



**Scottish  
Ambulance  
Service**  
*Taking Care to the Patient*



# Scottish Ambulance Service

**Annual Report and Accounts**  
for year ended 31 March 2020

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## Scottish Ambulance Service

### Annual Report and Accounts

for year ended 31 March 2020

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# Chair and Chief Executive Statement



As the new decade gathers pace, the Scottish Ambulance Service is faced with new challenges, but also new opportunities. Our remit remains the same – to save more lives and to give patients across Scotland the very best services – but we need to be prepared for what we know is on the horizon; and for what we cannot predict.

We know, for example, that demand for services is only likely to increase. Scotland's population has grown by five per cent in the previous decade. There are now around 250,000 more people living in Scotland than there were in 2010. We also know that, as people live longer, we are dealing with an increasingly older population.

On the other hand, there are unpredicted events which we must try to anticipate by having in place, robust escalation procedures and resilience plans; for example, the bad weather from the beast from the east that hit us in the early part of 2019 and, of course, the vastly bigger challenge of dealing with the Coronavirus and our contribution to Scotland's Recovery and Renewal.

Our staff, volunteers and partners have responded fantastically to the Covid-19 pandemic, rapidly developing innovative solutions to ensure we can effectively help patients and communities safely.

Frontline staff have learned new skills in treating patients wearing protective PPE kit that was previously not necessary; Critical Care Advanced Practitioners are providing enhanced triage support

on critically unwell 999 calls; meanwhile, Advanced Urgent Care Practitioners, are utilising the instant video capabilities of the GOODSAM App to consult patients online, helping to guide clinical decision making about the most effective care with patients.

In addition, all our staff have found new ways of working which reduces their amount of physical contact, by maximising the use of online software such as Microsoft Teams and using remote telephone meeting technology to conduct business meetings.

This really has been one of the most challenging times for the Service. However, these new ways of working are helping us to find new ways of providing good patient care. Meanwhile, new resources are being utilised out of necessity during the pandemic, that could forever change the way we operate. As we move to the next stage of the pandemic, we will continuously assess the worth of all the changes implemented, building on our learning to ensure we give patients the best care possible.

Prior to the pandemic we were in the advanced stages of developing our forward strategy. These longer-term plans - though now on temporary hold until the pandemic abates - are designed to help us plan for the future, so that we can meet both those changes we are pretty sure about and those we can only anticipate.

Our 2020 'Taking Care to the Patient' strategy was developed in 2015 and enabled the Service to improve survival rates, clinical safety and effectiveness and shift

the balance of care through a programme of clinical service transformation, workforce development and investment in new technology, equipment and vehicles.

We are very proud to report that we have largely delivered that 2020 strategy. As per our plans and ambitions, we are saving more lives and taking more care to patients through investment in our workforce, equipment and technology. The biggest change we introduced was our New Clinical Response Model. Introduced in November 2016, this new triage model, which prioritises our sickest patients, has contributed to improved patient survival rates; a trend we want to ensure continues as the 2020s progress.

Our longer-term plans now are centred around our 2030 strategy. Our focus is to imagine what Scotland, and the world, could look like ten years from now and use that information to design and develop our services whilst maintaining high quality, patient-focused care.

Our prime focus will be aligning our work over the next decade to deliver national outcomes as one of Scotland's key national assets. Besides maintaining and improving our services, we will be developing closer collaborative working with other health and care partners, volunteers and voluntary groups, other statutory bodies and partners in innovation and research.

Our strategy is being co-designed with staff, our key stakeholders and, most importantly, our patient users - essentially anyone and everyone who has the potential to be one of our patients. We want it to be based on the best evidence we can source and driven by feedback from those sources so that we can drive change and improvement.

Though demographics, technology and innovation may change over time, the general thrust of our work remains unchanged. The first contact most patients have with us is via a 999 emergency call. Everyone receives a telephone assessment by one of our call handlers to establish the most appropriate care pathway - with some of those patients being referred to other, more appropriate services such as NHS24 or community services.

Anyone needing an ambulance response receives a face-to-face assessment at their location to establish the most appropriate care pathway, which, in over 20% of cases, results in treatment and referral rather than being taken to hospital. These face-to-face assessments we provide have also been extended into local communities, with Advanced Practitioners working as part of GP multi-disciplinary teams.

We have specialists too – our Special Operations Response Team is on hand to help patients in dangerous or potentially risky environments, while our SCOTSTAR teams have specialist skills in retrieving patients needing specialist care en-route to hospital, such as trauma patients, or premature babies. Our air ambulance planes and helicopters are kept busy every day transporting patients from some of Scotland's most remote areas.

