Centres (NTCs) is assisting us to estimate potential additional Scheduled Care demand and cross boundary conveyance before they go live next year.

We will monitor the effects of our ongoing work with Health Boards, in particular discharge lounges to identify further opportunities for improvement.

1.2.4 Financial Performance

The Scottish Government Health and Social Care Directorate (SGHSCD) sets three financial targets at NHS Board level on an annual basis. These limits and results are set out below:

| What we said we will do | What we have achieved |
|--|--|
| <p>Deliver financial performance as detailed:</p> <ul style="list-style-type: none"> Revenue Resource limit: a break even resource budget for ongoing operations Capital Resource limit: a break even resource budget for new capital investment Cash requirement: a financial requirement to fund the cash consequences of the ongoing operations and the new capital investment, internally generated target of £60k held at end of month as at 31 March 2023 Efficiency Target: Deliver the full quantum of savings required at £17,350k <p>NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits set.</p> | <p>The Service achieved each of the targets set, as at 31 March 2023, the financial performance against each target as detailed below:</p> <ul style="list-style-type: none"> Revenue Resource Limit : £42k underspend Core - £42k underspend Non Core - Breakeven Capital Resource limit: £10k underspend Cash of £57k held at end of March 2023 Efficiency Target: Delivered the full quantum of savings required £17,350k <p>Financial performance was monitored and reported monthly to the Board and Scottish Government.</p> |

1.2.5 ScotSTAR Performance

ScotSTAR

Our ScotSTAR neonatal, paediatric and adult retrieval teams continue to work together to provide safe, effective person-centred retrieval and critical care services to communities across Scotland.

It should be noted that while the ScotSTAR teams and Air Ambulance teams work closely together, ScotSTAR teams can carry out Road only missions and Air Ambulance can carry out paramedic only missions.

Adult Team

Our Emergency Medical Retrieval Service (EMRS) provides national retrieval services 24 hours a day. EMRS comprises of 2 Teams, EMRS West and EMRS North, based at Glasgow Airport and Aberdeen Airport respectively.

EMRS West is comprised of 3 teams per 24 hours with 2 teams on at any time. Each team is led by a Consultant accompanied by a Senior Medical Trainee or a Nurse/Paramedic Retrieval Practitioner. On-base cover providing an immediate response is available from 0700 to 2300, with an on-call response provided overnight.

EMRS North is comprised of a single team and operates on a similar basis as EMRS West.

Neonatal Team

Our Neonatal Transfer Service works nationally across three regions; North, East and West. The team undertakes transfers and retrievals of babies up to five kilograms using a team comprising up to 3 clinicians, including Consultants, Advanced Neonatal Nurse Practitioners (ANNPs), middle grade Doctors and Transport Nurses.

Paediatric Team

Our Paediatric Retrieval Service provides for newborn babies and patients up to 16 years old. Typically, the team is Consultant led, supported by Trainees, Advanced Nurse Practitioners and Transport Nurses. The team also works closely with Paediatric Intensive Care Unit partners (PICU), providing telephone advice to referring clinicians.

Adult Transfer and Retrieval Activity

During 2022/23 the EMRS teams received 2,639 calls and were activated on 1,878 missions, an increase of 288 over the previous year:

- The teams performed 168 primary pre-hospital general anaesthetics and gave pre-hospital blood transfusions to 66 patients, in addition to enhanced-response critical care team interventions and senior clinical decision maker input.
- 161 secondary retrieval patients were intubated and ventilated for transfer, with 66% being transported by air, of which 45% were by helicopter and 55% by fixed wing aircraft.
 - Of which, the EMRS teams intubated and ventilated 19 secondary retrieval patients, with 89% being transported by air, of which 71% were by helicopter and 29% by fixed wing aircraft.
- 761 advice calls with remote and rural clinicians. 240 were Top Cover calls.

Other Advice Calls excluding Top Cover by Follow Up

Follow Up Outcome Type

| | |
|---|-----|
| No follow up recorded | 57 |
| No follow up recorded but EMRS not needed | 56 |
| No transfer of patient | 91 |
| Patient transferred hospital | 317 |

Neonatal Transfer and Retrieval Activity

During 2022/23 the Neonatal Transfer Service performed 962 patient transfers:

- 385 of these transfers were repatriations, allowing babies to be safely cared for at a unit closer to their families. Of those transfers the regional teams each carried out the following:
 - West: 169 (44%)
 - East: 168 (44%)
 - North: 48 (12%)
- 91% of the transfers were by road with an average transfer duration of 4 hours 6 minutes.
- 283 transfers were intensive-care level transfers with 176 intubated, ventilated babies.
- 74 other babies were transferred on other advanced respiratory support.

Paediatric Transfer and Retrieval Activity

During 2022/23 the Paediatric Retrieval Team performed 316 patient transfers, visiting over 35 hospital sites across Scotland. Of those transfers, 237 were intensive care level and 57 were high dependency:

- 192 transfers were intubated, ventilated children.
- The average mission duration by road was 5 hours 54 minutes and by Air was 8 hours 56 minutes.
- 69% of transfers were by road, 21% by fixed wing aircraft and 6% by helicopter. 5 missions required the use of both helicopter and fixed wing resources.

They also handled an additional 512 calls that resulted in advice only or patient transport by another resource.

Summary of ScotSTAR and Air Ambulance Resources

Air Ambulance resource usage is recorded in C3 and exported to the SAS Data Warehouse. In addition, the Specialist Service Deck (SSD) have additional recording functionality called Call+ with C3 for Air Ambulance, ScotSTAR transfers and Major Trauma missions. Air Ambulance Missions are classified as any Air Ambulance Call Sign that has a mobilised time recorded against it.

ScotSTAR EMRS use a system that is located on the SAS network and referenced as the EMRS Application but is known by the EMRS team as the EMRS database. ScotSTAR Neonatal and Paediatric teams use a system called BadgerNet created and stored by a company called CleverMed.

Summary Statistics

- Air Ambulance Missions: 4,527 (ScotSTAR teams recorded in approximately 17% of missions)
- ScotSTAR Team Missions: 3,156 (Air ambulance resources recorded in approximately 25% of missions)

1.2.6 MEASUREMENT FOR IMPROVEMENT

The performance aims we share, report and discuss with Government colleagues reflect an important but fairly narrow perspective of the contribution the Service makes to our patients' outcomes and experience. A range of additional measures have been, or are being, developed

which will guide the ambition of our service to be a care provider which puts the patients' needs at the centre of what we do, and these measures will enable us to evidence the realisation of this ambition.

1.2.7 PRINCIPAL RISKS AND UNCERTAINTIES

The Service's Annual Operational Plan identifies the key risks facing the organisation in the context of our operational, tactical and strategic aims and actions for the coming year. The key challenge is how we manage these risks in a way that ensures the continued delivery of quality clinical services and a high standard of operational performance whilst achieving our financial targets.

Principal risks identified include: Wider system changes and pressures, escalating industrial relations concerns, failure to achieve financial target, response to a cyber incident, sustaining Airwave provision, continuity of ACC operations and Health and Wellbeing of staff.

The Service's approach to the management of risk and the Corporate Risk Register is set out in detail in the Governance Statement and the Corporate risk register has been described within this performance report.

1.2.8 FINANCIAL PERFORMANCE AND POSITION

The Scottish Government requires NHS Boards to meet three key financial targets:

- revenue resource limit - a resource budget for ongoing operations;
- capital resource limit - a resource budget for new capital investment
- cash requirement - a financial requirement to fund the cash consequences of the ongoing operations and the new capital investment.

NHS Boards are expected to contain their net expenditure within these limits, and to report on any variation from the limits set. Further details on the non-core element of expenditure, typically comprising items of a technical accounting nature, can be found in the Summary of Resource Outturn.

The Service achieved each of the targets set and the table below indicates the financial performance against each target.

| | (1) Limit as set by SGHSCD £000 | (2) Actual Outturn £000 | (3) Variance (over)/under (1)-(2) £000 |
|--|---------------------------------------|-------------------------------|---|
| Core Revenue Resource Limit | 401,831 | 401,789 | 42 |
| Non-core Revenue Resource Limit | 21,887 | 21,887 | - |
| Total | 423,718 | 423,676 | 42 |
| Core Capital Resource Limit | 31,668 | 31,658 | 10 |
| Non-core Capital Resource Limit | 40 | 40 | - |
| Cash requirement | 433,658 | 433,658 | - |

| MEMORANDUM FOR IN YEAR OUTTURN | £'000 |
|--|--------------|
| Core Revenue Resource Variance (Deficit)/Surplus in 2022/23 | 42 |
| Financial flexibility: funding banked with/(provided by) Scottish Government | (24) |
| Underlying (Deficit)/Surplus against Core Revenue Resource Limit | 18 |
| Percentage | 0% |

A one-year financial plan was submitted to Scottish Government by the Service on 18 March 2022. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the three-year Annual Operating and financial planning process. However, NHS Boards have taken steps to return to medium term financial planning by preparing draft 3 year plans in 2022-

23 that were shared with Scottish Government prior to return of formal 3 year financial planning from 2023-24.

In respect of financial position and performance:

- The Scottish Ambulance Service achieved breakeven against its Non-Core Revenue Resource Limit and have a small underspend against the Core Revenue Resource Limit at the year-end;
- The Scottish Ambulance Service contained its costs within the revenue and capital resource limits.
- £14.3m of funding was provided to support the Mobile Testing Units
- £14.5m of COVID-19 related costs were incurred and funded by Scottish Government during 2022/23, this includes £0.4m of pandemic stock issued through National Services.
- An additional £90k of testing kits were provided through UK Government
- £40m of funding was provided to support the Scottish Ambulance Demand and Capacity programme
- An additional £4.5m was received to alleviate system pressures that had built up during the pandemic
- Provisions for bad and doubtful debts of £1,252k were made (2021/22 £1,219k).
- Provision for legal obligations of £11,949k were made relating to clinical, medical, and legal claims against the Board (2021/22 £5,153k)
- A second provision recognising the requirement to make contributions towards overall Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) liabilities has also made. Based upon the advice of SGHSCD our share is £5,563k by SGHSCD (2021/22 £4,850k);
- All land and 100% of buildings were revalued, either through desktop surveys or site visits, by an independent valuer, The Valuation Office Agency, as at 31/03/2023 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.
- The net impact was an increase of £0.475m (2021-22: an increase of £0.616m) which was credited to the revaluation reserve. Impairment of £0.139m (2021-22 £0.041m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn
- Total outstanding current payables are Board £45,477k, Consolidated £45,486 (2021/22: Board £39,090k, Consolidated £39,093k).

The Scottish Government have accepted the balanced financial position submitted by the Service. Therefore, these accounts have been prepared on a going concern basis.

1.2.9 PAYMENT POLICY

The Service is committed to supporting the Scottish Government in helping businesses during the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days across all public bodies.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

The Service endeavours to achieve this target, with many invoices processed within 7 working days of date of receipt. However, the sound financial management of public funds requires further investigation of some invoices which can lead to a delay in payment.

Total invoices processed during the year was 69,569 (2021/22 73,193) but with a slightly lower percentage processed within 10 days. Due to some staff turnover within the accounts payable team, the average number of days credit also increased.

| Payment Policy | 2022/23 | 2021/22 |
|--|----------------|----------------|
| Average days credit taken | 42 | 34 |
| | | |
| Contractual 30 Day Payment Policy | | |
| Total Number of Invoices | 69,569 | 73,193 |
| Total Number of invoices paid within 30 days | 41,509 | 50,999 |
| Invoices paid within 30 Days (Volume) | 60% | 70% |
| Invoices paid within 30 Days (Value) | 86% | 88% |
| | | |
| Aspirational 10 Day Target | | |
| Total Number of invoices | 69,569 | 73,193 |
| Total number of invoices paid within 10 days | 18,982 | 26,653 |
| Invoices paid within 10 Days (Volume) | 27% | 36% |
| Invoices paid within 10 Days (Value) | 70% | 67% |

1.2.10 PENSION LIABILITIES

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown within Note 17 and the Remuneration Report.

1.2.11 SUSTAINABILITY AND ENVIRONMENTAL REPORTING

The Climate Change (Scotland) Act 2009 set out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 the Climate Change (Scotland) Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

All designated Major Players (of which the Service's Board is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and Amendment order. The information returned by the Board is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

The Service's 2030 strategy was launched in August 2022 with one of our 6 strategic aims to 'deliver our net-zero climate targets'. This reinforced the Board's priority and importance placed on this important issue.

Our Sustainability plan was then updated to reflect:

- the NHS Scotland Sustainability Strategy has now been published
- the carbon net zero ambitions being clearly defined in our Service 2030 Strategy, and
- our now clear strategic direction in relation to our 2030 Service ambitions and impact on the wider health priorities

In September 2022 the Board approved our 2030 Sustainability Strategy – Our path to net zero. This reflected the Scottish Government ambitions and is being supported by a delivery plan, with targets, delivery dates and outcomes reporting on progress through our 2030 governance structure. To deliver our 2030 sustainability strategy, the Service has a clear Sustainability Organisational and Governance Structure identifying key roles, responsibilities and lines of communication. We use this to foster sustainable practices, provide direction and influence behaviors and cultures.

The Service has:

- appointed one of our Non Executive Board members as our Climate Emergency and Sustainability Champion
- appointed an executive lead for our Climate Emergency and Sustainability response
- ensured that our progress in response to the climate emergency and sustainability issues is regularly considered by our Board
- will include a specific reference to all Board reports that have a specific reference to 'Sustainability Impact/considerations' to reflect this is considered in all of our Board decision making
- established reporting in progress of the aims of the strategy

As a national Emergency Service and NHS Board, the Service has changed how it delivers its services, providing more support, care and treatment to people in their homes, and for those patients requiring very specialist support, conveying them to hospitals.

We have also been transitioning, primarily, non-front line fleet into electric vehicles and developing our electric charging infrastructure to reduce environmental impact. However, we recognise that our front line ambulances contribute to the largest make up of our carbon emissions.

We plan to address this and a number of other key areas through the implementation of our 'Journey to Net Zero Strategy' which will focus on:

- sustainable care, procurement, buildings and communities
- waste management
- transitioning to full electric vehicles

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource: <https://sustainablesotlandnetwork.org/reports>. A copy of the Service's Annual Climate Emergency and Sustainability Report can be found [here](#).

1.2.12 RELATED PARTY TRANSACTIONS

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Health Board as required by IAS 24 are disclosed in Note 20.

1.2.13 EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board was notified after the reporting date of a significant change to an estimated settlement cost in relation to an ongoing Clinical & Medical Legal claim. The financial statements have been adjusted for this event.

1.2.14 FINANCIAL INSTRUMENTS

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Service to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 19.

1.2.15 EQUALITY AND DIVERSITY

Our mission is to deliver the best ambulance services for every person, every time. Our goals to improve clinical quality, respond appropriately to the health needs of patients, support self-management and reduce health inequalities cannot be achieved without a firm commitment to continue to progress our equalities work now and in the future.

We have reviewed progress against the Equality Outcomes agreed for 2021 – 23 and have built on the work we had done to develop outcomes which have been agreed for 2021 -25. These closely align with our strategic direction and focus on patient facing services and initiatives planned to improve the experience of our workforce. The development of the equality outcomes provided the assurance that the Service meets the equality and diversity needs of people with the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) whether they are patients, members of the public, carers or staff. Details of the progress and our equality outcomes for 2021 -25 are illustrated in the Mainstreaming Report, which also provides examples of how we are building equality and diversity in to all that we do. [The 2021-23 Progress Report](#) will be published on the Service's website in April 2023, together with the [Equal Pay Statement and Gender Pay Gap report](#) for 2023.

The [Annual Workforce Equality Monitoring Report 2021-22](#) details the steps we are taking to improve the diversity of the workforce and encourage staff to disclose equality details to allow more complete reporting.

The Service has established its own Lesbian, Gay, Bisexual & Transgender + network – Proud@SAS, Ethnic Minority (previously BAME) forum, Disability and Veterans networks. In 2023 we are launching our Gender Equality & Women's Network. Linking with national initiatives, these networks support and engage staff and patients and help the Service raise awareness and an improved understanding of the Service's LGBT+, BAME and Disabled staff and communities. Work continues to explore other opportunities to identify ways to better engage with communities to improve the Service's diversity profile of staff.

I confirm that this Performance Report is an accurate summary of the information reported therein.

Signed: *Pauline Howie*

Date: 28 June 2023

Mrs Pauline Howie OBE
Chief Executive

SECTION 2 ACCOUNTABILITY REPORT

2.1 CORPORATE GOVERNANCE REPORT

The purpose of the Corporate Governance Report is to explain the composition and organisation of the Board's governance structures and how they support the achievement of the Board's objectives. The Corporate Governance Report includes:-

- 2.1.1 Directors' Report
- 2.1.2 Statement of Accountable Officer's Responsibilities
- 2.1.3 Governance Statement

2.1.1 DIRECTORS' REPORT

Accounting Convention

The Annual Accounts and Notes have been prepared under the historical cost convention as modified to reflect changes in the value of fixed assets and in accordance with the 2022/23 FReM. The Accounts have been prepared under a direction issued by Scottish Ministers, which is appended to the accounts.

The statement of the accounting policies, which are in line with the International Financial Reporting Standards (IFRS) and have been adopted, are shown at Note 1.

Naming Convention

Scottish Ambulance Service is the common name for the Scottish Ambulance Service Board.

Principal Activities and Review of the Business and Future Developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the Performance Report, which is incorporated in this report by reference.

Date of Issue

The Accountable Officer authorised these financial statements for issue on 28 June 2023.

Appointment of Auditor

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Azets Audit Services Ltd. to undertake the audit of the Scottish Ambulance Service. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Remuneration for non-audit work

Details of any remuneration paid to auditors in respect of any non-audit work carried out on behalf of the Board is disclosed in Note 3.

Azets Audit Services Ltd, the Service's External Auditor, have undertaken no non-audit related work during 2022/23.

Public Services Reform (Scotland) Act 2010

The Public Services Reform (Scotland) Act came into being in October 2010. In Sections 31 and 32 it placed a duty on all public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year. These items include:

- Overseas Travel;
- Public Relations;
- Hospitality and Entertainment; and
- External Consultancy.

In order to comply with this Act, the Service places on its external website the information relating to the expenditure incurred under these headings since 1 April 2011.

In addition, public bodies are required to publish cash payments made to external parties that exceed £25,000 on a monthly basis, as soon as the monthly accounts are available. A list of these payments is also placed on our External Website. The following link will take readers to the relevant information:

<https://www.scottishambulance.com/publications/>

Payments made to staff that exceed £100,000 per annum should also be disclosed. This information is contained in the remuneration report. No other members of staff currently earn more than £100,000 per annum.

Personal Data Related Incidents Reported to the Information Commissioner

There have been no data related incidents reported to the Information Commissioner during the year 2022/23.

Disclosure of Information to Auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each director has taken all the steps that he/she ought reasonably to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Corporate Governance

The Board meets regularly during the year to progress the business of the Service's Board. This includes: reviewing of performance against the key targets for the organisation; considering

the key strategies and policies the organisation wishes to develop; and seeking assurance that principal decisions are governed and implemented, as planned.

In order to support the work of the Board and to provide a framework of assurance, the following statutory governance committees report to the Board:

- Clinical Governance;
- Audit and Risk;
- Staff Governance; and
- Remuneration (as a sub-committee of the Staff Governance Committee).

Clinical Governance Committee

The Clinical Governance Committee of the Board has two key roles:

- Systems assurance – to ensure that clinical governance mechanisms are in place and operate effectively throughout the Service's System; and
- Public health governance – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board.

The Clinical Governance Committee comprised five Non-Executive Directors: Mr Stuart Currie, Chair, Dr Francis Tierney, Ms Irene Oldfather, Ms Carol Sinclair, Ms Elizabeth Humphreys and the Board Chair, Mr Tom Steele. The Committee meets at least four times per year to monitor standards of care and measure the effectiveness of pre-hospital treatment. The Committee met 4 times in 2022/23 and all meetings were quorate.

Audit and Risk Committee

The Audit and Risk Committee comprised five Non-Executive Directors: Ms Carol Sinclair, Chair, Ms Madeline Smith, Ms Irene Oldfather, Mr Stuart Currie and Mr John McGuigan. The Committee meets four times per year to consider the various reports from both internal and external auditors to assess the risks and internal controls in the Service. The Committee met 4 times in 2022/23 and all meetings were quorate.