Approximately half of all the calls we receive each year come from patients who rely on our patient transport services. These patients are too unwell to get safely, by other means, to and from hospital appointments or inpatient stays.

In addition, we have around 1,200 people working selflessly across Scotland as volunteer Community First Responders providing immediate assistance to people in need and supporting the ambulance response. We have also made much progress in developing co-responder models with Police Scotland, the Scottish Fire and Rescue Service, volunteer pre-hospital emergency clinicians (BASICS GPs and Nurses), and the Sandpiper Trust is helping to save more lives and improve patient outcomes.

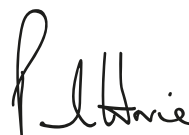
Helping people with physical pain or ailments may be our primary focus, but we also recognise that good mental health is often just as important to overall wellbeing. That is why we have developed an increasing focus on mental health and wellbeing – both for patients and our staff. We are signed up to the Distress Brief Intervention programme and have links to Scotland's mental health hubs to help patients who find themselves in difficulty.

Sometimes staff can also have mental health concerns, which is why we also have a number of initiatives and resources to help them – we are linked into the Lifelines project, which provides support for front line workers, whilst our TRiM initiative provides staff with peer support to help them cope with a traumatic event. Staff also have access to a range of valuable resources internally to help them cope with stress and to encourage wellbeing and mindfulness.

The current COVID-19 pandemic brings with it much uncertainty, however we have a strong level of preparedness and resilience in place. Overall, we are looking towards the new decade with confidence in our staff, the work we are doing, the plans we are making and the leadership development we are investing in; all of which will ensure a successful coming year and decade.



**Tom Steele, Chair**



**Pauline Howie OBE, Chief Executive**

# 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.

### 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 the frontline of the NHS in Scotland and with over 5,100 members of staff, we provide an emergency ambulance service to a population of over five million people serving all of the nation's mainland and island communities. Our Patient Transport Service also undertakes over 660,000 journeys every year and provides care for patients who need support to reach their healthcare appointments due to their medical and mobility needs.

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 support for critical patients, to being a Category 1 responder for national emergencies.

### 1.2 The Scottish Government vision

“By 2020, everyone is able to live longer, healthier lives at home or in a homely setting. We will have a healthcare system where we have integrated health and social care, a focus on prevention, anticipation and supported self-management. When hospital treatment is required, and cannot be provided in a community setting, day case treatment will be the norm.

Whatever the setting, care will be provided to the highest standards of quality and safety, with the person at the centre of all decisions. There will be a focus on ensuring that people get back into their home or community environment as soon as appropriate with minimal risk of re-admission.”

### 1.3 Our 2020 strategy: *Taking Care to the Patient*

The Scottish Ambulance Service recognises that it has a significant contribution to make to this strategy as a frontline service providing emergency, unscheduled and scheduled care 24/7.

In 2015/16, we launched our five year strategy [Towards 2020: Taking Care to the Patient](#). This 2020 strategy is based on the principle that care should be appropriate to need – and that where care is delivered should also be appropriate, which may not be in a hospital setting.

Our 2020 goals are to:

1. Ensure our patients, staff and the people who use our services have a voice and can contribute to future service design, with people at the heart of everything we do
2. Expand our diagnostic capability and the use of technology to enhance local decision making to enable more care to be delivered at home in a safe and effective manner
3. Continue to develop a workforce with the necessary enhanced and extended skills by 2020 to deliver the highest level of quality and improve patient outcomes
4. Evidence a shift in the balance of care through access to alternative care pathways that are integrated with communities and with the wider health and social care service
5. To reduce unnecessary variation in service and tackle inequalities delivering some services ‘Once for Scotland’ where appropriate
6. Develop a model that is financially sustainable and fit for purpose in 2020