Staff Governance Committee

The Staff Governance Committee comprised four Non-Executive Directors: Ms Madeline Smith, Chair, Mr John Riggins (Employee Director), Mr John McGuigan, Councillor Cecil Meiklejohn the Board Chair, Mr Tom Steele and three lay officials (in an *ex officio* capacity). The Committee meets four times per year to ensure effective monitoring of staff governance within the Service. The Committee met 4 times in 2022/23 and all meetings were quorate.

Remuneration Committee

The Remuneration Committee, which reports to Staff Governance Committee, comprised the Board Chair, Mr Tom Steele and four Non-Executive Directors: Dr Francis Tierney (Chair); Councillor Cecil Meiklejohn; Ms Elizabeth Humphreys and Mr John Riggins (Employee Director). The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met twice in 2022/23 and all meetings were quorate.

Board Membership

Under the terms of the Scottish Health Plan, the Service's Board ("the Board") is a Board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Board has collective responsibility for the performance of the Service as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Service's Board comprised the following up to the date of signing the accounts:

| | |
|---------------------|--|
| Tom Steele | Chair |
| Pauline Howie OBE | Chief Executive |
| Stuart Currie | Non-Executive Director |
| Elizabeth Humphreys | Non-Executive Director and Whistleblowing Champion |
| John McGuigan | Non-Executive Director |
| Cecil Meiklejohn | Non-Executive Director |
| Irene Oldfather | Non-Executive Director and Vice Chair |
| Carol Sinclair | Non-Executive Director |
| Madeline Smith | Non-Executive Director |
| Dr Francis Tierney | Non-Executive Director |
| John Riggins | Employee Director |
| Julie Carter | Director of Finance, Logistics and Strategy |
| Dr Jim Ward | Medical Director |

New Appointments

There were no new appointments during the period.

The Board members' responsibilities in relation to the accounts are set out in a statement following this report.

Board Members' and Senior Managers' interests

A full register of interests of board members and senior managers is updated on a regular basis and is available on the Service's website under the [Board Publications](#) section, or is available from the Board Secretary's office.

Where a Board member or senior manager exempts themselves from any decision because of a conflict of interest this is recorded in the minute of the relevant meeting.

All Board members are also Trustees of the Scottish Ambulance Service Endowment Fund. The Scottish Ambulance Service Endowment Fund is a charity registered with the Office of the Scottish Charity Regulator under number SC027131.

STATEMENT OF BOARD MEMBERS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2023 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- apply on a consistent basis the accounting policies and standards approved for NHS Scotland by Scottish Ministers;
- make judgements and estimates on a reasonable basis;
- state where applicable accounting standards as set out in the Financial Reporting Manual, have not been followed where the effect of the departure is material; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

2.1.2 STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE HEALTH BOARD

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, The Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of the Scottish Ambulance Service Board.

This designation carries with it responsibility for:

- the propriety and regularity of financial transactions under my control;
- the economical, efficient and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

In preparing the Accounts, I am required to comply with the requirements of the Government's Financial Reporting Manual and in particular to:

- observe the accounts direction issued by Scottish Ministers including the relevant accounting disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government's Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the annual report and accounts as a whole are fair, balanced and reasonable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as Accountable Officer as intimated in the Departmental Accountable Officers letter to me of 28 April 2012.

**SCOTTISH AMBULANCE SERVICE
ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2023**

CORPORATE GOVERNANCE REPORT (Cont.)

2.1.3 GOVERNANCE STATEMENT

Scope of Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the Board's policies and promotes achievement of the Service's aims and objectives, including those set by Scottish Ministers. Also, I am responsible for safeguarding the public funds and assets assigned to the Board and the Scottish Ambulance Service Endowment Fund (SC027131). This statement includes any relevant disclosure in respect of these Endowment Accounts.

Purpose of System of Internal Control

The system of internal control is based on an ongoing process designed to identify, prioritise and manage the principal risks facing the organisation. The system aims to evaluate the nature and extent of risks, and manage risks efficiently, effectively and economically.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve the organisation's aims and objectives. As such, it can only provide reasonable and not absolute assurance.

The process within the Board accords with guidance from Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance and has been in place for the year up to the date of approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy, and promotes good practice and high standards of propriety.

In terms of enabling me to discharge my responsibilities as Accountable Officer, and in line with good practice, the Board had the following robust governance arrangements and processes in place for the year ended 31 March 2023, with the key points of this framework detailed below:

- A Board which meets regularly to discharge its governance responsibilities, set the strategic direction for the organisation and approve decisions in line with the Scheme of Delegation. The Board comprises the senior management of the organisation and Non-Executive members. The Board activity is open to public scrutiny with minutes of meetings publicly available.
- The Board receives regular reports on Healthcare Associated Infection and reducing infection as well as ensuring that health and safety, cleanliness and good clinical practice are high priorities for the Service.

- Scheme of Delegation, Standing Orders and Standing Financial Instructions approved by the Board and subject to regular review to assess whether they are relevant and fully reflective of both best practice and mandatory requirements.
- Implementation of organisation wide risk management arrangements in line with the Board's Risk Management Policy.
- Documentation of the remits of the Board and its committees as well as ensuring scrutiny of activities;
- Consideration by the Board of regular reports from the chairs of the Staff Governance, Clinical Governance, and Audit and Risk committees concerning any significant matters on governance, risk and internal controls.
- The Board's Performance and Planning Steering Group scrutinises the service delivery, clinical, finance and people performance of the organisation on behalf of the Board via a range of reports and papers.
- Demand and Capacity Programme Board has met monthly, chaired by the Chief Executive and has the Service's Board Chair and non-Executive Board members as members of the Programme Board in an oversight role.
- A strong focus on best value and commitment to ensuring that resources are used efficiently, effectively and economically taking into consideration equal opportunities and sustainable development requirements. Updates on the Service's Best Value Programme are provided to the Executive Team on a weekly basis and the Audit and Risk Committee on a quarterly basis.
- Regular review of performance against key national targets.
- Clear allocation of responsibilities for ensuring that we continue to review and develop our organisational arrangements and services in line with national standards and guidance.
- Allocation of responsibilities for the implementation of improvement actions to lead directors and sector management across our clinical and non-clinical activities.
- Consultation on service change proposals is undertaken with stakeholders and used to inform decision making.
- A patient feedback service and how the service is performing.
- Policies to protect employees who raise concerns in relation to suspected wrongdoing such as clinical malpractice, fraud and health and safety breaches.
- Updates from the 2030 Strategy Portfolio Board on the progress of the delivery of the 2030 Strategy are provided at each Board meeting
- Trustees of the Endowment Fund have met three times during 2022/23

Governance Framework

The Scottish Ambulance Service has set out its vision in its 2030 Strategy which was launched in August 2022 and describes how the Service will play a vital role in saving more lives, reducing inequalities and improving health and wellbeing.

The Audit and Risk Committee has governance oversight of system of risk management system, and that committee receives a report on risk management at every meeting. Other committees have responsibility for oversight of specific categories of risk which relate to their remit. The work of all committees includes oversight of compliance with the law and regulatory activity which is relevant to their remits.

The Service's Board is supported in its governance responsibilities by the Staff Governance Committee, Audit and Risk Committee, Clinical Governance Committee, Remuneration Committee and Information Governance Committee. Further information on the committees, including their membership and remit can be found in the Director's report.

In response to pressures across the Service and wider NHS system, and the Service operating at its highest level of escalation for a sustained period, it was agreed the scheduled review of the clinical governance framework in 2022 would be deferred to the 2023/24 Committee.

The Board also examines its own effectiveness in line with current best practice, approves the scheme of delegation and ensures compliance with current legislation. The Board through defining the roles and responsibilities of members sets out clear areas of responsibility and levels of delegated authority.

The Board in conjunction with the Scottish Government Health and Social Care Directorates sets a series of performance measures that enables the Board to report to the public on the quality of services provided and how year on year these are improving.

The Board has a whistle blowing policy and makes it clear that staff will be supported when they raise areas of concern in respect of patient safety and quality of service. The Board appointed a Non-Executive Whistle Blowing Champion to further promote a culture of openness and transparency in NHS Scotland. The Scottish Government have a whistle blowing help line in place to assist NHS Scotland staff in raising appropriate concerns.

Each of the Executives and Non-Executives as Board members have key objectives to deliver each year and they are formally appraised, in the case of the Executives, by the Chief Executive and the Non-Executives by the Chair. The Chief Executive is appraised by the Chair also. From these appraisals, Personal Development Plans are prepared and acted upon. The Board development sessions provide an opportunity for the Board to develop as a collective.

Various channels of communication exist to enable effective communication with stakeholders. These vary from the weekly Chief Executive's Bulletin and staff engagement sessions to internal stakeholders, to one-to-one meetings with key stakeholders at Scottish Government.

The Board has endeavoured to ensure compliance with the SPFM and is assured that it is in compliance with all relevant areas of this code that impact on Scottish NHS public bodies. In addition, the Board is aware of its responsibilities in respect of the Bribery Act 2010.

The Board agreed to the recommendations in August 2021 to develop a Board Assurance Framework which would primarily be used to identify and resolve any gaps in control and assurance and to which also included actions to be undertaken to further develop the role of the assurance committees. In September 2022 the Board received an update on this work, as part of the Service's 2030 strategy governance, and agreed that it would be tested through the Service's Audit and Risk Committee governance in 2022/23.

The Audit and Risk Committee reviewed and noted progress against the agreed actions at its meeting on 13 October 2022 and agreed the next steps which included:

- To review and update the current 2022/23 Audit and Risk Committee work plan to reflect the Corporate Risk Register actions and the 2030 assurance framework, in addition to the regular standing items.
- To review the work plan against the current levels of assurance provided and following the mapping update as necessary.

The refreshed Blueprint for Good Governance (second edition) was published by Scottish Government in December 2022 and shared with Board members. There were a number of new sections in the revised edition, including detail on Assurance Frameworks, Risk Management System and Audit arrangements and these give useful detail to which our Board will benchmark its current arrangements against. The Blueprint sets an expectation that each Board's governance arrangements will be subject to a systematic evaluation annually via a self-assessment exercise (currently under development and expected in 2023) and an external evaluation once every three years.

A dedicated Board Development Session was held on 26 April 2023 with our Board members joining a Scottish Government event on the refreshed Blueprint, to raise awareness on the updated guidance on what constitutes good corporate governance practice and provide greater detail on specific delivery mechanisms that support governance.

As per the guidance contained within the Scottish Public Finance Manual (SPFM) to the best of my knowledge the Board has followed the underlying principles of good governance as defined by the SPFM; accountability, transparency probity and focus on sustainable success in conducting its business during the year, in conjunction with this, work has commenced to embed the principles of the Blueprint for Good Governance.

Our internal auditors completed an audit assessment in two parts against our arrangements which was reported to our Audit and Risk Committee in April 2020. KPMG were pleased to report that the Board had taken a structured and responsive approach to the Blueprint requirements and has demonstrated ongoing progress against the action plans required by the Scottish Government Health Directorate and the Board Action Plan in line with the required timescales.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- Formal letters of assurance from the Executive Directors and senior managers who are responsible for developing implementing and maintaining internal controls across their areas;
- the work of the internal auditors, who submit to the organisation's Audit and Risk Committee regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement;
- comments made by the external auditors in their management letters and other reports;
- establishment of key performance and risk indicators, including the requirement for all projects to be managed according to PRINCE2 project management methodology;

- maintenance of an organisation-wide risk register formally reviewed by the Board annually and the Risk Management Steering Group meets at the Senior Management Team meetings three times per annum;
- the operation of a comprehensive performance appraisal system for all staff with personal objectives and development plans designed to support the Board in the attainment of the corporate objectives set out in the Health Plan and Delivery Plan. In addition, Personal Development Plans for all staff are being developed in line with the NHS Agenda for Change Knowledge and Skills Framework;
- an efficient government programme which aims to achieve cash releasing savings and productivity improvements (e.g. overtime management); and
- the operation of a continuous improvement strategy.

Additional assurance has been provided during 2022/23 via the receipt of formal reports relating to each of the governance committees.

A review of internal control arrangements was undertaken by Deputy Directors and evidenced by an internal control checklist, once complete this was submitted to Executive Directors with a letter of assurance. All Executive Directors have signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

The work of the Board's auditors, internal and external supports our system of governance and internal control.

The Chief Internal Auditor has provided the following audit opinion in his 2022/23 annual report:

The basis for forming our opinion is as follows:

- An assessment of the design and operation of the underpinning aspects of the risk and assurance framework and supporting processes;
- An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account of the relative materiality of these areas; and
- An assessment of the process by which the organisation has assurance over the registration requirements of its regulator(s).

Overall opinion

Our overall opinion for the period 1 April 2022 to 31 March 2023 is that:

‘Significant assurance with minor improvements’ can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.’

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee, Clinical Governance Committee, Staff Governance Committee and Information Governance Group. Appropriate action is in place to address weaknesses identified and to ensure the continuous improvement of the system.

Best Value

In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, Directors and Managers are encouraged to review, identify and

improve the efficient and effective use of resources. I can confirm that arrangements have been made to secure Best Value as set out in the Scottish Public Finance Manual.

Risk Assessment

All NHS Scotland bodies are subject to the requirements of the Scottish Public Finance Manual (SPFM) and must operate a Risk Management Strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful Risk Management Strategy are set out in the SPFM.

The Board Risk Management Policy 2020-2024 was written to replace the Management of Risk Strategy 2016-2020, and was approved by the Service's Board in January 2020. This Risk Management Policy sets out the objectives and organisational arrangements for the management of risk and supports the Service strategy and corporate objectives. The policy defines our formal process through a systematic programme of identification, analysis, evaluation, ranking, treatment and importantly escalation of risk. In addition, the Service has adopted the principles and guidelines set out in ISO31000:2018 International Standards for Risk Management, which has been updated from its previous iteration in 2009. These are commonly used in NHS Scotland.

The Service aims to control, eliminate, or reduce risk to an acceptable level by creating a culture founded upon assessment, prevention, and learning, rather than reaction and remedy. Effective Risk Management will:

- Help to ensure the safety of patients, staff and the public;
- Protects the services and finances of the Service;
- Enhance the reputation and public image of the Service; and
- Improve ongoing delivery of emergency care and patient transport services

An acceptable level of risk is defined as a level in keeping with relevant guidelines and compliance with National Standards, guidelines and legislation. In addition, during 2019/20 the Board risk appetite was also defined, with risk tolerance also set against all of our corporate risks. This was further reviewed in April 2022 and again in October 2022 following our remobilisation from COVID-19 and forms part of an annual review process with our Board. Processes of risk assessment and treatment; maintenance of risk registers and escalation; regular monitoring of progress and assurance of effective controls are in place to manage the high and very high risks within the Service.

In line with the Risk Management Policy all

- Low and medium risks have oversight at Local, Regional and/or Programme Group level;
- High and Very High risks have oversight at a National level through escalation to the Performance and Planning Steering Group and the appropriate Board Governance Committees; and
- Are escalated for oversight at Board Governance Committee and Board level as appropriate.

Risk Management Principles

The Service promotes and fosters a culture which is open and honest about mistakes in order that the lessons can be learned and shared to reduce the likelihood of them re-occurring in the future. To do this, the policy aims to allow the Service:

- to positively support all staff to take personal responsibility for their own learning for risk management;
- to create an environment which encourages and supports staff to report adverse events / near miss, including their own human errors, so that learning and improvement can take place;
- to provide a 'fair and just culture';
- to make non-threatening arrangements for the open discussion of events with the sole purpose of identifying what can be done to prevent it happening again;
- to make suitable and inclusive arrangements to ensure that our learning is used to improve procedures and processes and share the lessons learned;
- to ensure all staff have a personal responsibility to perform their duties properly and in accordance with any procedures, rules or instructions provided;
- to ensure consideration of risk should not inhibit innovation and service operations; and
- to endeavour to understand the risks faced and be aware of the cost of risk to the organisation.

A Board risk workshop, facilitated by our internal auditors, KPMG took place on 27 April 2022 and again on 26 October 2022 to review the risk appetite for the Service following our remobilisation from Covid-19. This then allowed us to review our tolerances for each of our Corporate Risks.

Our Corporate Risk Register is presented to each Board meeting for approval following monthly review by our Performance and Planning Steering Group (PPSG). PPSG includes the Executive Team and a cross section of senior managers, who also review all risk registers bi-annually, in order to review the current high and very high risks, monitor current and planned controls, and consider whether any of those risks require escalation to the Board.

Identified risks and allocation of resources are prioritised through a risk matrix scoring methodology that examines likelihood and impact, when compared to risk tolerance through appetite. Thereafter, the risks have controls and mitigating actions planned and resourced which allow the organisation to monitor and manage these risks to an acceptable level.

Risk Management Governance is reported through the PPSG, chaired by the Chief Executive, which meets on a monthly basis. The Corporate risk output from this group is reported to the quarterly Audit and Risk Committee, as well as the bi-monthly Board meetings.

Internal Audit also utilise the Corporate Risk Register to develop their workplan for the forthcoming year. This process ensures that Internal Audit is focussed on areas of greatest risk to the organisation and can give assurance and advice with regards to controls.

More generally, the Service is committed to continuous development and improvement: developing systems in response to events, and relevant reviews and development in best practice. In particular, during the year to 31st March and up to the signing of the accounts, the Service has put in place the following:

- 2 workshops were facilitated by our Internal Auditors – KPMG to review our Risk Appetite Statement with the tolerances reviewed for each Corporate Risk. Our Appetite for risk has also been built into the development of our 2030 Strategy.
- Corporate Risk Register is approved by each Service Board meeting.
- The Corporate Risk Register reporting template to the Board was reviewed and now includes performance over time charts for each risk
- The Service engaged with Healthcare Improvement Scotland on the management of Significant Adverse Events.
- Risk Management Governance is reported to the Performance & Planning Steering Group on a monthly basis throughout the year.
- A regular programme of facilitated workshops to identify, and keep up-to-date, the record of risks facing all levels of the Service.
- Quarterly Clinical Governance Risk Management and Patient Safety reports have been presented to the Clinical Governance Committee.
- Quarterly Risk Management reports have been presented to the Audit and Risk Committee.
- Quarterly Risk Management reports have been presented to the Staff Governance Committee.
- Managers and staff have been trained to use the Service's risk management system - Datix for the management of Adverse Events, Feedback and Risks. This was a combination of 1-1 and e-learning training.
- SAS Datix Users Group has been put in place reporting to the Information Governance Group. An Information Asset Register, Data Protection Impact Assessment, System Security Policy and updated Business Continuity Action Cards have also been developed with the Incident Reporting form being reviewed and streamlined.
- The Service is engaged in the NHS Healthcare Improvement Scotland project to develop consistent incident coding across all Health Boards in Scotland. We are also engaged via the Scottish Datix User Group and part of a specialist sub-group.

In line with our approved Good Governance report and improvement action plan approved by the Board in April 2019 we agreed the following actions under the Assessing and Assuring Risk section:

- Approve the Board risk appetite and tolerances – *This is an annual process as described above.*
- Complete the Review of the Corporate Risks to reduce variability in grading, ensuring risks are more tangible and assess in line with Board agreement on risk tolerance and risk appetite – *This is an annual process*
- Approve and monitor the implementation of the revised Risk Management Policy across the Service to spread knowledge of updated practice and ensure underpinning risk governance reporting is in place. – *risk management policy was approved at the January 2020 Board meeting. The Policy is currently undergoing a further review and will be formally re-written in 2024.*

Public Corporate Risk Register (as at March 2023)

| Risk ID | Risk Description and Impact | Current Risk Level | Risk Tolerance |
|---------|--|--------------------|----------------|
| 4638 | <p>Wider system changes and pressures.</p> <p>There is a risk of service pressures beyond our safe staffing levels as funded by SG through the Demand and Capacity review</p> <p>Because of changes to other parts of the whole system and system pressures, including hospital turnaround times and time on scene</p> <p>Resulting in the following;</p> <ul style="list-style-type: none"> • Increased risks to patient safety Insufficient staffing and longer response times • Increased journey times to hospitals as a result of centralisation of clinical services • Longer turnaround times at hospitals • Other Health Care Services attempting to recruit paramedics, due to changes in their care delivery plan | Very High | Medium |
| 5296 | <p>Escalating industrial relations concerns.</p> <p>There is a risk of escalating Industrial Relations concerns across the wider public sector</p> <p>Because of a volatile economic climate and associated increased costs of living</p> <p>Resulting in the potential for industrial action within the wider NHSScotland and the Service</p> | Medium | Medium |
| 5062 | <p>Failure to achieve financial target.</p> <p>There is a risk that we do not achieve our financial targets in 2022-23, 2023-24 and our 3-year financial plan</p> <p>Because of non-delivery of efficiency savings, increasing cost pressures and no funding to support the increased costs of COVID within the Service and the phase 3 demand and capacity programme</p> <p>Resulting in an inability to ensure Financial Sustainability and Improve Value.</p> | Very High | Medium |
| 4639 | <p>Service's response to a cyber incident.</p> <p>There is a risk that the Service's response to an adverse cyber event</p> <p>Because of identified capability gaps</p> <p>Resulting in the Service being unable to timeously fully recover from the loss of ICT systems or data, causing extended service disruption and reputational damage</p> | Very High | Medium |
| 4640 | <p>Risk sustaining Airwave provision</p> <p>There is a risk of cost pressures and operational challenges</p> <p>Because of the need to extend Airwave provision due to further slippage in UK Government ESMCP</p> <p>Resulting in requirement to develop and implement additional contingency plans</p> | Very High | Medium |

| | | | |
|------|---|------|--------|
| 3852 | <p>Continuity of ACC operations impacted.</p> <p>There is a risk that the continuity of ACC operations is impacted Because of infrastructure failing (e.g., power outage) Resulting in the need to strengthen business continuity / disaster recovery arrangements for ACC evacuation to avoid the possibility of loss of service provision affecting patient care inflicting reputational, clinical, operational and political damage.</p> | High | Medium |
| 4636 | <p>Health and wellbeing of staff affected.</p> <p>There is a risk that the health and wellbeing of our staff is affected Because of the immediate and longer-term impact of the COVID-19 pandemic. This in combination with the pressures of working in an emergency service possibly Resulting in an increase in absence levels, lower morale, increased fatigue, lower resilience and reduced service capacity at all levels.</p> | High | Medium |

Disclosures

During the financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for good governance, risk management and control.

Conclusion

As the appointed Accountable Officer I am able to conclude that corporate governance continues to be strengthened and internal controls were operating adequately and effectively throughout the financial year ended 31 March 2023.

2.2 REMUNERATION AND STAFF REPORT

2.2.1 Board Members' and Senior Managers' Remuneration

Information disclosed in this report relates to the remuneration of Board members and senior managers who directly report to the Chief Executive.

Board members and senior managers are remunerated in accordance with approved national pay rates. All posts at this level are subject to job evaluation arrangements and pay scales applied to reflect the outcome of these processes. All extant policy guidance issued by SGHSCD has been appropriately applied and agreed by the Remuneration Committee

Performance appraisal for Board members and senior employees is conducted in accordance with HDL(2006)23 and any subsequent amendment – *Appraisal arrangements for staff on Executive pay ranges*.

The Remuneration Committee, which reports to Staff Governance Committee, comprised the Board Chair, Mr Tom Steele and four Non-Executive Directors: Dr Francis Tierney (Chair); Councillor Cecil Meiklejohn; Ms Elizabeth Humphreys and Mr John Riggins (Employee Director). The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met twice in 2022/23 and all meetings were quorate.

As stated above, the Remuneration Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors.

In accordance with the Financial Reporting Manual (FReM), publication of the 'pension benefits' is required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total in year earnings' column shows the remuneration relating to actual earnings payable in 2022/23.

**SCOTTISH AMBULANCE SERVICE
REMUNERATION REPORT
FOR THE YEAR ENDED 31 MARCH 2023
CURRENT YEAR 2022/23**

| (Audited) | Remuneration Table | | | | | | | Pension Values | | | | | |
|--|--------------------|-----------------|------------------|------------------------|-----------------------------|---------------------------------------|--|--|------------------------------------|--|----------------------------|----------------------------|---------------------------------|
| Director | Gross Salary | Bonus payments | Benefits in Kind | Total Earnings in year | Pension benefits – Note (1) | Total remuneration Note (2) (Audited) | Accrued pension at age 60 as at 31/03/23 | Total accrued lump sum at age 65 at 31 March 2023 | Real increase in pension at age 60 | Real increase in lump sum at 65 at 31 March 2022 | CETV at 31/03/22 (Audited) | CETV at 31/03/23 (Audited) | Real Increase in CETV (Audited) |
| Executive Directors | Bands of £5,000 | Bands of £5,000 | £'000 | Bands of £5,000 | £'000 | Bands of £5,000 | Bands of £5,000 | Bands of £5,000 | Bands of £2,500 | Bands of £2,500 | £'000 | £'000 | £'000 |
| Chief Executive: | 150-155 | | | 150-155 | | 150-155 | 55-60 | 135-140 | 0 | 0 | 1,189 | 1,148 | 0 |
| Pauline Howie | | 0 | 0 | | 0 | | | | | | | | |
| Medical Director: | 190-195 | | | 190-195 | | 190-195 | | | | | | | |
| James Ward | | 0 | 0.1 | | 0 | | | Not in SPPA scheme | | | | | |
| Director of Finance, Logistics & Strategy: | 115-120 | | | 115-120 | | 115-120 | | | | | | | |
| Julie Carter | | 0 | 0.1 | | 0 | | 40-45 | 75-80 | 0-2.5 | 0 | 796 | 803 | 7 |
| Non-Executive Directors | | | | | | | | | | | | | |
| Chair: | | | | | | | | Non-Executive Directors are not eligible to become members of the pension scheme | | | | | |
| Tom Steele | 50-55 | 0 | 0 | 50-55 | 0 | 50-55 | | | | | | | |
| John McGuigan | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Francis Tierney | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Cecil Meiklejohn | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Irene Oldfather | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Madeline Smith | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Carol Sinclair | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Stuart Currie | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Elizabeth Humphreys | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Employee Director: | | | | | | | | | | | | | |
| John Riggins | 55-60 | 0 | 0 | 55-60 | 0 | 55-60 | 15-20 | 40-45 | 0-2.5 | 0 | 342 | 325 | 0 |
| Other Senior Employees | | | | | | | | | | | | | |
| Director of Care Quality & Professional Development | | | | | | | | | | | | | |
| Frances Dodd (to Sep 22) (Note 3) | 50-55 | 0 | 0 | 50-55 | 13 | 60-65 | | | | | | | |
| Emma Stirling (from Nov 22) (Note 4) | 30-35 | 0 | 0 | 30-35 | 19 | 50-55 | 20-25 | 30-35 | 2.5-5.0 | 2.5-5.0 | 224 | 259 | 35 |
| Director of HR & OD | | | | | | | | | | | | | |
| Avril Keen | 85-90 | 0 | 0 | 85-90 | 12 | 100-105 | 20-25 | 35-40 | 0-2.5 | 0 | 368 | 386 | 19 |
| Chief Operating Officer & Deputy Chief Executive | | | | | | | | | | | | | |
| Paul Bassett | 100-105 | 0 | 0.1 | 100-105 | 20 | 120-125 | 40-45 | 70-75 | 0-2.5 | 0 | 688 | 721 | 34 |

Note (1) - Pension Benefits

This figure represents the value of pension benefits accrued during the year. It does not represent the contributions to the scheme by either employee or employer. Instead it represents the value of benefits to be received in the future by the employee over the expected lifetime of the pension. It is calculated as [(Real increase in pension x 20) plus [Real Increase in Lump Sum] less (Employees Superannuation Contributions for the year)]

Note (2) - Total Remuneration

This figure is calculated as: (Gross Salary + Bonus Payments + Benefit in Kind + Pension Benefits) = Total Remuneration. As this includes Pension Benefits per Note (1) above, this is not the salary paid to the employee during the year but the salary plus the employee's pension benefits over the life of the pension. There were no bonus payments in 2022/23

Note (3) - Director of Care Quality & Professional Development

F Dodd transferred to NHS Forth Valley on 22nd September 2022. Full Year Equivalent Gross Salary (in bands of £5k) 100 - 105. The Estimated Closing CETV at 22nd Sept is £936k

Note (4) - Director of Care Quality & Professional Development

E Stirling transferred from NHS Ayrshire & Arran on 17th November 2022. Full Year equivalent Gross Salary (in bands of £5k) 85 -90

REMUNERATION REPORT FOR THE YEAR ENDED 31 MARCH 2023
PRIOR YEAR 2021/22 (RESTATED)

| (Audited) | Remuneration Table | | | | | | | Pension Values | | | | | |
|--|--------------------|-----------------|------------------|------------------------|-----------------------------|---------------------------------------|--|---|--|--|-------------------------------------|----------------------------|--|
| Director | Gross Salary | Bonus payments | Benefits in Kind | Total Earnings in year | Pension benefits – Note (1) | Total remuneration Note (2) (Audited) | Accrued pension at age 60 as at 31/03/22 | Total accrued lump sum at age 65 at 31 March 2022 | Real increase in pension at age 60 | Real increase in lump sum at 65 at 31 March 2022 | CETV at 31/03/21 (Audited) Note (5) | CETV at 31/03/22 (Audited) | Real Increase in CETV (Audited) Note (5) |
| Executive Directors | Bands of £5,000 | Bands of £5,000 | £'000 | Bands of £5,000 | £'000 | Bands of £5,000 | Bands of £5,000 | Bands of £5,000 | Bands of £2,500 | Bands of £2,500 | £'000 | £'000 | £'000 |
| Chief Executive: | 145-150 | | | | | | | | | | | | |
| Pauline Howie | | 0 | 0 | 145-150 | 0 | 145-150 | | | Not in SPPA scheme | | | | |
| Medical Director: | 175-180 | | | | | | | | | | | | |
| James Ward | | 0 | 3 | 175-180 | 0 | 175-180 | | | Not in SPPA scheme | | | | |
| Director of Finance, Logistics & Strategy: | 110-115 | | | | | | | | | | | | |
| Julie Carter | | 0 | 0 | 110-115 | 45 | 155-160 | 40-45 | 75-80 | 2.5-5.0 | 0-2.5 | 666 | 723 | 57 |
| Non-Executive Directors | | | | | | | | | | | | | |
| Chair: | | | | | | | | | Non-Executive Directors are not eligible to become members of the pension scheme | | | | |
| Tom Steele | 40-45 | 0 | 0 | 40-45 | 0 | 40-45 | | | | | | | |
| Martin Togneri (to 31 st December 2021) | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| John McGuigan (from 1 st October 2021) | 0-5 | 0 | 0 | 0-5 | 0 | 0-5 | | | | | | | |
| Francis Tierney | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Cecil Meiklejohn | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Irene Oldfather | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Madeline Smith | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Carol Sinclair | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Stuart Currie | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Elizabeth Humphreys | 5-10 | 0 | 0 | 5-10 | 0 | 5-10 | | | | | | | |
| Employee Director: | | | | | | | | | | | | | |
| John Riggins | 55-60 | 0 | 0 | 55-60 | 5 | 60-65 | 15-20 | 50-55 | 0-2.5 | 0-2.5 | 415 | 424 | 5 |
| Other Senior Employees | | | | | | | | | | | | | |
| Director of Care Quality & Professional Development | | | | | | | | | | | | | |
| Frances Dodd (Note3) | 90-95 | 0 | 0 | 90-95 | 30 | 120-125 | 40-45 | 115-120 | 0-2.5 | 0-2.5 | 825 | 872 | 46 |
| Director of HR & OD | | | | | | | | | | | | | |
| Lyndsay Lauder (to 10 December 2021) | 65-70 | 0 | 0 | 65-70 | 0 | 65-70 | | | | | | | |
| Avril Keen (from 15 November 2021) | 30-35 | 0 | 0 | 30-35 | 24 | 55-60 | 15-20 | 35-40 | 2.5-5.0 | 5.0-7.5 | 273 | 334 | 61 |
| Chief Operating Officer & Deputy Chief Executive (note 4) | | | | | | | | | | | | | |
| Paul Bassett (from 1 November 2021) | 40-45 | 0 | 0 | 40-45 | 18 | 60-65 | 35-40 | 65-70 | 2.5-5.0 | 0-2.5 | 571 | 624 | 53 |

Note (1) - Pension Benefits

This figure represents the value of pension benefits accrued during the year. It does not represent the contributions to the scheme by either employee or employer. Instead it represents the value of benefits to be received in the future by the employee over the expected lifetime of the pension. It is calculated as [(Real increase in pension x 20) plus [Real Increase in Lump Sum] less (Employees Superannuation Contributions for the year)]

Note (2) - Total Remuneration

This figure is calculated as: (Gross Salary + Bonus Payments + Benefit in Kind + Pension Benefits) = Total Remuneration. As this includes Pension Benefits per Note (1) above, this is not the salary paid to the employee during the year but the salary plus the employee's pension benefits over the life of the pension. There were no bonus payments in 2021/22

Note (3).Director of Care Quality & Professional Development

Frances Dodd had been on fixed term secondment from NHS Lanarkshire but joined the Scottish Ambulance Service on a permanent basis from 1st July 2022

Note (4).Chief Operating Officer & Deputy Chief Executive

This new role was created during 2021/22

Note (5) CETV (restated)

CETV values updated to reflect actual CETV calculator values

SCOTTISH AMBULANCE SERVICE
REMUNERATION AND STAFF REPORT DISCLOSURES
FOR THE YEAR ENDED MARCH 2023

Fair Pay Disclosure (Audited)

| | CURRENT YEAR 2022/23 | PRIOR YEAR 2021/22 | Change % |
|--|---------------------------------|-------------------------------|---------------------|
| | £000s | | |
| Range of staff remuneration | 9,030 – 190,527 | 8,930 – 179,439 | 1 - 6 |
| Highest earning Director's total remuneration | 190 - 195 | 175-180 | 8 |
| Median (Total pay & benefits) | 43,659 | 36,599 | 19 |
| Median (Salary only) | 43,626 | 36,507 | 19 |
| Ratio | 4.41 | 4.85 | -9 |
| 25 th Percentile (Total pay & benefits) | 31,945 | 25,101 | 27 |
| 25 th Percentile (Salary only) | 31,939 | 25,101 | 27 |
| Ratio | 6.03 | 7.07 | -15 |
| 75 th Percentile (Total pay & benefits) | 53,494 | 49,399 | 8 |
| 75 th Percentile (Salary only) | 53,445 | 49,325 | 8 |
| Ratio | 3.60 | 3.59 | 0 |

There has been a reduction to the median pay ratio from the previous year which has been driven by two factors.

- SAS ceased delivery of the Mobile Testing Units in September 2022 which has seen a reduction to staff numbers on the lower pay grades when compared to the prior year.
- The Agenda for Change Pay Award in 2022-23 also awarded a larger uplift to those on the lower pay grades.

The highest paid director salary and allowances increased by 8% based on the midpoint of the salary band.

The percentage increase for the employees of the service as a whole, excluding the highest paid director was 12%

2.2.2 STAFF REPORT**Higher Paid Employees' Remuneration (Audited)**

| Clinical | | |
|--------------------|----------------|----------------|
| | 2022/23 | 2021/22 |
| £70,001-£80,000 | 101 | 65 |
| £80,001-£90,000 | 26 | 15 |
| £90,001-£100,000 | 4 | 4 |
| £100,001-£110,000 | 2 | 1 |
| £110,001-£120,000 | 1 | 0 |
| £120,001-£130,000 | 0 | 0 |
| £130,001-£140,000 | 0 | 0 |
| £140,001-£150,000 | 0 | 0 |
| £150,001-£160,000 | 0 | 0 |
| £160,001-£170,000 | 0 | 0 |
| £170,001-£180,000 | 0 | 1 |
| £180,001-£190,000 | 0 | 0 |
| £190,001-£200,000 | 1 | 0 |
| £200,001 and above | 0 | 0 |
| | 135 | 86 |

| Other | | |
|--------------------|----------------|----------------|
| | 2022/23 | 2021/22 |
| £70,001-£80,000 | 23 | 35 |
| £80,001-£90,000 | 15 | 7 |
| £90,001-£100,000 | 6 | 10 |
| £100,001-£110,000 | 2 | 0 |
| £110,001-£120,000 | 1 | 1 |
| £120,001-£130,000 | 0 | 0 |
| £130,001-£140,000 | 0 | 0 |
| £140,001-£150,000 | 0 | 1 |
| £150,001-£160,000 | 1 | 0 |
| £160,001-£170,000 | 0 | 1 |
| £170,001-£180,000 | 1 | 0 |
| £180,001-£190,000 | 0 | 0 |
| £190,001-£200,000 | 0 | 0 |
| £200,001 and above | 0 | 0 |
| | 49 | 55 |
| Total | 184 | 141 |

Employee Expenditure and Staff Numbers (Audited)

| | Executive Board Members £'000 | Non Executive Board Members £'000 | Permanent Staff £'000 | Inward Secondees £'000 | Other staff £'000 | Outward Secondees £'000 | 2023 Total £'000 | 2022 Total £'000 |
|--|--|--|--------------------------------------|---------------------------------------|----------------------------------|--|---------------------------------|---------------------------------|
| Staff Costs | | | | | | | | |
| Salaries and Wages | 459 | 126 | 211,871 | | 43,218 | (731) | 254,943 | 244,997 |
| Taxation & Social Security costs | 62 | 7 | 28,142 | | 1,857 | (93) | 29,975 | 26,454 |
| NHS scheme employers' costs | 33 | 0 | 43,783 | | 2,966 | (151) | 46,631 | 43,439 |
| Other employers' pension costs | | | | | | | 0 | 0 |
| Inward secondees | | | | 4,539 | | | 4,539 | 4,359 |
| Agency and other directly engaged staff | | | | 656 | | | 656 | 1,013 |
| | 554 | 133 | 283,796 | 5,195 | 48,041 | (975) | 336,744 | 320,262 |
| Compensation for loss of office or early retirement | | | | | | | 0 | 45 |
| Pensions to former board employees | | | | | 564 | | 564 | 523 |
| TOTAL | 554 | 133 | 283,796 | 5,159 | 48,605 | (975) | 337,308 | 320,830 |
| Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of: | | | | | | | 0 | 0 |

Staff Numbers

| | | | | | | | | |
|-----------------------------|---|---|-------|--|-----|--|-------|-------|
| Whole time equivalent (WTE) | 3 | 9 | 5,364 | | 481 | | 5,857 | 6,196 |
|-----------------------------|---|---|-------|--|-----|--|-------|-------|

Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:

Included in the total staff numbers above were disabled staff of:

Included in the total staff numbers above were Special Advisers of:

| | |
|-----|---|
| 0 | 0 |
| 145 | 0 |
| 0 | 0 |

**SCOTTISH AMBULANCE SERVICE
YEAR ENDED 31 MARCH 2022**

STAFF REPORT (Cont.)

Staff Composition (Unaudited)

| | 2022/23 | | | | 2021/22 | | | |
|---|--------------|--------------|-------------------|--------------|--------------|--------------|-------------------|--------------|
| | Male | Female | Prefer not to say | Total | Male | Female | Prefer not to say | Total |
| Executive Directors | 1 | 2 | 0 | 3 | 1 | 2 | 0 | 3 |
| Non-Executive Directors and Employee Director | 5 | 5 | 0 | 10 | 6 | 5 | 0 | 11 |
| Senior Employees | 148 | 33 | 0 | 181 | 114 | 24 | 0 | 138 |
| Other | 4,396 | 3,638 | 0 | 8,034 | 4,581 | 3,630 | 0 | 8,211 |
| Total Headcount | 4,550 | 3,678 | 0 | 8,228 | 4,702 | 3,661 | 0 | 8,363 |

Senior Employees are those who have earned over £70,000 in year

Sickness Absence Data (Unaudited)

| | 2022/23 | 2021/22 |
|------------------------------|-------------|-------------|
| Sickness Absence Rate | 8.9% | 7.5% |

SCOTTISH AMBULANCE SERVICE YEAR ENDED 31 MARCH 2023

STAFF REPORT (Cont.)

Staff policies applied during the financial year relating to the employment of disabled persons (Not Audited)

- **For giving full and fair consideration to applications for employment by the Board made by disabled persons, having a regard to their particular aptitudes and abilities;**

The Scottish Ambulance Service works within the Disability Confident Standard and recognises best practice in employing, retaining and developing disabled staff. Applicants who have a disability are supported through the job interview guarantee initiative. The disability confident symbol is included on all job advertisements.

Under the Disability Confident scheme we operate the job interview guarantee initiative. Applicants who wish to be covered under this initiative will be interviewed if they meet the minimum criteria for the post. Adjustments are made in accordance with individual needs to ensure applicants are able to fully participate in the recruitment process.

The standard NHS Scotland application form is used for all applicants and this includes a section on equality monitoring which enables us to monitor the number of disabled applicants and to establish success rates in order to consider any actions that need to be taken forward to address any issues.

In partnership with Glasgow Centre for Inclusive Living, The Service has employed a disabled graduate under the Professional Careers Programme. This is a 2 year employment opportunity designed to help set up the individual for a long term sustainable career.

- **For continuing the employment of, and for arranging appropriate training for, employees of the Board who have become disabled persons during the period when they were employed by the Board;**

Reasonable adjustments are put in place for those staff who become disabled during the course of their employment. For example; changing hours of work, providing specific equipment or supporting staff to complete assessments, e.g. for dyslexia. Support is also provided for disabled staff who are absent under the Attendance Management Policy to enable additional assistance to be put in place where appropriate.

The Service has developed a Redeployment Policy and actively encourages the redeployment of staff who are no longer able to carry out their current role and staff are advised of alternative roles and provided with assistance to move.

All disabled staff have access to Occupational Health Services, Confidential Harassment Advisers and the Employee Assistance Programme.

- **Otherwise for the training, career development and promotion of disabled persons employed by the Board;**

All staff receive an annual review letter giving them the opportunity to self declare a disability or health issue which can be discussed with their line manager in order to identify any support required. Staff have an annual performance review under the knowledge and skills framework system. The discussion covers developmental opportunities and access to these. Any disabled staff attending a course at The Scottish Ambulance Service Academy, Glasgow Caledonian University will have access to the Student Support Centre where additional assistance can be provided.

During any internal recruitment there is an open progression policy allowing all staff the opportunity for advancement and any staff requiring additional assistance can discuss this with their line manager or HR representative.

The Equality, Diversity and Human Rights Policy, Guidance for the Recruitment and Employment of staff with Diabetes and Managers Recruitment Guide provide additional guidance for all staff who have a disability.

Other Employee Matters

The recognised principles of autonomy, dignity, equality, fairness and respect are firmly embedded in our organisational values. The Service's Equality, Diversity and Human Rights and Recruitment and Selection policies support these principles for staff ensuring there are fair and equitable processes in place and these apply to all who work with the Service. This is regardless of employment status and includes permanent and fixed term contracts, members of staff on zero hours contracts, those working on behalf of other agencies, those on secondment to Scottish Ambulance Service, volunteers and those on work experience.

The Service works within the Disability Confident Standard and recognises best practice in employing, retaining and developing disabled staff. Applicants who have a disability can take part in the job interview guarantee initiative under which they will be offered an interview if they meet the minimum criteria for the post. Additional support is provided for applicants to ensure they are able to fully participate in the recruitment process. Reasonable adjustments are put in place for those staff who become disabled during the course of their employment, in order to remove barriers to access and participation and promote equality of opportunity.

The Service has been involved in the development of human resources policies with staff side colleagues through the national 'Once for Scotland' Workforce Policies Programme. A number of these policies are now in place although this programme of work was paused during the pandemic. Work on the phase two policies is underway. In partnership with staff side colleagues, local policies are developed and staff have the opportunity to contribute to this process through the National Partnership Forum.

The Service is committed to providing a work environment free from bullying and harassment and the Bullying and Harassment Policy supports and encourages a culture where unlawful or unfair discriminatory treatment is not tolerated. The Whistleblowing Policy, confidential alert line and dedicated email address, are promoted widely in order that staff can raise serious matters of concern including those relating to danger, professional misconduct or financial malpractice that might affect patients, colleagues or Service users. New

arrangements were put in place on 1 April 2021 to support the reporting of instances of whistleblowing including a dedicated webpage and designated contacts for staff to discuss concerns.

The Service is committed to complying with the duties under health and safety legislation in order to ensure, the health, safety and wellbeing of staff. The health, safety and wellbeing group support this work providing a service wide framework of policies, guidance and advice.

It is recognised that staff play a vital role in achieving the vision of the Service to provide the very best care for all our patients in Scotland. The Health and Wellbeing Strategy sets out how we are developing a healthy culture and workplace environment in which a healthy body, mind and lifestyle for our staff will flourish. We understand that improved staff experience ultimately leads to better patient experience.

Social, Community and Human Rights

The challenge for the Service is to translate the legislative requirements into an approach to mainstreaming equality and human rights into health policy and practice, which aims in turn to tackle health inequalities and improve health outcomes. The work of the Service is aligned with existing NHS and Scottish Government policy priorities, linking this to national evidence where possible, and integrating into current performance management systems where relevant.

The Service's Equality Impact Assessment guidance ensures the impact of equality and health inequalities is integrated into the decisions and actions of the Board. Under the Fairer Scotland Duty, consideration is given to strategic decision-making and how steps can be taken to reduce health inequalities resulting from socio economic disadvantage.

Human rights principles of autonomy, dignity, equality, fairness and respect underpins the development of employment policies, partnership working, working with vulnerable adults and children and developing person-centred care for our patients; including the way we communicate and gain consent to treatment.

**SCOTTISH AMBULANCE SERVICE
YEAR ENDED 31 MARCH 2023**

STAFF REPORT (Cont.)

Exit Packages (Audited)

2022/23

| Exit Package cost band | Number of Compulsory Redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|--|-----------------------------------|-----------------------------------|--|
| < £10,000 | 0 | 112 | 112 |
| £10,000 - £25,000 | 0 | 2 | 2 |
| Total number of exit packages by type | 0 | 114 | 114 |
| Total Resource Cost £'000 | 0 | 465 | 465 |

At the closure of the mobile testing units in September 2022, 112 staff on fixed term contracts with more than 2 years continuous service were entitled to severance payments under Agenda for Change Terms and Conditions. These temporary contracts had been extended as per the delivery of the Test and Protect programme at the request of Scottish Government.

2021/22

| Exit Package cost band | Number of Compulsory Redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|--|-----------------------------------|-----------------------------------|--|
| < £10,000 | 0 | 0 | 0 |
| £10,000 - £25,000 | 0 | 0 | 0 |
| £25,000 - £50,000 | 0 | 1 | 1 |
| Total number of exit packages by type | 0 | 1 | 1 |
| Total Resource Cost £'000 | 0 | 45 | 45 |

Trade Union Regulations

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector

employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. The data is required to be published by 31 July each year and is displayed on the Service's website at the following [link](#).

Trade Union Facility Time

Relevant Union Officials

| Number of employees who were relevant union officials during the period 1 April 2022 to 31 March 2023 | Full-time equivalent employee number |
|---|--------------------------------------|
| 49 | 48.69 |

| Percentage of time spent on facility time | |
|---|---------------------------|
| Percentage of time | Number of representatives |
| 0% | |
| 1 - 50% | 45 |
| 51-99% | 3 |
| 100% | 1 |

| Percentage of pay bill spent on facility time | |
|---|--------------|
| Total cost of facility time | £323,339 |
| Total pay bill | £338,283,000 |
| Percentage of the total pay bill spent on facility time | 0.10% |

| Paid trade union activities | |
|---|-----|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | 22% |

**SCOTTISH AMBULANCE SERVICE
YEAR ENDED 31 MARCH 2023**

ACCOUNTABILITY REPORT DISCLOSURES

2.3 Parliamentary Accountability Report

Losses and Special Payments

The following losses and special payments have been approved by the Board:

| | 2023 | | 2022 | |
|------------------|------------------------|--------------|------------------------|--------------|
| | Number of cases | £'000 | Number of cases | £'000 |
| Losses | 15 | 2 | 1799 | 459 |
| Special payments | 56 | 1,372 | 50 | 450 |

In 2022-23, the Board was required to pay out £766,000 in respect of 2 claims individually greater than £300,000 settled under the CNORIS scheme.

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, the Scottish Ambulance Service Board charges for services provided on a full costs basis, wherever applicable.

I confirm that this Accountability Report (incorporating the Corporate Governance Report and Remuneration and Staff Report) is an accurate summary of the information reported therein.

Signed: *Pauline Howie*

Date: 28 June 2023

Mrs Pauline Howie OBE
Chief Executive

**SCOTTISH AMBULANCE SERVICE
YEAR ENDED 31 MARCH 2023**

Independent auditor's report to the members of Scottish Ambulance Service, the Auditor General for Scotland and the Scottish Parliament

Reporting on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of Scottish Ambulance Service and its group for the year ended 31 March 2023 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Statement of Consolidated Cash Flow, the Statement of Consolidated Changes in Taxpayers' Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair of the state of the affairs of the board and its group as at 31 March 2023 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

We 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 we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ability of the board and its group 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.

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the board and its group. However, we report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our separate Annual Audit Report the most significant assessed risks of material misstatement that we identified and our judgements thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines 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 Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless there is an intention to discontinue the board's operations.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 decisions of users taken on the basis of these financial statements.

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

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on the susceptibility of the financial statements to material misstatement, including how fraud might occur; and
- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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 our auditor's report.

Reporting on regularity of expenditure and income**Opinion on regularity**

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities in respect of irregularities explained in the audit of the financial statements section of our report, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Reporting on other requirements**Opinion prescribed by the Auditor General for Scotland on the audited part of the Remuneration and Staff Report**

We have audited the parts of the Remuneration and Staff Report described as audited. In our opinion, the audited parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Other information

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the Performance Report and the Accountability Report excluding the audited parts of the Remuneration and Staff Report.

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

Opinions prescribed by the Auditor General for Scotland on the Performance Report and Governance Statement

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

- 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 that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited parts of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit; or
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 108 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Gary Devlin, (for and on behalf of Azets Audit Services)

Exchange Place 3

Semple Street

Edinburgh

EH3 8BL

Date: 29 June 2023

SCOTTISH AMBULANCE SERVICE

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

FOR THE YEAR ENDED 31 MARCH 2023

| 2022 £000 | | Note | 2023 £000 |
|--|---|------|----------------|
| 321,570 | Employee expenditure | 3a | 338,283 |
| | Other operating expenditure: | 3b | |
| 4,347 | Drugs and medical supplies | | 451 |
| 17,422 | Vehicle Running Costs | | 16,446 |
| 18,014 | Air Ambulance Costs | | 15,368 |
| 11,018 | Property Running Costs | | 8,316 |
| 5,847 | Medical Costs | | 6,415 |
| 43,178 | Other health care expenditure | | 60,902 |
| 421,396 | Gross expenditure for the year | | 446,181 |
| (13,672) | Less: operating income | 4 | (22,627) |
| 407,724 | Net expenditure for the year | | 423,544 |
| OTHER COMPREHENSIVE NET EXPENDITURE | | | |
| 2022 £000 | | | 2023 £000 |
| (616) | Net (gain) / loss on revaluation of property, plant and equipment | | (475) |
| 0 | Net (gain) / loss on revaluation of intangibles | | 0 |
| 0 | Net (gain) / loss on revaluation of investments | | 0 |
| (616) | Other comprehensive expenditure | | (475) |
| 407,108 | Comprehensive net expenditure | | 423,079 |

The Notes to the Accounts, numbered 1 to 21, form an integral part of these Accounts.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023

| Consolidated 2022 £000 | Board 2022 £000 | | Note | Consolidated 2023 £000 | Board 2023 £000 |
|------------------------------|-----------------------|--|-------|------------------------------|-----------------------|
| 120,482 | 120,482 | Non-Current Assets: | | | |
| 1,001 | 1,001 | Property, plant and equipment | 7c | 129,669 | 129,669 |
| 0 | 0 | Intangible assets | 6 | 1,230 | 1,230 |
| 0 | 0 | Right of Use assets | 16a | 14,272 | 14,272 |
| 3,810 | 3,810 | Investments | | 0 | 0 |
| | | Trade and other receivables | 9 | 10,756 | 10,756 |
| 125,293 | 125,293 | Total non-current assets | | 155,927 | 155,927 |
| | | Current Assets: | | | |
| 469 | 469 | Inventories | 8 | 995 | 995 |
| 0 | 0 | Intangible assets | 6 | 0 | 0 |
| 21,551 | 21,471 | Trade and other receivables | 9 | 24,621 | 24,621 |
| 952 | 47 | Cash and cash equivalents | 10 | 1,170 | 57 |
| 0 | 0 | Investments | | 0 | 0 |
| 0 | 0 | Derivatives financial assets | | 0 | 0 |
| 0 | 0 | Assets classified as held for sale | 7b | 70 | 70 |
| 22,972 | 21,987 | Total current assets | | 26,856 | 25,743 |
| 148,265 | 147,280 | Total assets | | 182,783 | 181,670 |
| | | Current liabilities | | | |
| (4,306) | (4,306) | Provisions | 12a | (5,080) | (5,080) |
| (39,093) | (39,090) | Financial liabilities: | | | |
| 0 | 0 | Trade and other payables | 11 | (45,486) | (45,477) |
| | | Derivatives financial liabilities | | 0 | 0 |
| (43,399) | (43,396) | Total current liabilities | | (50,566) | (50,557) |
| 104,866 | 103,884 | Non-current assets plus / less net current assets / liabilities | | 132,217 | 131,113 |
| | | Non-current liabilities | | | |
| (17,038) | (17,038) | Provisions | 12a | (21,617) | (21,617) |
| (86) | (86) | Financial liabilities: | | | |
| (17,124) | (17,124) | Trade and other payables | 11 | (12,279) | (12,279) |
| | | Total non-current liabilities | | (33,896) | (33,896) |
| 87,742 | 86,760 | Assets less liabilities | | 98,321 | 97,217 |
| | | Taxpayers' Equity | | | |
| 81,430 | 81,430 | General fund | SoCTE | 91,569 | 91,569 |
| 5,330 | 5,330 | Revaluation reserve | SoCTE | 5,648 | 5,648 |
| 982 | 0 | Fund held on Trust | SoCTE | 1,104 | 0 |
| 87,742 | 86,760 | Total taxpayers' equity | | 98,321 | 97,217 |

The Notes to the Accounts, numbered 1 to 21, form an integral part of these Accounts.

The financial statements on pages 66 to 123 were approved by the Board on 28 June 2023 and signed on their behalf by

Julie Carter

Director of Finance
Date: 29 June 2023

Pauline Howie

Chief Executive
Date: 28 June 2023

CONSOLIDATED STATEMENT OF CASHFLOWS

FOR THE YEAR ENDED 31 MARCH 2023

| 2022 £000 | | Note | 2023 £000 | 2023 £000 |
|------------------|---|-------|--------------|------------------|
| | Cash flows from operating activities | | | |
| (407,724) | Net expenditure | SoCTE | (423,554) | |
| 16,264 | Adjustments for non-cash transactions | 2b | 25,565 | |
| (63) | Add back: interest payable recognised in net operating expenditure | 2b | (18) | |
| (1) | Deduct: interest receivable recognised in net operating expenditure | 4 | (3) | |
| 0 | Investment income | | 0 | |
| 11,356 | Movements in working capital | 2b | (4,538) | |
| (380,168) | Net cash outflow from operating activities | 21c | | (402,548) |
| | Cash flows from investing activities | | | |
| (28,051) | Purchase of property, plant and equipment | | (25,394) | |
| (40) | Purchase of intangible assets | | (89) | |
| 0 | Investment additions | | 0 | |
| 0 | Transfer of assets (to) / from other NHS Scotland Bodies | | 0 | |
| 443 | Proceeds of disposal of property, plant and equipment | | 624 | |
| 0 | Proceeds of disposal of intangible assets | | 0 | |
| 0 | Receipts from sale of investments | | 0 | |
| 1 | Interest received | | 3 | |
| (27,647) | Net cash outflow from investing activities | 21c | | (24,856) |
| | Cash flows from financing activities | | | |
| 407,627 | Funding | SoCTE | 433,658 | |
| 0 | Movement in general fund working capital | SoCTE | 0 | |
| 407,627 | Cash drawn down | | 433,658 | |
| 0 | Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts | 2b | 0 | |
| | IFRS 16 - 2022-23 cash lease payment | | (6,054) | |
| 63 | Interest paid | 2b | 211 | |
| 0 | Interest element of leases and on-balance sheet PFI / PPP and Hub contracts | 2b | (193) | |
| 407,690 | Net Financing | 21c | | 427,622 |
| (125) | Net Increase / (decrease) in cash and cash equivalents in the period | | | 218 |
| 1,077 | Cash and cash equivalents at the beginning of the period | | | 952 |
| 952 | Cash and cash equivalents at the end of the period | | | 1,170 |
| | Reconciliation of net cash flow to movement in net debt/cash | | | |
| (125) | Increase / (decrease) in cash in year | 10 | | 218 |
| 1,077 | Net debt / cash at 1 April | | | 952 |
| 952 | Net debt / cash at 31 March | | | 1,170 |

The Notes to the Accounts, numbered 1 to 21, form an integral part of these Accounts.

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

FOR THE YEAR ENDED 31 MARCH 2023

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

| | | General Fund | Revaluation Reserve | Funds Held on Trust | Total Reserves |
|---|-------------|------------------|------------------------|---------------------------|-------------------|
| | Note | £000 | £000 | £000 | £000 |
| Balance at 31 March 2022 | | 81,430 | 5,330 | 982 | 87,742 |
| Retrospective restatements for changes in accounting policy and material errors | | | | | 0 |
| Restated balance at 1 April 2022 | | 81,430 | 5,330 | 982 | 87,742 |
| Changes in taxpayers' equity for 2022-23 | | | | | |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a | 0 | 475 | 0 | 475 |
| Net gain / (loss) on revaluation / indexation of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Net gain / (loss) on revaluation of investments | | 0 | 0 | 0 | 0 |
| Net gain / (loss) on revaluation of Right-of-Use assets | | 0 | 0 | 0 | 0 |
| Impairment of property, plant and equipment | | 0 | (139) | 0 | (139) |
| Impairment of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Revaluation and impairments taken to operating costs | 2b | 0 | 139 | 0 | 139 |
| Release of reserves to the statement of comprehensive net expenditure | | 0 | 0 | 0 | 0 |
| Transfers between reserves | | 157 | (157) | 0 | 0 |
| Pension reserve movements | | 0 | 0 | 0 | 0 |
| Net operating cost for the year | CFS | (423,676) | | 122 | (423,554) |
| Total recognised income and expense for 2022-23 | | (423,519) | 318 | 122 | (423,079) |
| Funding: | | | | | |
| Drawn down | CFS | 433,658 | 0 | 0 | 433,658 |
| Movement in General Fund (creditor) / debtor | CFS | 0 | 0 | 0 | 0 |
| Balance at 31 March 2023 | SoFP | 91,569 | 5,648 | 1,104 | 98,321 |

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY (PRIOR YEAR)

| | | General Fund | Revaluation Reserve | Funds Held on Trust | Total Reserves |
|---|------|-----------------|------------------------|---------------------------|-------------------|
| | Note | £000 | £000 | £000 | £000 |
| At 31 March 2021 | | 81,365 | 4,840 | 1,018 | 87,223 |
| Retrospective restatements for changes in accounting policy and material errors | | | | | 0 |
| At 1 April 2021 | | 81,365 | 4,840 | 1,018 | 87,223 |
| Changes in taxpayers' equity for 2021-22 | | | | | |
| Net gain / (loss) on revaluation / indexation of property, plant and equipment | 7a | 0 | 616 | 0 | 616 |
| Net gain / (loss) on revaluation / indexation of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Net gain / (loss) on revaluation of investments | | 0 | 0 | 0 | 0 |
| Impairment of property, plant and equipment | | 0 | (41) | 0 | (41) |
| Impairment of intangible assets | 6 | 0 | 0 | 0 | 0 |
| Revaluation and impairments taken to operating costs | 2b | 0 | 41 | 0 | 41 |
| Release of reserves to the statement of comprehensive net expenditure | | 0 | 0 | 0 | 0 |
| Transfers between reserves | | 126 | (126) | | 0 |
| Pension reserve movements | | | | | 0 |
| Net operating cost for the year | CFS | (407,688) | | (36) | (407,724) |
| Total recognised income and expense for 2021-22 | | (407,562) | 490 | (36) | (407,108) |
| Funding: | | | | | |
| Drawn down | CFS | 407,627 | 0 | 0 | 407,627 |
| Movement in General Fund (creditor) / debtor | CFS | 0 | 0 | 0 | 0 |
| Balance at 31 March 2022 | SoFP | 81,430 | 5,330 | 982 | 87,742 |

The Notes to the Accounts, numbered 1 to 21, form an integral part of these Accounts.

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023**

NOTE 1 - ACCOUNTING POLICIES

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the United Kingdom (IFRS as adopted by the UK), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 30 below.

Note: Where a new international accounting standard/amendment/interpretation has been issued but not yet implemented, Boards are required to disclose in their financial statements the nature of the standard, and if possible, an estimate of its likely effect on future financial statements. HM Treasury issue a paper that sets out standards issued not yet adopted. Boards should refer to this paper when preparing their disclosure.

(a) Standards, amendments and interpretations effective in current year

IFRS16 is the new standard which has been issued and adopted for the year 2022-2023

(b) Standards, amendments and interpretation early adopted this year

There are no new standards, amendments or interpretations early adopted this year.

(c) Standards, amendments and interpretation issued but not adopted this year

The table below summarises recent standards, amendments and interpretations issued but not adopted in the 2022/23 financial year

| Standard | Current Status |
|-----------------------------|---|
| IFRS 17 Insurance Contracts | Effective for accounting period beginning on or after 1 January 2021. However, this standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025. |

2. Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the Scottish Ambulance Service Endowment Fund.

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978

Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

The Scottish Ambulance Service Endowment Fund is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

Note 21 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Going Concern

The Board has submitted a balanced financial plan and local delivery plan to Scottish Government. This highlights key assumptions and risks to delivering on our operational objectives within budget. Therefore, the accounts are prepared on the going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

4. Accounting Convention

The Accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories and financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM.

5. Funding

Most of the expenditure of the Health Board as Commissioner is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the Board that is not classed as funding is recognised in the year in which it is receivable.

Where income is received for a specific activity which is to be delivered in the following financial year, that income is deferred.

Income from the sale of non-current assets is recognised only when all material conditions of sale have been met and is measured as the sums due under the sale contract.

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of capital assets received from the Scottish Government is credited to the general fund when cash is drawn down.

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

6. Property, Plant and Equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

6.1 Recognition

Property, Plant and Equipment is capitalised where: it is held for use in delivering services or for administrative purposes; it is probable that future economic benefits will flow to, or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

- Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
- In cases where a new site would face an exceptional write off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
- Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total (including VAT where this is not recoverable), or where they are part of the initial costs of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

6.2 Measurement

Valuation:

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

All assets that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at fair value as follows:

Specialised NHS Land, buildings, equipment, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.

Non-specialised land and buildings, such as offices, are stated at fair value.

Valuations of all land and building assets are reassessed by valuers under a 5-year programme of professional valuations and adjusted in intervening years to take account of movements in prices since the latest valuation. All land and building assets are revalued on an annual basis, either through site visits or a desktop analysis by the District Valuer. A rolling programme is planned with 20% of land and building assets undertaking a site visit per annum resulting in the other 80% being visited over the remainder of the 5 years. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.

Non specialised equipment, installations and fittings are valued at fair value. Boards value such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.

To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria, the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

Revaluations and Impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

Temporary Decreases in Asset Value:

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure

6.3 Depreciation

Items of Property, Plant and Equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the Board, respectively.
- Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.
- Buildings, installations and fittings are depreciated on current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- Equipment is depreciated over the estimated life of the asset.
- Leased Property, plant and equipment held under leases are depreciated over the shorter of the lease term and the estimated useful life. Unless there is a reasonable certainty the Board will obtain ownership of the asset by the end of the lease term in which case it is depreciated over its useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component Useful Life

| Asset Category/Component | Useful Life Years |
|--|-------------------|
| Buildings | |
| <u>The expected UEL for each asset is based on independent valuers' assessment of condition but falls in the following ranges:</u> | |
| Structure | 8-58 |
| Engineering | 8-30 |
| External Works | 8-33 |
| | |
| Transport / Equipment | |
| Emergency Vehicles | 4-7 |
| Patient Transport Vehicles | 5-10 |
| Communications Equipment | 5-10 |
| IT Equipment | 5-10 |
| Plant & Machinery Medical Equipment | 5-10 |
| Mechanical | 7-30 |
| Furniture and furnishings | 10 |
| Fixtures and Fittings | 4-17 |

7. Intangible Assets

7.1 Recognition

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

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

The main classes of intangible assets recognised are:

Software:

Software which is integral to the operation of hardware (e.g. an operating system) is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware (e.g. application software) is capitalised as an intangible asset.

Software Licences:

Purchased computer software licences are capitalised as intangible fixed assets where expenditure of at least £5,000 is incurred.

7.2 MeasurementValuation

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets that are not held for their service potential (i.e. assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

7.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

- Internally generated intangible assets. Amortised on a systematic basis over the period expected to benefit from the project.
- Software. Amortised over their expected useful life.
- Software licences. Amortised over the shorter term of the licence and their useful economic lives.
- Other intangible assets. Amortised over their expected useful life.
- Intangible assets which has been reclassified as 'Held for Sale' ceases to be amortised upon the reclassification.

Amortisation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component Useful Life

| Asset Category/Component | Useful Life (years) |
|---------------------------------|---------------------|
| | |
| Software Licences | 5 |
| Information Technology/Software | 5 |

8. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'Held for Sale' once all of the following criteria are met:

- the asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- the sale must be highly probable i.e.:
 - management are committed to a plan to sell the asset;
 - an active programme has begun to find a buyer and complete the sale;
 - the asset is being actively marketed at a reasonable price;
 - the sale is expected to be completed within 12 months of the date of classification as 'Held for Sale'; and
 - the actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'Held for Sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

9. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current full replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual

10. Sale of Property, Plant and Equipment, Intangible Assets and Non-Current Assets Held for Sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

IFRS 16 Leases became effective for periods beginning on or after 1 January 2019, however the FReM deferred adoption until 2021. The cumulative catch-up method has been mandated by the FReM. Consequently, the comparatives for 2021-22 reflect the requirements of IAS 17 Leases.

Scope and Classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments. Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- Contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

Initial recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease, or, where this cannot be determined, the rate advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed, excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

Subsequent measurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or

nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

Lease expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

Transitional arrangements

The following determinations have been made:

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2021-2 reflect the requirements of IAS 17;
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts entered into from 1 April 2022 have been classified using the IFRS 16 criteria;
- For leases previously treated as operating leases: - To measure the liability at the present value of the remaining payments, discounted by the discount rate issued by HM Treasury; - To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease; - To exclude leases whose term ends within twelve months of first adoption; - To use hindsight in assessing remaining lease terms; - For leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.
- For leases previously treated as finance leases: - To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the right-of-use asset and lease liability as at first adoption.
- The 2023-24 FReM has been amended to require reporting entities to record indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023-24. The 2022-23 FReM has not been amended to clarify that this specific aspect of IFRS 16 has been deferred until 2023-24 and therefore does not apply in 2022-23. Where entities have in the past applied the principles of IAS 17 to account for the impact of changes in the relevant indices (e.g. CPI or RPI) in respect of on-balance sheet PPP/PFI contracts with index-linked payments, the application of IFRS 16 requirements is deferred to 1 April 2023.

Estimates and judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right of-use assets held under “peppercorn” leases to be measured at existing use value.

Identification of Right of Use assets

Under the transitional arrangements, an exercise was undertaken to identify and review all expenditure relating to leases and obtain all lease agreements relating to this expenditure. Lease arrangements were

analysed to determine whether the lease fell under the scope of IFRS16 and those that did were subject to the transitional arrangements described above.

Any new lease contracts must be approved by the Property Forum and Capital Programme Governance Group before any contract is signed. The impact of IFRS16 will be analysed before approval is given and if in scope the new lease will follow the initial recognition arrangements described above.

Accounting for leases under IAS 17 (2021-22)

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS. The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating leases

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

Leases of land and buildings

Where a lease is for land and buildings, the land component is separated from the building component and the classification for each is assessed separately. Leased land is treated as an operating lease unless title to the land is expected to transfer.

12. Impairment of Non-Financial Assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SoCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

13. General Fund Receivables and Payables

Where the Health Board has a positive net cash book balance at the year end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Health Board has a net overdrawn cash position at the year end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase price is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee BenefitsShort-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the Statement of Comprehensive Net Expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer. The pension cost is assessed every four years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above the threshold are reimbursed to Boards from a central fund held as part of the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by the Scottish Government.

The Board provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual

health body. The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

The Board also provides for its liability from participating in the scheme. The Participation in CNORIS provision recognises the Board's respective share of the total liability of NHS Scotland as advised by the Scottish Government and based on information prepared by Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in AME provision and is classified as non-core expenditure.

Further information on the scheme can be found at: <http://www.clo.scot.nhs.uk/our-services/cnoris.aspx>

18. Related Party Transactions

Material related party transactions are disclosed in the note 20 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in note 4.

19. Value Added Tax

Most of the activities of the Board 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 non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

20. Provisions

The Board provides for legal or constructive obligations 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. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

21. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 13 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 13, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability

22. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for adjustment disclosed in a note to the financial statements.

23. Financial Instruments

Financial assets

Business model

The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification

When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

(a) Financial assets at fair value through profit or loss

This is the default basis for financial assets.

(b) Financial assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

- i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

- i. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
- ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

(a) Financial assets at fair value through profit or loss

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income**Financial Liabilities**Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

- i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
- ii. they contain embedded derivatives; and/or
- iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs

Financial liabilities held at amortised cost are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

24. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

25. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balance held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Where the Government Banking Service is using NatWest and Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

26. Foreign Exchange

The functional and presentational currencies of the Board are sterling. A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

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

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

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

27. Third Party Assets

Assets belonging to third parties are not recognised in the accounts since the Board has no beneficial interest in them.

28. Key sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of a causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

The Board also relies on the professional judgement of specialists engaged for specific activities to estimate certain matters; for example, the Board's property advisors, who determine the likely value of property owned by the organisation (see 7.2), and also its legal advisors, who determine the likely estimates of legal liabilities (see Note 12). The Board therefore is dependent on these specialists and the advice they provide.

The Board also considers the asset lives of ICT equipment and intangible assets. While historically, lives of between 5-10 years were given to these assets, the rapidly changing environment of technology means that judgements about economic lives taken at the initial capitalisation of the asset may not reflect their actual lives.

In respect of provisions made for potential liabilities that are likely to settle in future years, the Board relies on information from our professional advisors as to the likely levels of any future settlements to create the general provision.

| | | 2023 | 2023 |
|--|--------------|------|----------------|
| | | £000 | £000 |
| NOTE 2a. SUMMARY OF CORE REVENUE RESOURCE OUTTURN | Note | | |
| Net expenditure | SoCNE | | 423,554 |
| Total non core expenditure (see below) | | | (21,887) |
| Endowment net expenditure | | | 122 |
| Total core expenditure | | | 401,789 |
| Core Revenue Resource Limit | | | 401,831 |
| Saving/(excess) against Core Revenue Resource Limit | | | 42 |

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

| | |
|--|---------------|
| Capital grants to / (from) other bodies | (1,882) |
| Depreciation / amortisation | 19,798 |
| Annually Managed Expenditure - impairments | (391) |
| Annually Managed Expenditure - provisions | (2,257) |
| Annually Managed Expenditure - depreciation of donated assets | 68 |
| Additional Scottish Government non-core funding | 529 |
| Donated assets income | (24) |
| IFRS PFI expenditure | 0 |
| Right of Use (RoU) Asset Depreciation | 6,046 |
| Total Non Core Expenditure | 21,887 |
| Non Core Revenue Resource Limit | 21,887 |
| Saving / (excess) against Non Core Revenue Resource Limit | 0 |

SUMMARY RESOURCE OUTTURN

| | Resource | Expenditure | Saving / (Excess) |
|--------------|----------------|----------------|----------------------|
| | £000 | £000 | £000 |
| Core | 401,831 | 401,789 | 42 |
| Non Core | 21,887 | 21,887 | 0 |
| Total | 423,718 | 423,676 | 42 |

The Notes to the Accounts, numbered 1 to 21, form an integral part of these Accounts.

NOTE 2b. NOTES TO THE CASH FLOW STATEMENT

Consolidated adjustments for non-cash transactions

| 2022 | | | 2023 |
|---------------|--|------------|---------------|
| £000 | | Note | £000 |
| | Expenditure not paid in cash | | |
| 15,956 | Depreciation | 7a | 19,290 |
| 535 | Amortisation | 6 | 509 |
| 68 | Depreciation of donated assets | 7a | 68 |
| 0 | Depreciation of Right of Use (RoU) Assets | 16b | 6,046 |
| 0 | Right of Use (RoU) Remeasurement (gain)/loss | 16b | 0 |
| 647 | Impairments on PPE charged to SoCNE | | 526 |
| (606) | Reversal of impairments on PPE charged to SoCNE | | (387) |
| (11) | Funding of Donated Assets | 7a | (24) |
| (325) | Loss / (profit) on disposal of property, plant and equipment | | (447) |
| 0 | Capitalised Dilapidations Provision | | (16) |
| 16,264 | Total expenditure not paid in cash | CFS | 25,565 |

Interest payable recognised in operating expenditure

| 2022 | | | 2023 |
|-------------|------------------------------------|------------|-------------|
| £000 | | | £000 |
| | Interest payable | | |
| 0 | Lease interest | 16b | 193 |
| (63) | Provisions - Unwinding of discount | | (211) |
| (63) | Net interest payable | CFS | (18) |

Consolidated movements in working capital

| 2022 | | | | 2023 | |
|-----------------------------|---|------|----------|----------|----------|
| Net | | Note | Opening | Closing | Net |
| movement | | | balances | balances | Movement |
| £000 | | | £000 | £000 | £000 |
| INVENTORIES | | | | | |
| (275) | Balance Sheet | 8 | 469 | 995 | |
| (275) | Net decrease / (increase) | | | | (526) |
| TRADE AND OTHER RECEIVABLES | | | | | |
| 4,902 | Due within one year | 9 | 21,551 | 24,621 | |
| 201 | Due after more than one year | 9 | 3,810 | 10,756 | |
| | | | 25,361 | 35,377 | |
| 5,103 | Net decrease / (increase) | | | | (10,016) |
| TRADE AND OTHER PAYABLES | | | | | |
| 5,137 | Due within one year | 11 | 39,093 | 45,486 | |
| (409) | Due after more than one year | 11 | 86 | 12,279 | |
| 1,469 | Less: property, plant & equipment (capital) included in above | | (9,067) | (12,754) | |
| 0 | Less: General Fund creditor included in above | 11 | (60) | (60) | |
| 0 | Less: lease and PFI creditors included in above | 11 | 0 | (14,248) | |
| | | | 30,052 | 30,703 | |
| 6,197 | Net decrease / (increase) | | | | 651 |
| PROVISIONS | | | | | |
| 331 | Statement of Financial Position | 12a | 21,344 | 26,697 | |
| 0 | Transfer from provision to General Fund | | 0 | 0 | |
| | | | 21,344 | 26,697 | |
| 331 | Net decrease / (increase) | | | | 5,353 |
| 11,356 | Net movement (decrease) / increase | CFS | | | (4,538) |

NOTE 3. OPERATING EXPENSES**3a. Employee expenditure**

| 2022 | | | 2023 | 2023 |
|----------------|--------------|--------------|----------------|---------------------|
| Total | | | Board | Consolidated |
| £000 | | | £000 | £000 |
| 321,570 | Other Staff | | 338,283 | 338,283 |
| 321,570 | Total | SoCNE | 338,283 | 338,283 |

Further detail and analysis of employee costs can be found in the Remuneration and Staff Report, forming part of the Accountability Report.

3b. Other operating expenditure

| 2022 | | | 2023 | 2023 |
|--------------------------------------|---|--------------|----------------|---------------------|
| Total | | | Board | Consolidated |
| £000 | | Note | £000 | £000 |
| 4,347 | PPE and Testing Kits | | 451 | 451 |
| 4,347 | Total | | 451 | 451 |
| 17,422 | Vehicle Running Costs | SoCNE | 16,446 | 16,446 |
| 18,014 | Air Ambulance Costs | SoCNE | 15,368 | 15,368 |
| 11,018 | Property Running Costs | SoCNE | 8,316 | 8,316 |
| 5,847 | Medical Costs | SoCNE | 6,415 | 6,415 |
| 52,301 | Total | | 46,545 | 46,545 |
| Other health care expenditure | | | | |
| 42,940 | Other operating expenses | | 60,740 | 60,740 |
| 82 | External auditor's remuneration - statutory audit fee | | 103 | 103 |
| 156 | Endowment Fund expenditure | | 0 | 59 |
| 43,178 | Total | SoCNE | 60,843 | 60,902 |
| 99,826 | Total Other Operating Expenditure | | 107,839 | 107,898 |

Included within the Endowment Fund expenditure is £5k in relation to Chiene and Tait external auditor of the Endowment Fund.

NOTE 4. OPERATING INCOME

| 2022 | | | 2023 | 2023 |
|-----------------|--|-------|---------------|---------------|
| Total | | | Board | Consolidated |
| £000 | | Note | £000 | £000 |
| 449 | Income from Scottish Government | | 2,829 | 2,829 |
| 5,965 | Income from other NHS Scotland bodies | | 7,081 | 7,081 |
| 0 | Income from NHS non-Scottish bodies | | 0 | 0 |
| 43 | Income from private patients | | 32 | 32 |
| 2,490 | Donations | | 114 | 114 |
| 325 | Profit on disposal of assets | | 447 | 447 |
| 356 | Contributions in respect of clinical and medical negligence claims | | 1,079 | 1,079 |
| 1 | Interest received | CFS | | 3 |
| Non NHS: | | | | |
| 408 | Non-patient care income generation schemes | | 442 | 442 |
| 119 | Endowment Fund Income | | 0 | 178 |
| 3,516 | Other | | 10,422 | 10,422 |
| 13,672 | Total Income | SoCNE | 22,446 | 22,627 |

NOTE 5. SEGMENTAL INFORMATION

Segmental information as required under IFRS has been reported for each strategic objective

| North Region | East Region | West Region | National Operations | HQ Directorates | Endowment | 2023 |
|-----------------|----------------|----------------|------------------------|--------------------|-----------|------|
| £000 | £000 | £000 | £000 | £000 | £000 | £000 |

| | | | | | | | |
|---------------------------|--------|--------|---------|--------|--------|-------|----------------|
| Net operating cost | 55,302 | 86,778 | 116,391 | 88,483 | 76,722 | (122) | 423,554 |
|---------------------------|--------|--------|---------|--------|--------|-------|----------------|

PRIOR YEAR

Segmental information as required under IFRS has been reported for each strategic objective

| North Region | East Region | West Region | National Operations | HQ Directorates | Endowment | 2022 |
|-----------------|----------------|----------------|------------------------|--------------------|-----------|------|
| £000 | £000 | £000 | £000 | £000 | £000 | £000 |

| | | | | | | | |
|---------------------------|--------|--------|---------|---------|--------|----|----------------|
| Net operating cost | 46,371 | 74,487 | 101,943 | 100,280 | 84,607 | 36 | 407,724 |
|---------------------------|--------|--------|---------|---------|--------|----|----------------|

NOTE 6. INTANGIBLE ASSETS**Intangible Assets (non-current) – Consolidated and Board**

| | | Software Licences | IT - software | Assets Under Development | Total |
|--|-------------|----------------------|---------------|-----------------------------|---------------|
| | Note | £000 | £000 | £000 | £000 |
| Cost or Valuation: | | | | | |
| At 1 April 2022 | | 1,904 | 10,081 | 0 | 11,985 |
| Additions | | 0 | 89 | 0 | 89 |
| Completions | | 221 | 428 | (649) | 0 |
| Transfers between asset categories | | 0 | 0 | 649 | 649 |
| At 31 March 2023 | | 2,125 | 10,598 | 0 | 12,723 |
| Amortisation | | | | | |
| At 1 April 2022 | | 1,488 | 9,496 | 0 | 10,984 |
| Provided during the year | | 157 | 352 | 0 | 509 |
| At 31 March 2023 | | 1,645 | 9,848 | 0 | 11,493 |
| Net book value at 1 April 2022 | | 416 | 585 | 0 | 1,001 |
| Net book value at 31 March 2023 | SoFP | 480 | 750 | 0 | 1,230 |

CONSOLIDATED AND BOARD - PRIOR YEAR

| | | Software Licences | IT - software | Assets Under Development | Total |
|--|-------------|----------------------|---------------|-----------------------------|---------------|
| | Note | £000 | £000 | £000 | £000 |
| Cost or Valuation: | | | | | |
| At 1 April 2021 | | 1,383 | 9,810 | 0 | 11,193 |
| Additions | | | 40 | | 40 |
| Completions | | 521 | 231 | (752) | 0 |
| Transfers between asset categories | | 0 | 0 | 752 | 752 |
| At 31 March 2022 | | 1,904 | 10,081 | 0 | 11,985 |
| Amortisation | | | | | |
| At 1 April 2021 | | 1,340 | 9,109 | 0 | 10,449 |
| Provided during the year | | 148 | 387 | 0 | 535 |
| At 31 March 2022 | | 1,488 | 9,496 | 0 | 10,984 |
| Net book value at 1 April 2021 | | 43 | 701 | 0 | 744 |
| Net book value at 31 March 2022 | SoFP | 416 | 585 | 0 | 1,001 |

NOTE 7a. PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED AND BOARD

| | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Assets Under Construction | Total |
|---|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|---------------------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | |
| At 1 April 2022 | 4,975 | 19,807 | 101,584 | 20,901 | 17,005 | 7,875 | 24,584 | 196,731 |
| Additions - purchased | 0 | 0 | 1,103 | 44 | 0 | 30 | 27,904 | 29,081 |
| Additions – donated | 0 | 0 | 0 | 24 | 0 | 0 | 0 | 24 |
| Completions | 0 | 58 | 19,040 | 778 | 64 | 1,738 | (21,678) | 0 |
| Transfers between asset categories | 0 | 0 | 0 | 0 | 0 | 0 | (649) | (649) |
| Transfers (to)/from non-current assets held for sale | (16) | (56) | 0 | 0 | 0 | 0 | 0 | (72) |
| Revaluations | 2 | 82 | 0 | 0 | 0 | 0 | 0 | 84 |
| Impairment charges | 0 | (14) | (529) | 0 | 0 | 0 | 0 | (543) |
| Impairment reversals | 0 | 21 | 0 | 0 | 0 | 0 | 0 | 21 |
| Disposals - purchased | 0 | 0 | (7,941) | (44) | 0 | 0 | 0 | (7,985) |
| At 31 March 2023 | 4,961 | 19,898 | 113,257 | 21,703 | 17,069 | 9,643 | 30,161 | 216,692 |
| Depreciation | | | | | | | | |
| At 1 April 2022 | 0 | (3) | 49,140 | 7,813 | 14,881 | 4,418 | 0 | 76,249 |
| Provided during the year – purchased | 0 | 776 | 15,348 | 1,901 | 886 | 379 | 0 | 19,290 |
| Provided during the year - donated | 0 | 0 | 30 | 38 | 0 | 0 | 0 | 68 |
| Transfers (to)/from non-current assets held for sale | 0 | (2) | 0 | 0 | 0 | 0 | 0 | (2) |
| Revaluations | 0 | (391) | 0 | 0 | 0 | 0 | 0 | (391) |
| Impairment charges | 0 | (17) | 0 | 0 | 0 | 0 | 0 | (17) |
| Impairment reversals | 0 | (366) | 0 | 0 | 0 | 0 | 0 | (366) |
| Disposals - purchased | 0 | 0 | (7,764) | (44) | 0 | 0 | 0 | (7,808) |
| At 31 March 2023 | 0 | (3) | 56,754 | 9,708 | 15,767 | 4,797 | 0 | 87,023 |
| Net book value at 1 April 2022 | 4,975 | 19,810 | 52,444 | 13,088 | 2,124 | 3,457 | 24,584 | 120,482 |
| Net book value at 31 March 2023 | 4,961 | 19,901 | 56,503 | 11,995 | 1,302 | 4,846 | 30,161 | 129,669 |
| Open Market Value of Land in Land and Dwellings Included Above | | | | | | | | |
| | 0 | | | | | | | |
| Asset financing: | | | | | | | | |
| Owned - purchased | 4,961 | 19,901 | 56,444 | 11,870 | 1,302 | 4,846 | 30,161 | 129,485 |
| Owned - donated | 0 | 0 | 59 | 125 | 0 | 0 | 0 | 184 |
| Net book value at 31 March 2023 | 4,961 | 19,901 | 56,503 | 11,995 | 1,302 | 4,846 | 30,161 | 129,669 |

NOTE 7a. PROPERTY, PLANT AND EQUIPMENT – CONSOLIDATED AND BOARD PRIOR YEAR

| | Land (including under buildings) | Buildings (excluding dwellings) | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Assets Under Construction | Total |
|---|---|---------------------------------------|------------------------|----------------------|---------------------------|-------------------------|---------------------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | |
| At 1 April 2021 | 4,939 | 19,469 | 101,841 | 19,282 | 16,028 | 7,695 | 13,660 | 182,914 |
| Additions - purchased | 0 | 0 | 2,418 | 390 | 99 | 46 | 23,629 | 26,582 |
| Additions – donated | 0 | 0 | 0 | 11 | 0 | 0 | 0 | 11 |
| Completions | 0 | 0 | 9,488 | 1,453 | 878 | 134 | (11,953) | 0 |
| Transfers between asset categories | 0 | 0 | 0 | 0 | 0 | 0 | (752) | (752) |
| Revaluations | 36 | 242 | 0 | 0 | 0 | 0 | 0 | 278 |
| Impairment charges | 0 | (131) | (528) | 0 | 0 | 0 | 0 | (659) |
| Impairment reversals | 0 | 227 | 0 | 0 | 0 | 0 | 0 | 227 |
| Disposals - purchased | 0 | 0 | (11,635) | (219) | 0 | 0 | 0 | (11,854) |
| Disposals - donated | 0 | 0 | 0 | (16) | 0 | 0 | 0 | (16) |
| At 31 March 2022 | 4,975 | 19,807 | 101,584 | 20,901 | 17,005 | 7,875 | 24,584 | 196,731 |
| Depreciation | | | | | | | | |
| At 1 April 2021 | 0 | 0 | 48,543 | 6,052 | 14,068 | 4,043 | 0 | 72,706 |
| Provided during the year – purchased | 0 | 726 | 12,085 | 1,957 | 813 | 375 | 0 | 15,956 |
| Provided during the year - donated | 0 | 0 | 30 | 38 | 0 | 0 | 0 | 68 |
| Revaluations | 0 | (338) | 0 | 0 | 0 | 0 | 0 | (338) |
| Impairment charges | 0 | (12) | 0 | 0 | 0 | 0 | 0 | (12) |
| Impairment reversals | 0 | (379) | 0 | 0 | 0 | 0 | 0 | (379) |
| Disposals - purchased | 0 | 0 | (11,518) | (218) | 0 | 0 | 0 | (11,736) |
| Disposals - donated | 0 | 0 | 0 | (16) | 0 | 0 | 0 | (16) |
| At 31 March 2022 | 0 | (3) | 49,140 | 7,813 | 14,881 | 4,418 | 0 | 76,249 |
| Net book value at 1 April 2021 | 4,939 | 19,469 | 53,298 | 13,230 | 1,960 | 3,652 | 13,660 | 110,208 |
| Net book value at 31 March 2022 | 4,975 | 19,810 | 52,444 | 13,088 | 2,124 | 3,457 | 24,584 | 120,482 |
| Open Market Value of Land in Land and Dwellings Included Above | | | | | | | | |
| | 0 | | | | | | | |
| Asset financing: | | | | | | | | |
| Owned - purchased | 4,975 | 19,810 | 52,355 | 12,949 | 2,124 | 3,457 | 24,573 | 120,243 |
| Owned - donated | 0 | 0 | 89 | 139 | 0 | 0 | 11 | 239 |
| Net book value at 31 March 2022 | 4,975 | 19,810 | 52,444 | 13,088 | 2,124 | 3,457 | 24,584 | 120,482 |

NOTE 7b. ASSETS HELD FOR SALE**ASSETS HELD FOR SALE – CONSOLIDATED AND BOARD**

| | | Property, Plant & Equipment | Intangible Assets | Total |
|---|-------------|-----------------------------------|----------------------|-----------|
| | Note | £000 | £000 | £000 |
| At 1 April 2022 | | 0 | 0 | 0 |
| Transfers from property, plant and equipment | 7a | 70 | 0 | 70 |
| Transfers (to) / from intangible assets | 6 | 0 | 0 | 0 |
| Gain or losses recognised on re-measurement of non-current assets held for sale | | 0 | 0 | 0 |
| Disposals of non-current assets held for sale | | 0 | 0 | 0 |
| At 31 March 2023 | SoFP | 70 | 0 | 70 |

ASSETS HELD FOR SALE (PRIOR YEAR) – CONSOLIDATED AND BOARD

| | | Property, Plant & Equipment | Intangible Assets | Total |
|---|-------------|-----------------------------------|----------------------|----------|
| At 1 April 2021 | | 0 | 0 | 0 |
| Transfers from property, plant and equipment | | 0 | 0 | 0 |
| Transfers from (to) / from intangible assets | | 0 | 0 | 0 |
| Gain or losses recognised on re-measurement of non-current assets held for sale | | 0 | 0 | 0 |
| Disposals of non-current assets held for sale | | 0 | 0 | 0 |
| At 31 March 2022 | SoFP | 0 | 0 | 0 |

NOTE 7c. PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

| Consolidated 2022 £000 | Board 2022 £000 | | Note | Consolidated 2023 £000 | Board 2023 £000 |
|------------------------------|-----------------------|---|-------------|------------------------------|-----------------------|
| | | Net book value of property, plant and equipment at 31 March | | | |
| 120,243 | 120,243 | Purchased | | 129,485 | 129,485 |
| 239 | 239 | Donated | | 184 | 184 |
| 120,482 | 120,482 | Total | SoFP | 129,669 | 129,669 |
| 0 | 0 | Net book value related to land valued at open market value at 31 March | | 0 | 0 |
| 0 | 0 | Net book value related to buildings valued at open market value at 31 March | | 0 | 0 |

All land and 100% of buildings were revalued, either through desktop surveys or site visits, by an independent valuer, The Valuation Office Agency, as at 31/03/2023 on the basis of fair value (market value or depreciated replacement costs where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

The net impact was an increase of £0.475m (2021-22: an increase of £0.616m) which was credited to the revaluation reserve. Impairment of £0.139m (2021-22 £0.041m) was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

NOTE 7d ANALYSIS OF CAPITAL EXPENDITURE

| Consolidated 2022 £000 | Board 2022 £000 | | Note | Consolidated 2023 £000 | Board 2023 £000 |
|--|-----------------------|--|------|------------------------------|-----------------------|
| Expenditure | | | | | |
| 40 | 40 | Acquisition of intangible assets | 6 | 89 | 89 |
| 26,582 | 26,582 | Acquisition of property, plant and equipment | 7a | 29,081 | 29,081 |
| 11 | 11 | Donated asset additions | 7a | 24 | 24 |
| | | Right of Use (RoU) Additions | 16a | 2,665 | 2,665 |
| | | Right of Use (RoU) Dilapidations | | 16 | 16 |
| 26,633 | 26,633 | Gross Capital Expenditure | | 31,875 | 31,875 |
| Income | | | | | |
| 0 | 0 | Net book value of disposal of intangible assets | 6 | 0 | 0 |
| 118 | 118 | Net book value of disposal of property, plant and equipment | 7a | 177 | 177 |
| 0 | 0 | Net book value of disposal of donated assets | 7a | 0 | 0 |
| 0 | 0 | Value of disposal of non-current assets held for sale | 7b | 0 | 0 |
| 0 | 0 | Right of Use Disposals | 16a | 0 | 0 |
| 118 | 118 | Capital Income | | 177 | 177 |
| 26,515 | 26,515 | Net Capital Expenditure | | 31,698 | 31,698 |
| SUMMARY OF CAPITAL RESOURCE OUTTURN | | | | | |
| 26,504 | 26,504 | Core capital expenditure included above | | 31,658 | 31,658 |
| 26,504 | 26,504 | Core Capital Resource Limit | | 31,668 | 31,668 |
| 0 | 0 | Saving / (excess) against Core Capital Resource Limit | | 10 | 10 |
| 11 | 11 | Non core capital expenditure included above | | 40 | 40 |
| 11 | 11 | Non core Capital Resource Limit | | 40 | 40 |
| 0 | 0 | Saving / (excess) against Non Core Capital Resource Limit | | 0 | 0 |
| 26,515 | 26,515 | Total capital expenditure | | 31,698 | 31,698 |
| 26,515 | 26,515 | Total Capital Resource Limit | | 31,708 | 31,708 |
| 0 | 0 | Saving / (excess) against Total Capital Resource Limit | | 10 | 10 |

NOTE 8. INVENTORIES – CONSOLIDATED AND BOARD

| Consolidated 2022 £000 | Board 2022 £000 | | Note | Consolidated 2023 £000 | Board 2023 £000 |
|------------------------------|-----------------------|-------------------------------|-------------|------------------------------|-----------------------|
| 469 | 469 | Raw Materials and Consumables | | 995 | 995 |
| 469 | 469 | Total inventories | SoFP | 995 | 995 |

NOTE 9. TRADE AND OTHER RECEIVABLES

| Consolidated | Board | | Consolidated | Board |
|---------------|---------------|--|---------------|---------------|
| 2022 | 2022 | | 2023 | 2023 |
| £000 | £000 | | £000 | £000 |
| | | Note | | |
| | | Receivables due within one year | | |
| | | NHSScotland | | |
| 1,554 | 1,554 | Scottish Government | 1,550 | 1,550 |
| 3,985 | 3,985 | Boards | 7,732 | 7,732 |
| 5,539 | 5,539 | Total NHSScotland Receivables | 9,282 | 9,282 |
| 1 | 1 | NHS non-Scottish bodies | 0 | 0 |
| 0 | | General Fund receivable | 0 | |
| 2,026 | 2,026 | VAT recoverable | 402 | 402 |
| 12,127 | 12,127 | Prepayments | 12,125 | 12,125 |
| 381 | 301 | Accrued income | 248 | 248 |
| (278) | (278) | Other receivables | 215 | 215 |
| 1,673 | 1,673 | Reimbursement of provisions | 2,319 | 2,319 |
| 82 | 82 | Other public sector bodies | 30 | 30 |
| 21,551 | 21,471 | Total Receivables due within one year | 24,621 | 24,621 |
| | | Receivables due after more than one year | | |
| | | NHSScotland | | |
| 0 | 0 | Scottish Government | 0 | 0 |
| 0 | 0 | Boards | 0 | 0 |
| 0 | 0 | Total NHSScotland Receivables | 0 | 0 |
| 0 | 0 | Other Public Sector Bodies | 0 | 0 |
| 0 | 0 | Prepayments | 0 | 0 |
| 846 | 846 | Accrued income | 863 | 863 |
| (197) | (197) | Other receivables | (214) | (214) |
| 3,161 | 3,161 | Reimbursement of provisions | 10,107 | 10,107 |
| 3,810 | 3,810 | Total Receivables due after more than one year | 10,756 | 10,756 |
| 25,361 | 25,281 | TOTAL RECEIVABLES | 35,377 | 35,377 |
| 1,219 | 1,219 | The total receivables figure above includes a provision for impairments of : | 1,252 | 1,252 |
| | | WGA Classification | | |
| 3,985 | 3,985 | NHS Scotland | 7,732 | 7,732 |
| 3,645 | 3,645 | Central Government bodies | 1,958 | 1,958 |
| 16 | 16 | Whole of Government bodies | 29 | 29 |
| 1 | 1 | Balances with NHS bodies in England and Wales | 0 | 0 |
| 17,714 | 17,634 | Balances with bodies external to Government | 25,658 | 25,658 |
| 25,361 | 25,281 | Total | 35,377 | 35,377 |

| 2022 | 2022 | | 2023 | 2023 |
|--------------|--------------|--|--------------|--------------|
| £000 | £000 | Movements on the provision for impairment of receivables are as follows: | £000 | £000 |
| 323 | 323 | At 1 April | 1,219 | 1,219 |
| 876 | 876 | Provision for impairment | 312 | 312 |
| (98) | (98) | Receivables written off during the year as uncollectable | 0 | 0 |
| 118 | 118 | Unused amounts reversed | (279) | (279) |
| 1,219 | 1,219 | At 31 March | 1,252 | 1,252 |

As of 31 March 2023, receivables with a carrying value of £1.3m (2021-22: £1.2m were impaired and provided for. The ageing of these receivables is as follows:

| 2022 | 2022 | | 2023 | 2023 |
|--------------|--------------|------------------------|--------------|--------------|
| £000 | £000 | | £000 | £000 |
| 27 | 27 | 3 to 6 months past due | 40 | 40 |
| 1,192 | 1,192 | Over 6 months past due | 1,212 | 1,212 |
| 1,219 | 1,219 | | 1,252 | 1,252 |

The receivables assessed as individually impaired were mainly NHS Scotland Boards as we have impaired those 2 years past their due date on the basis that these may not be collectable.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2023, receivables with a carrying value of £7.8 million (2021-22: £2.5 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:

| 2022 | 2022 | | 2023 | 2023 |
|--------------|--------------|-------------------------|--------------|--------------|
| £000 | £000 | | £000 | £000 |
| 123 | 123 | Up to 3 months past due | 7,211 | 7,211 |
| 94 | 94 | 3 to 6 months past due | 123 | 123 |
| 2,262 | 2,262 | Over 6 months past due | 431 | 431 |
| 2,479 | 2,479 | | 7,765 | 7,765 |

The receivables assessed as past due but not impaired were mainly NHS Scotland Health Boards.

Concentration of credit risk is limited due to customer base being large and unrelated / government bodies. Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below:

| 2022 | 2022 | | 2023 | 2023 |
|---------------|---------------|--|---------------|---------------|
| £000 | £000 | | £000 | £000 |
| | | Counterparties with no external credit rating: | | |
| | | New customers | | |
| 21,663 | 21,583 | Existing customers with no defaults in the past | 26,360 | 26,360 |
| | | Existing customers with some defaults in the past | | |
| 21,663 | 21,583 | Total neither past due or impaired | 26,360 | 26,360 |
| | | The maximum exposure to credit risk is the fair value of each class of receivable. The NHS Board does not hold any collateral as security. | | |
| | | The carrying amount of receivables are denominated in the following currencies: | | |
| | | | 2023 | 2023 |
| | | | £000 | £000 |
| 25,361 | 25,281 | Pounds | 35,377 | 35,377 |
| | | Euros | | |
| 0 | 0 | US Dollars | 0 | 0 |
| 25,361 | 25,281 | | 35,377 | 35,377 |

All non-current receivables are due within 6 years (2021-22: 6 years) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £Nil (2021-22 £Nil).

NOTE 10. CASH AND CASH EQUIVALENTS

| | | 2023 | 2022 |
|---|-------------|---------------------|-------------------|
| | Note | £000 | £000 |
| Balance at 1 April | | 952 | 1,077 |
| Net change in cash and cash equivalent balances | CFS | 218 | (125) |
| Balance at 31 March | SoFP | 1,170 | 952 |
| Overdrafts | | <u>0</u> | <u>0</u> |
| Total Cash - Cash Flow Statement | | <u>1,170</u> | <u>952</u> |

The following balances at 31 March were held at:

| | | |
|-----------------------------------|---------------------|-------------------|
| Government Banking Service | 54 | 45 |
| Commercial banks and cash in hand | 3 | 2 |
| Overdrafts | 0 | 0 |
| Short term investments | 0 | 0 |
| Endowment cash | <u>1,113</u> | <u>905</u> |
| Balance at 31 March | <u>1,170</u> | <u>952</u> |

NOTE 11. TRADE AND OTHER PAYABLES

| Consolidated 2022 £000 | Board 2022 £000 | | Note | Consolidated 2023 £000 | Board 2023 £000 |
|--|-----------------------|--|------|------------------------------|-----------------------|
| Payables due within one year | | | | | |
| NHSScotland | | | | | |
| 349 | 349 | Scottish Government | | 86 | 86 |
| 1,828 | 1,828 | Boards | | 1,889 | 1,889 |
| 2,177 | 2,177 | Total NHSScotland Payables | | 1,975 | 1,975 |
| 195 | 195 | NHS Non-Scottish bodies | | 177 | 177 |
| 60 | 60 | Amounts payable to General Fund | | 60 | 60 |
| 0 | 0 | FHS practitioners | | 0 | 0 |
| 2,334 | 2,334 | Trade payables | | 5,236 | 5,236 |
| 18,974 | 18,971 | Accruals | | 14,235 | 14,226 |
| 17 | 17 | Deferred income | | 4 | 4 |
| 0 | 0 | Payments received on account | | 0 | 0 |
| 0 | 0 | Interest payable | | 0 | 0 |
| 0 | 0 | Net obligations under leases | 16b | 1,969 | 1,969 |
| 0 | 0 | Net obligations under PPP / PFI Contracts | | 0 | 0 |
| 0 | 0 | Bank overdrafts | | 0 | 0 |
| 100 | 100 | Income tax and social security | | 118 | 118 |
| 4 | 4 | Superannuation | | 4 | 4 |
| 5,845 | 5,845 | Holiday pay accrual | | 5,289 | 5,289 |
| 0 | 0 | Clinical and medical negligence claims | | 0 | 0 |
| 0 | 0 | VAT | | 0 | 0 |
| 1,036 | 1,036 | Other public sector bodies | | 7,041 | 7,041 |
| 0 | 0 | EC carbon emissions | | 0 | 0 |
| 159 | 159 | Other payables | | 99 | 99 |
| 8,192 | 8,192 | Other significant payables (pay accrual) | | 9,279 | 9,279 |
| 39,093 | 39,090 | Total Payables due within one year | SoFP | 45,486 | 45,477 |
| Payables due after more than one year | | | | | |
| NHSScotland | | | | | |
| 86 | 86 | Scottish Government | | 0 | 0 |
| 0 | 0 | Boards | | 0 | 0 |
| 86 | 86 | Total NHSScotland Payables | | 0 | 0 |
| 0 | 0 | Other public sector bodies | | | |
| 0 | 0 | Net obligations under leases due within 2 years | 16b | 1,957 | 1,957 |
| 0 | 0 | Net obligations under leases due after 2 years but within 5 years | 16b | 3,720 | 3,720 |
| 0 | 0 | Net obligations under leases due after 5 years | 16b | 6,602 | 6,602 |
| 0 | 0 | Net obligations under PPP / PFI contracts due within 2 years | | 0 | 0 |
| 0 | 0 | Net obligations under PPP / PFI contracts due after 2 years but within 5 years | | 0 | 0 |
| 0 | 0 | Net obligations under PPP / PFI contracts due after 5 years | | 0 | 0 |
| 0 | 0 | EC carbon emissions grant | | 0 | 0 |
| 0 | 0 | Accruals | | 0 | 0 |
| 0 | 0 | Deferred income | | 0 | 0 |
| 0 | 0 | Other payables | | 0 | 0 |
| 86 | 86 | Total Payables due after more than one year | SoFP | 12,279 | 12,279 |
| 39,179 | 39,176 | TOTAL PAYABLES | | 57,765 | 57,756 |
| WGA Classification | | | | | |
| 1,828 | 1,828 | NHS Scotland | | 1,889 | 1,889 |
| 1,363 | 1,363 | Central Government bodies | | 7,063 | 7,063 |
| 108 | 108 | Whole of Government bodies | | 61 | 61 |
| 195 | 195 | Balances with NHS bodies in England and Wales | | 177 | 177 |
| 35,685 | 35,682 | Balances with bodies external to Government | | 48,575 | 48,566 |
| 39,179 | 39,176 | Total | | 57,765 | 57,756 |

| | | | | |
|---------------|---------------|--|---------------|---------------|
| | | The carrying amount of short term payables approximates their fair value. | | |
| 2022 | 2022 | | 2023 | 2023 |
| £000 | £000 | The carrying amount of payables are denominated in the following currencies: | £000 | £000 |
| 39,179 | 39,176 | Pounds | 57,765 | 57,756 |
| 0 | 0 | Euros | 0 | 0 |
| 0 | 0 | US Dollars | 0 | 0 |
| 39,179 | 39,176 | | 57,765 | 57,756 |

NOTE 12a. PROVISIONS – CONSOLIDATED AND BOARD

| | Pensions and similar obligations | Clinical & Medical Legal Claims against NHS Board | Participation in CNORIS | Other (non- endowment) | 2023 TOTAL | |
|--------------------------|---|--|------------------------------------|-----------------------------------|-------------------|-------------|
| | £000 | £000 | £000 | £000 | £000 | Note |
| At 1 April 2022 | 10,626 | 5,153 | 4,850 | 715 | 21,344 | |
| Arising during the year | (2,661) | 8,897 | 1,273 | 2,461 | 9,970 | |
| Utilised during the year | (467) | (1,284) | (560) | (1,112) | (3,423) | |
| Unwinding of discount | (6) | (181) | 0 | (24) | (211) | |
| Reversed unutilised | 0 | (636) | 0 | (347) | (983) | |
| At 31 March 2023 | 7,492 | 11,949 | 5,563 | 1,693 | 26,697 | 2b |

The amounts shown above in relation to Clinical & Medical Legal Claims against Scottish Ambulance Service are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Analysis of expected timing of discounted flows to 31 March 2023

| | Pensions and similar obligations | Clinical & Medical Legal Claims against NHS Board | Participation in CNORIS | Other (non- endowment) | 2023 TOTAL |
|------------------------------|---|--|------------------------------------|-----------------------------------|-------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Payable in one year | 467 | 1,817 | 1,389 | 1,407 | 5,080 |
| Payable between 2 - 5 years | 1,792 | 10,132 | 3,384 | 97 | 15,405 |
| Payable between 6 - 10 years | 2,000 | 0 | 288 | 173 | 2,461 |
| Thereafter | 3,233 | 0 | 502 | 16 | 3,751 |
| At 31 March 2023 | 7,492 | 11,949 | 5,563 | 1,693 | 26,697 |

PROVISIONS - CONSOLIDATED AND BOARD (PRIOR YEAR)

| | Pensions and similar obligations | Clinical & Medical Legal Claims against NHS Board | Participation in CNORIS | Other (non- endowment) | 2022 TOTAL |
|--------------------------|---|--|------------------------------------|-----------------------------------|-------------------|
| | £000 | £000 | £000 | £000 | £000 |
| At 1 April 2021 | 10,744 | 4,716 | 4,739 | 814 | 21,013 |
| Arising during the year | 471 | 1,683 | 298 | 1,429 | 3,881 |
| Utilised during the year | (461) | (362) | (187) | (1,210) | (2,220) |
| Unwinding of discount | (4) | (57) | 0 | (2) | (63) |
| Reversed unutilised | (124) | (827) | 0 | (316) | (1,267) |
| At 31 March 2022 | 10,626 | 5,153 | 4,850 | 715 | 21,344 |

Analysis of expected timing of discounted flows to 31 March 2022

| | Pensions and similar obligations | Clinical & Medical Legal Claims against NHS Board | Participation in CNORIS | Other (non- endowment) | 2022 TOTAL |
|------------------------------|---|--|------------------------------------|-----------------------------------|-----------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Payable in one year | 453 | 1,928 | 1,210 | 715 | 4,306 |
| Payable between 2 - 5 years | 1,872 | 3,225 | 2,947 | 0 | 8,044 |
| Payable between 6 - 10 years | 2,425 | 0 | 251 | 0 | 2,676 |
| Thereafter | 5,876 | 0 | 442 | 0 | 6,318 |
| At 31 March 2022 | 10,626 | 5,153 | 4,850 | 715 | 21,344 |

Pensions and similar obligations

The Board has in the past met the cost of additional benefits beyond the normal National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retired early in the interests of the service by paying the required amounts annually to the Scottish Public Pensions Agency with the estimated value of all future payments being provided in the year the premature retiral was approved. Only one premature retiral case remains in payment and due to the immaterial sum involved the payments have not been discounted but are currently projected over a remaining life greater than five years. The Board has provided for permanent injury benefit awards based upon advised annual rates supplied by the Scottish Public Pensions Agency under the National Health Service Superannuation Scheme for Scotland and estimated remaining lives of recipients derived from interim life tables for Scotland produced annually by National Statistics which give period life expectancy by age and sex. Each life table is based upon population estimates, births and deaths data for a period of three consecutive years. The sum provided for each individual is recalculated annually based upon changes in their annual rates and period life expectancy at the balance sheet date. As the period life expectancies are typically for a considerable number of years during which the claimants will receive payments the actuarially calculated amounts are discounted using the provision discount rate as set by HM Treasury, which was 1.7% as at the balance sheet date. As at the balance sheet date the life expectancy varied between seven years and thirty-four years.

Clinical & Medical Legal Claims against NHS Board

The Board provides in full for Employer's Liability claims designated by the Central Legal Office as being Category 3, provision is also made for 50% of the estimated settlement costs of claims categorised by the Central Legal Office as Category 2 claims. Claims provided for have been discounted as per HM Treasury PES guidance

Other (non-endowment)

Provision has been made for motor accident costs relating to third parties as notified by the Board's insurers on the basis of 100% of third party vehicle damage costs and third party personal injury costs. It has been assumed that outstanding claims will reach settlement with twelve months of the balance sheet date and therefore the costs have been classified as current.

NOTE 12b. CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

| 2022 | | Note | 2023 |
|--------------|--|-------------|--------------|
| £000 | | | £000 |
| 5,153 | Provision recognising individual claims against the NHS Board as at 31 March | 12a | 11,949 |
| (4,834) | Associated CNORIS receivable at 31 March | 9 | (12,426) |
| 4,850 | Provision recognising the NHS Board's liability from participating in the scheme at 31 March | 12a | 5,563 |
| 5,169 | Net Total Provision relating to CNORIS at 31 March | | 5,086 |

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

Further information on the scheme can be found at: <http://www.clo.scot.nhs.uk/our-services/cnoris.aspx>

NOTE 13a. CONTINGENT LIABILITIES

The following contingent liabilities have not been provided for in the Accounts:

| 2022 | | 2023 |
|--------------|--|---------------|
| £000 | Nature | £000 |
| 4,490 | Clinical and medical compensation payments | 13,592 |
| 1,337 | Employer's liability | 1,373 |
| 5,827 | TOTAL CONTINGENT LIABILITIES | 14,965 |

The Board has also entered into the following unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort. None of these is a contingent liability within the meaning of IAS 37, since the possibility of a transfer of economic benefits in settlement is too remote.

13b. CONTINGENT ASSETS

| | | |
|--------------|--|---------------|
| 4,278 | Clinical and medical compensation payments | 13,193 |
| 350 | Employer's liability | 407 |
| 4,628 | | 13,600 |

NOTE 14. EVENTS AFTER THE END OF THE REPORTING YEAR

The Board was notified after the reporting date of a significant change to an estimated settlement cost in relation to an ongoing Clinical & Medical Legal claim. The financial statements have been adjusted for this event.

NOTE 15. COMMITMENTS**Capital Commitments**

The Board has the following capital commitments which have not been provided for in the accounts

| 2022 | | Property, plant and equipment | Intangible assets | 2023 |
|---------------|--------------------------------------|-------------------------------------|----------------------|---------------|
| £000 | | £000 | £000 | £000 |
| | Contracted | | | |
| 25,278 | Vehicles | 23,012 | 0 | 23,012 |
| 25,278 | Total | 23,012 | 0 | 23,012 |
| | Authorised but not Contracted | | | |
| 0 | Vehicles | 0 | 0 | |
| 0 | Total | 0 | 0 | 0 |

Other Financial Commitments

The Board has entered into non-cancellable contracts (which are not leases or PFI contracts), for vehicles, which due to lead times, need to be ordered at least 12 months in advance of delivery

16a. Right of Use Assets (RoU) – CONSOLIDATED AND BOARD

| | Land (including under buildings) | Buildings (excluding dwellings) | Dwellings | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|---|---|---------------------------------------|-----------|------------------------|----------------------|---------------------------|----------------------------|-------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Cost or valuation | | | | | | | | | |
| At 1 April 2022 | 0 | 14,041 | 0 | 3,556 | 40 | 0 | 0 | 0 | 17,637 |
| Additions (include new dilapidation provisions) | 0 | 2,681 | 0 | 0 | 0 | 0 | 0 | 0 | 2,681 |
| At 31 March 2023 | 0 | 16,722 | 0 | 3,556 | 40 | 0 | 0 | 0 | 20,318 |
| Depreciation | | | | | | | | | |
| At 1 April 2022 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Provided during the year - (include new dilapidation provisions) | 0 | 2,477 | 0 | 3,556 | 13 | 0 | 0 | 0 | 6,046 |
| At 31 March 2023 | 0 | 2,477 | 0 | 3,556 | 13 | 0 | 0 | 0 | 6,046 |
| Net book value at 1 April 2022 | 0 | 14,041 | 0 | 3,556 | 40 | 0 | 0 | 0 | 17,637 |
| Net book value at 31 March 2023 | 0 | 14,245 | 0 | 0 | 27 | 0 | 0 | 0 | 14,272 |
| | SoFP | | | | | | | | |
| Open Market Value of Land in Land and Dwellings Included Above | 0 | | 0 | | | | | | |

Scottish Ambulance Service's more significant lease relates to its Air Ambulance Aircraft. This lease commenced in May 2013 for a term of 7 years plus optional 3 year extension, which the Board has exercised. The Board has recently further extended this lease to August 2025 to allow for a repurchase process to conclude.

16b. Lease Liabilities

| | Land (including under buildings) | Buildings (excluding dwellings) | Dwellings | Transport Equipment | Plant & Machinery | Information Technology | Furniture & Fittings | Intangibles | Total |
|--|--|---------------------------------------|-----------|------------------------|----------------------|---------------------------|-------------------------|-------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Amounts falling due: | | | | | | | | | |
| Not later than one year | 0 | 1,969 | 0 | 0 | 0 | 0 | 0 | 0 | 1,969 |
| Later than one year, not later than 2 years | 0 | 1,957 | 0 | 0 | 0 | 0 | 0 | 0 | 1,957 |
| Later than two year, not later than five years | 0 | 3,720 | 0 | 0 | 0 | 0 | 0 | 0 | 3,720 |
| Later than five years | 0 | 6,602 | 0 | 0 | 0 | 0 | 0 | 0 | 6,602 |
| Less: Unaccrued interest | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Balance at 31 March 2023 | 0 | 14,248 | 0 | 0 | 0 | 0 | 0 | 0 | 14,248 |
| Current | | | | | | | | | |
| Non Current | | | | | | | | | |
| | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Amounts recognised in the Statement of Comprehensive Net Expenditure

| | 2022-23 | |
|--|---------------------|--------------|
| | Consolidated | Board |
| | £000 | £000 |
| Depreciation | 6,046 | 6,046 |
| Interest Expense | 193 | 193 |
| Non Recoverable VAT on lease payments | 147 | 147 |
| Low value and short term leases | 0 | 0 |
| Remeasurement of ROU assets - (gain)/loss charged to SOCNE | 0 | 0 |
| Total | 6,386 | 6,386 |

Amounts recognised in the Statement of Cash Flows

| | 2022-23 | |
|-----------------------------------|---------------------|--------------|
| | Consolidated | Board |
| | £000 | £000 |
| Interest Expense | 193 | 193 |
| Repayments of Principal of leases | 6,054 | 6,054 |
| Total | 6,247 | 6,247 |

16c. COMMITMENTS UNDER LEASES (2021/22)

Disclosure of lease commitments for year ending 31st March 2022 under IAS 17 for prior year comparison.

Operating Leases

Total future minimum lease payments under operating leases are given in the table below for the each of the following periods:

Obligations under operating leases comprise:

| 2021 | | 2022 |
|--------------|--|--------------|
| £000 | | £000 |
| | Land | |
| 252 | Not later than one year | 236 |
| 211 | Later than one year, not later than 2 years | 203 |
| 506 | Later than two year, not later than five years | 582 |
| 1,110 | Later than five years | 1,595 |
| | Buildings | |
| 1,257 | Not later than one year | 1,310 |
| 1,129 | Later than one year, not later than 2 years | 1,151 |
| 3,225 | Later than two year, not later than five years | 3,337 |
| 5,520 | Later than five years | 7,130 |
| | Other | |
| 4,463 | Not later than one year | 4,382 |
| 4,282 | Later than one year, not later than 2 years | 855 |
| 811 | Later than two year, not later than five years | 72 |
| 0 | Later than five years | 0 |
| | Amounts charged to Operating Costs in the year were: | |
| 4,539 | Hire of equipment (including vehicles) | 4,541 |
| 2,141 | Other operating leases | 2,516 |
| 6,680 | Total | 7,057 |
| | Contingent rents recognised as an expense in the period were: | |
| 0 | Contingent rents | 0 |

Finance Leases

Total future minimum lease payments under finance leases are given in the table below for the each of the following periods:

Obligations under Finance leases comprise:

| 2021 £000 | | Note | 2022 £000 |
|--------------|--|------|--------------|
| | Buildings | | |
| 0 | Rentals due within one year | | 0 |
| 0 | Rentals due between one and two years (inclusive) | | 0 |
| 0 | Rentals due between two and five years (inclusive) | | 0 |
| 0 | Rentals due after five years | | 0 |
| 0 | Less interest element | | 0 |
| 0 | | | 0 |
| | Other | | |
| 0 | Rentals due within one year | | 0 |
| 0 | Rentals due between one and two years (inclusive) | | 0 |
| 0 | Rentals due between two and five years (inclusive) | | 0 |
| 0 | Rentals due after five years | | 0 |
| 0 | Less interest element | | 0 |
| 0 | | | 0 |

This total net obligation under finance leases is analysed in Note 11 (Payables)

Aggregate Rentals Receivable in the year

| 2021 £000 | | 2022 £000 |
|--------------|-------------------------------------|--------------|
| 102 | Total of finance & operating leases | 77 |

NOTE 17. PENSION COSTS

The Scottish Ambulance Service participates in the NHS Pension Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

Scottish Ambulance Service has no liability for other employers' obligations to the multi-employer scheme. As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Scottish Ambulance Service is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1 April 2023 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.4% of pensionable pay.

While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The Scottish Ambulance Service's level of participation in the scheme is 3.25% based on the proportion of employer contributions paid in 2021-22.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2017-18 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

The existing NHS Superannuation Scheme (Scotland)

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

All other members automatically joined the NHS 2015 scheme on 1 April 2015.

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at <https://pensions.gov.scot/nhs>.

National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £6,240 up to £50,270, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

| Date | Employee Contribution | Employer Contribution | Total Contribution |
|------------------|-----------------------|-----------------------|--------------------|
| 1st March 2013 | 1% | 1% | 2% |
| 1st October 2018 | 3% | 2% | 5% |
| 1st October 2019 | 5% | 3% | 8% |

Pension members can choose to let NEST manage their retirement fund or can take control themselves and alter contribution levels and switch between different funds. If pension members leave the Board they can continue to pay into NEST.

NEST Pension members can take money out of NEST at any time from age 55. If suffering from serious ill health or incapable of working due to illness members can request to take money out of NEST early. They can take the entire retirement fund as cash, use it to buy a retirement income or a combination. Additionally, members can transfer their NEST retirement fund to another scheme.

NEST is run by NEST Corporation, a trustee body which is a non-departmental public body operating at arm's length from government and is accountable to Parliament through the Department for Work and Pensions.

| | 2023 | 2022 |
|----------------------------------|--------|--------|
| | £000 | £000 |
| Pension cost charge for the year | 46,575 | 43,949 |

NOTE 18. TRANSITION ADJUSTMENTS

Retrospective adjustments which have been recognised in these Accounts are:

| | | Dr. | Cr. |
|--|--|--------|---------|
| | | £000 | £000 |
| Adjustment 1 IFRS16 Take On Balances | IFRS 16 became effective for Scottish Ambulance Service from 1 April 2022, with the modified approach to transition, as set out in Paragraphs C5(b) and C8 of the standard, mandated. This means that there is no restatement of the prior year accounts and the cumulative effect of initially applying the standard is taken to reserves. | 17,637 | -17,637 |
| Accounting Treatment as follows: DR ROU OF USE ASSETS (Buildings, Transport and Equipment) CR LEASE LIABILITY (<1 year, 1-2 years, 3-5 years and > 5years) | | | |

Note 19 Financial Instruments

Financial Assets

CONSOLIDATED

AS AT 31 MARCH 2023

Assets per Statement of Financial Position

| | Note | Financial assets at fair value through OCI £000 | Financial assets at amortised cost £000 | Financial assets at fair value through profit/loss £000 | Total £000 |
|---|------|--|---|--|---------------|
| Investments | | 0 | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 | 0 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 1,142 | 0 | 0 | 1,142 |
| Cash and cash equivalents | 10 | 1,170 | 0 | 0 | 1,170 |
| | - | 2,312 | 0 | 0 | 2,312 |

BOARD

AS AT 31 MARCH 2023

Assets per Statement of Financial Position

| | Note | Financial assets at fair value through OCI £000 | Financial assets at amortised cost £000 | Financial assets at fair value through profit/loss £000 | Total £000 |
|---|------|---|---|--|---------------|
| Investments | 10 | 0 | 0 | 0 | 0 |
| Derivative financial instruments | 23 | 0 | 0 | 0 | 0 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 1,142 | 0 | 0 | 1,142 |
| Cash and cash equivalents | 11 | 57 | 0 | 0 | 57 |
| | - | 1,199 | 0 | 0 | 1,199 |

CONSOLIDATED (Prior Year)

At 31 March 2022

Assets per Statement of Financial Position

| | Note | Financial assets at fair value through OCI £000 | Financial assets at amortised cost £000 | Financial assets at fair value through profit/loss £000 | Total £000 |
|---|------|---|---|--|---------------|
| Investments | | 0 | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 | 0 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 835 | 0 | 0 | 835 |
| Cash and cash equivalents | 10 | 952 | | | 952 |
| | - | 1,787 | 0 | 0 | 1,787 |

BOARD (Prior Year)

At 31 March 2022

Assets per Statement of Financial Position

| | Note | Financial assets at fair value through OCI £000 | Financial assets at amortised cost £000 | Financial assets at fair value through profit/loss £000 | Total £000 |
|---|------|---|---|--|---------------|
| Investments | | 0 | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 | 0 |
| Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable. | 9 | 755 | 0 | 0 | 755 |
| Cash and cash equivalents | 10 | 47 | 0 | 0 | 47 |
| | | 802 | 0 | 0 | 802 |

Financial Liabilities

| CONSOLIDATED | | Liabilities at fair value through profit and loss | Financial liabilities at amortised cost | Total |
|---|----|---|---|---------------|
| | | £000 | £000 | £000 |
| AS AT 31 MARCH 2023 | | | | |
| Liabilities per Statement of Financial Position | | | | |
| Lease liabilities | 11 | 0 | 14,248 | 14,248 |
| PFI Liabilities | | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 11 | | 41,416 | 41,416 |
| - | | 0 | 55,664 | 55,664 |
| BOARD | | | | |
| | | Liabilities at fair value through profit and loss | Financial liabilities at amortised cost | Total |
| | | £000 | £000 | £000 |
| AS AT 31 MARCH 2023 | | | | |
| Liabilities per Statement of Financial Position | | | | |
| Lease liabilities | 11 | 0 | 14,248 | 14,248 |
| PFI Liabilities | | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 11 | | 41,407 | 41,407 |
| - | | 0 | 55,655 | 55,655 |
| CONSOLIDATED (Prior Year) | | | | |
| | | Liabilities at fair value through profit and loss | Financial liabilities at amortised cost | Total |
| | | £000 | £000 | £000 |
| At 31 March 2022 | | | | |
| Liabilities per Statement of Financial Position | | | | |
| Finance lease liabilities | 11 | 0 | 0 | 0 |
| PFI Liabilities | | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation | 11 | | 36,795 | 36,795 |
| - | | 0 | 36,795 | 36,795 |
| BOARD (Prior Year) | | | | |
| | | Liabilities at fair value through profit and loss | Financial liabilities at amortised cost | Total |
| | | £000 | £000 | £000 |
| At 31 March 2022 | | | | |
| Liabilities per Statement of Financial Position | | | | |
| Finance lease liabilities | 11 | 0 | 0 | 0 |
| PFI Liabilities | | 0 | 0 | 0 |
| Derivative financial instruments | | 0 | 0 | 0 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation | 11 | | 36,792 | 36,792 |
| - | | 0 | 36,792 | 36,792 |

19b FINANCIAL RISK FACTORS**Exposure to Risk**

The NHS Board's activities expose it to a variety of financial risks:

Credit risk - the possibility that other parties might fail to pay amounts due.

Liquidity risk - the possibility that the NHS Board might not have funds available to meet its commitments to make payments.

Market risk - the possibility that financial loss might arise as a result of changes in such measures as interest rates, stock market movements or foreign exchange rates.

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the NHS Board is not exposed to the degree of financial risk faced by business entities.

i) Credit Risk

Credit risk arises from cash and cash equivalents, deposits with banks and other institutions, as well as credit exposures to customers, including outstanding receivables and committed transactions.

For banks and other institutions, only independently rated parties with a minimum rating of 'A' are accepted.

Customers are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the NHS Board.

The utilisation of credit limits is regularly monitored.

No credit limits were exceeded during the reporting period and no losses are expected from non-performance by any counterparties in relation to deposits.

ii) Liquidity Risk

The Scottish Parliament makes provision for the use of resources by the NHS Board for revenue and capital purposes in a Budget Act for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the Budget Act. The Act also specifies an overall cash authorisation to operate for the financial year. The NHS Board is not therefore exposed to significant liquidity risks.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet to contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

| | Less than 1 year | Between 1 and 2 years |
|--|------------------|-----------------------|
| As at 31 March 2023 | £000 | £000 |
| Trade and other payables excluding statutory liabilities | 41,407 | 0 |
| Total | 41,407 | 0 |

| | Less than 1 year | Between 1 and 2 years |
|--|------------------|-----------------------|
| As at 31 March 2022 | £000 | £000 |
| Trade and other payables excluding statutory liabilities | 36,652 | 0 |
| Total | 36,652 | 0 |

iii) Market Risk

The NHS Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the NHS Board in undertaking its activities.

Cash flow and fair value interest rate risk

The NHS Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

Foreign Currency Risk

The NHS Board is not exposed to foreign currency risk.

Price risk

The NHS Board is not exposed to equity security price risk.

19c FAIR VALUE ESTIMATION

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value.

The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current HM Treasury interest rate that is available for similar financial instruments.

NOTE 20. RELATED PARTY TRANSACTIONS

The Board had various material transactions with other government departments and other central government bodies during the year. No Board member, key manager or other related party has undertaken any material transactions with the Board during the year. The Board members, both Executive and Non-Executive directors, are also trustees of the Scottish Ambulance Service Endowment Funds. The Board Chair and Chief Executive are trustees of the Scottish Ambulance Service Benevolent Fund.

Scottish Ambulance Service Endowment Funds

Income and Expenditure related to the charity is processed through the Scottish Ambulance Service but there were no direct transactions between the two entities. The charity holds funds of £1,104k at 31st March 2023 with payables of £9k and no receivables.

Scottish Ambulance Service Benevolent Fund

Income and Expenditure related to the charity is processed by the finance department but not through the Scottish Ambulance Service ledgers. Members of the fund have their monthly contributions deducted from pay. There is a small administration fee charged to the Benevolent Fund to cover staff costs. Year-end balances are not available for the 2022/23 financial year.

Scotland's Charity Air Ambulance

The charity operates two helicopters and two rapid response vehicles that are tasked by the Scottish Ambulance Service. Paul Bassett, Chief Operating Officer and Carol Sinclair, non-executive director are trustees of the charity. The paramedics based with the charity are employed by the Service and recharged to the charity. There are no charges from the charity to the Service. During 2022/23 the Service received £808k from the charity for staff costs. There was a receivables balance of £63k at 31 March 2023.

Senior Officers

Senior officers have control over the Board's operational and financial policies. The total remuneration paid to senior officers is disclosed in the remuneration report (page 50). Officers have a responsibility to adhere to a code of conduct that requires them to declare an interest in matters that may influence or be perceived to influence their judgement or decisions.

Board Members Interests

There are no transactions with the entities declared by our Board members requiring disclosure.

NHS Scotland

The Scottish Ambulance Service have various contractual and ad-hoc agreements in place for the provision of services to and from other Health Boards in Scotland. For 2022/23 this included NHS Ayrshire & Arran, NHS Borders, NHS Dumfries & Galloway, NHS Fife, NHS Forth Valley, NHS Grampian, NHS Greater Glasgow & Clyde, NHS Highland, NHS Lanarkshire, NHS Lothian, NHS Orkney, NHS Shetland, NHS Tayside, NHS Western Isles, NHS National Services, NHS Education, NHS24, Public Health Scotland, Healthcare Improvement Scotland and the Golden Jubilee Foundation. During 2022/23 we recognised £7,031k of income and £10,218k of expenditure with NHS Scotland boards. Our receivable balance as 31st March 2023 is £7,732k and our payable balance is £1,889k. £741k of the receivable balance has been provided for as a doubtful debt.

Scottish Government Health and Social Care Directorate (SGHSCD)

The SGHSCD allocates resources and sets the strategic direction for NHS Scotland and is responsible for the development and implementation of health and social care policy. The Scottish Ambulance Service received a revenue funding allocation of £423.7m and capital funding allocation of £31.7m.

21a. CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

| Group | | | Board | Endowment | Intra Group adjustment | Consolidated |
|-------------------------------------|--------------------------------|----------|-----------------------|---------------------|------------------------------|-----------------------|
| 2022 | | | 2023 | 2023 | 2023 | 2023 |
| £000 | Note | | £000 | £000 | £000 | £000 |
| Total income and expenditure | | | | | | |
| 321,570 | Employee expenditure | 3 | 338,283 | 0 | 0 | 338,283 |
| | Other operating expenditure | 3 | | | | |
| 4,347 | Drugs and medical supplies | | 451 | 0 | 0 | 451 |
| 17,422 | Vehicle Running Costs | | 16,446 | 0 | 0 | 16,446 |
| 18,014 | Air Ambulance Costs | | 15,368 | 0 | 0 | 15,368 |
| 11,018 | Property Running Costs | | 8,316 | 0 | 0 | 8,316 |
| 5,847 | Medical Costs | | 6,415 | 0 | 0 | 6,415 |
| 43,178 | Other health care expenditure | | 60,843 | 59 | 0 | 60,902 |
| <u>421,396</u> | Gross expenditure for the year | | <u>446,122</u> | <u>59</u> | <u>0</u> | <u>446,181</u> |
| (13,672) | Less: operating income | 4 | (22,446) | (181) | 0 | (22,627) |
| <u>407,724</u> | Net Expenditure | | <u>423,676</u> | <u>(122)</u> | <u>0</u> | <u>423,554</u> |

21b. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| Consolidated | | | Board | Endowment | Consolidated |
|--------------------------------|--|------|-----------------|--------------|-----------------|
| 2022 | | | 2023 | 2023 | 2023 |
| £000 | | Note | £000 | £000 | £000 |
| Non-current assets: | | | | | |
| 120,482 | Property, plant and equipment | SoFP | 129,669 | 0 | 129,669 |
| 1,001 | Intangible assets | SoFP | 1,230 | 0 | 1,230 |
| 0 | Right of Use assets | SoFP | 14,272 | 0 | 14,272 |
| Financial assets: | | | | | |
| 0 | Investments | SoFP | 0 | 0 | 0 |
| 3,810 | Trade and other receivables | SoFP | 10,756 | 0 | 10,756 |
| 125,293 | Total non-current assets | | 155,927 | 0 | 155,927 |
| Current Assets: | | | | | |
| 469 | Inventories | SoFP | 995 | 0 | 995 |
| 0 | Intangible assets | SoFP | 0 | 0 | 0 |
| Financial assets: | | | | | |
| 21,551 | Trade and other receivables | SoFP | 24,621 | 0 | 24,621 |
| 952 | Cash and cash equivalents | SoFP | 57 | 1,113 | 1,170 |
| 0 | Investments | SoFP | 0 | 0 | 0 |
| 0 | Derivatives financial assets | SoFP | 0 | 0 | 0 |
| 0 | Assets classified as held for sale | SoFP | 70 | 0 | 70 |
| 22,972 | Total current assets | | 25,743 | 1,113 | 26,856 |
| 148,265 | Total assets | | 181,670 | 1,113 | 182,783 |
| Current liabilities | | | | | |
| (4,306) | Provisions | SoFP | (5,080) | 0 | (5,080) |
| Financial liabilities: | | | | | |
| (39,093) | Trade and other payables | SoFP | (45,477) | (9) | (45,486) |
| 0 | Derivatives financial liabilities | SoFP | 0 | 0 | 0 |
| (43,399) | Total current liabilities | | (50,557) | (9) | (50,566) |
| 104,866 | Non-current assets plus / less net current assets/liabilities | | 131,113 | 1,104 | 132,217 |
| Non-current liabilities | | | | | |
| (17,038) | Provisions | SoFP | (21,617) | 0 | (21,617) |
| Financial liabilities: | | | | | |
| (86) | Trade and other payables | SoFP | (12,279) | 0 | (12,279) |
| (17,124) | Total non-current liabilities | | (33,896) | 0 | (33,896) |
| 87,742 | Assets less liabilities | | 97,217 | 1,104 | 98,321 |
| Taxpayers' Equity | | | | | |
| 81,430 | General fund | SoFP | 91,569 | 0 | 91,569 |
| 5,330 | Revaluation reserve | SoFP | 5,648 | 0 | 5,648 |
| 982 | Funds Held on Trust | SoFP | 0 | 1,104 | 1,104 |
| 87,742 | Total taxpayers' equity | | 97,217 | 1,104 | 98,321 |

21c. CONSOLIDATED STATEMENT OF CASHFLOWS

| Consolidated 2022 £000 | | Board 2023 £000 | Endowment 2023 £000 | Consolidated 2023 £000 |
|---|---|-----------------------|---------------------------|------------------------------|
| Cash flows from operating activities | | | | |
| (407,724) | Net operating expenditure | (423,676) | 122 | (423,554) |
| 16,264 | Adjustments for non-cash transactions | 25,565 | 0 | 25,565 |
| (63) | Add back: interest payable recognised in net operating expenditure | (18) | 0 | (18) |
| (1) | Deduct: interest receivable recognised in net operating expenditure | 0 | (3) | (3) |
| 0 | Investment income | 0 | 0 | 0 |
| 11,356 | Movements in working capital | (4,624) | 86 | (4,538) |
| (380,168) | Net cash outflow from operating activities | (402,753) | 205 | (402,548) |
| Cash flows from investing activities | | | | |
| (28,051) | Purchase of property, plant and equipment | (25,394) | 0 | (25,394) |
| (40) | Purchase of intangible assets | (89) | 0 | (89) |
| 0 | Investment additions | 0 | 0 | 0 |
| 0 | Transfer of assets (to) / from other NHS Scotland Bodies | 0 | 0 | 0 |
| 443 | Proceeds of disposal of property, plant and equipment | 624 | 0 | 624 |
| 0 | Proceeds of disposal of intangible assets | 0 | 0 | 0 |
| 0 | Receipts from sale of investments | 0 | 0 | 0 |
| 1 | Interest received | 0 | 3 | 3 |
| (27,647) | Net cash outflow from investing activities | (24,859) | 3 | (24,856) |
| Cash flows from financing activities | | | | |
| 407,627 | Funding | 433,658 | 0 | 433,658 |
| 0 | Movement in general fund working capital | 0 | 0 | 0 |
| 407,627 | Cash drawn down | 433,658 | 0 | 433,658 |
| 0 | Capital element of payments in respect of leases and on-balance sheet PFI and Hub contracts | 0 | 0 | 0 |
| | IFRS16 – 2022-23 cash lease payment | (6,054) | 0 | (6,054) |
| 63 | Interest paid | 211 | 0 | 211 |
| 0 | Interest element of leases and on-balance sheet PFI / PPP and Hub contracts | (193) | 0 | (193) |
| 407,690 | Net Financing | 427,622 | 0 | 427,622 |
| (125) | Net Increase / (decrease) in cash and cash equivalents in the period | 10 | 208 | 218 |
| 1,077 | Cash and cash equivalents at the beginning of the period | 47 | 905 | 952 |
| 952 | Cash and cash equivalents at the end of the period | 57 | 1,113 | 1,170 |
| Reconciliation of net cash flow to movement in net debt / cash | | | | |
| (125) | Increase / (decrease) in cash in year | 10 | 208 | 218 |
| 1,077 | Net debt / cash at 1 April | 47 | 905 | 952 |
| 952 | Net debt / cash at 31 March | 57 | 1,113 | 1,170 |

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to the Scottish Ambulance Service Board by virtue of the Scottish Ambulance Service Board Order 1999, and all other powers enabling them to do so, hereby DIRECT that:

1. The Scottish Ambulance Service Board must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.
2. In preparing a statement of accounts in accordance with paragraph 1, The Scottish Ambulance Service Board must use the Scottish Ambulance Service Board Annual Accounts template which is applicable for the financial year for which the statement of accounts is prepared.
3. In preparing a statement of accounts in accordance with paragraph 1, The Scottish Ambulance Service Board must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared —
 - (a) The NHS Scotland Capital Accounting Manual,
 - (b) The Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns, and
 - (c) The Scottish Public Finance Manual.
4. A statement of accounts prepared by The Scottish Ambulance Service Board in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.
5. The Scottish Ambulance Service Board must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.
6. In these Directions —

"financial year" has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

"Government Financial Reporting Manual" means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

"Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns" means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

"NHS Act 1978" means the National Health Service (Scotland) Act 1978 (c. 29),

"NHS Scotland Capital Accounting Manual" means the guidance on the application of accounting standards and practice to capital accounting transactions in the NHS issued by the Scottish Ministers,

"The Scottish Ambulance Service Board" is a Special Health Board for the whole of Scotland constituted under the Scottish Ambulance Service Board Order 1999 (S.S.1 1999/686),

"The Scottish Ambulance Service Board Annual Accounts template" means the Excel spreadsheet issued to The Scottish Ambulance Service Board by the Scottish Ministers as a template for their statement of accounts, and "Scottish Public Finance Manual" means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.
8. This Direction will come into force on the day after the day on which it is signed.
9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.



Signed by the authority of the Scottish Ministers

Dated 22 March 2022

GLOSSARY

| | |
|--------------------------|---|
| A&E | Accident and Emergency |
| ACC | Ambulance Control Centre |
| AHP | Allied Health Professions |
| ALS | Advanced Life Support |
| ANP | Advanced Nurse Practitioner |
| AP | Advanced Paramedic |
| APCC | Advanced Practitioner in Critical Care |
| BASICS | British Association of Immediate Care |
| CFR | Community First Responder |
| Chain of Survival | Crucial elements required to save a life when someone is in cardiac arrest: community readiness and early recognition that a cardiac arrest is happening, early cardio pulmonary resuscitation (CPR), early defibrillation to restart the heart; timely hospital care and appropriate aftercare |
| CNO | Chief Nursing Office |
| CPR | Cardio Pulmonary Resuscitation |
| EMRS | Emergency Medical Retrieval Service |
| EPR | Electronic Patient Report |
| ESN | Emergency Services Network |
| FNC | Flow Navigation Centre |
| GP | General Practitioner |
| HAS | Hyper Acute Stroke |
| HCPC | Health and Care Professions Council |
| ICCS | Integrated Communications Control System |
| IJB | Integrated Joint Board |
| MTU | Mobile Testing Unit |
| NES | NHS Education for Scotland |
| OHCA | Out of Hospital Cardiac Arrest |
| OOH | Out of Hours |
| PAD | Public Access Defibrillator |
| PGD | Patient Group Directives |
| PHCCT | Pre-Hospital Critical Care Team |
| PTS | Patient Transport Service |
| ROSC | Return of Spontaneous Circulation |
| ScotSTAR | Scottish Specialist Transport and Retrieval Service |
| SG | Scottish Government |
| SORT | Specialist Operations Response Team |
| SPiNE | Scotland's Paramedic Integrated National Education |
| STN | Scottish Trauma Network |
| VF/VT | Ventricular Fibrillation – heart not operating correctly giving an irregular heartbeat |