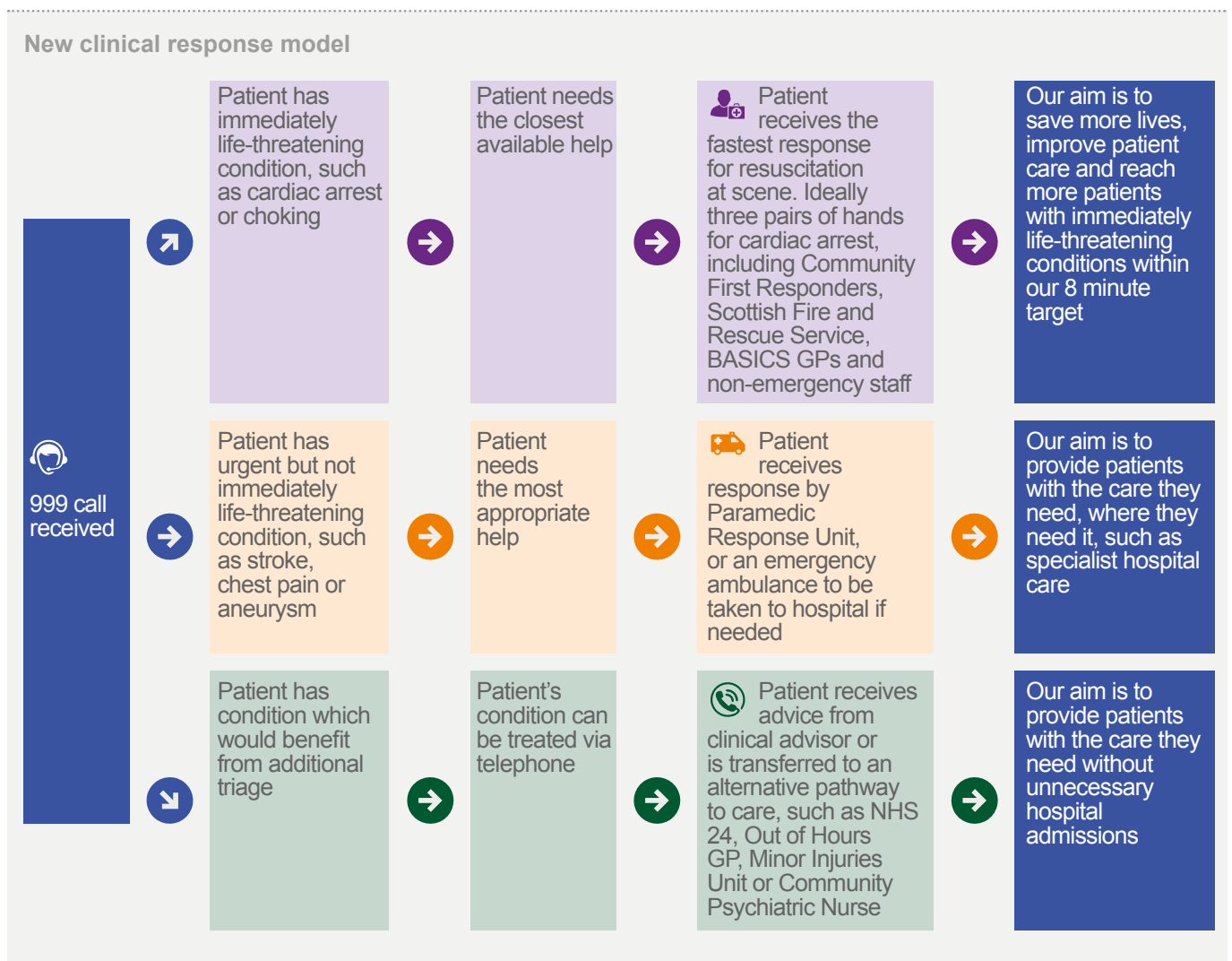
As we approach the end of our 2015 – 2020 strategic cycle we continue to develop our thinking for the next decade underpinned by the principle that we, as the only national 24/7 health organisation operating in every community in Scotland, have a unique opportunity to contribute to the provision of health and social care. We consequently developed a consultation document and associated engagement approach which enabled us to ask the public and our partners how we can all work together to provide a service that meets the expectations of the people of Scotland.

Our ideas, which we have translated into the discussion document and other consultative products, have been developed collaboratively over many months, through hundreds of interactions with various people and groups. We are extremely pleased to have been part of the fifth Our Voice Citizens' Panel Survey in 2019, which has given us a better understanding of what the people of Scotland understand and expect of Scottish Ambulance Service. We are therefore able to confidently say that the ideas and aspirations we will consult widely on over the coming months reflect the views that the people of Scotland have already shared with us and by the conversations we have had and continue to have with our own people.

### 1.4 New clinical response model

Following a review of nearly 500,000 patient records, a New Clinical Response Model (NCRM) pilot programme was introduced in November 2016. The model focuses on improving patient outcomes, rather than simply measuring the time it takes to respond. Resources are now allocated on confirmation of the severity of the incident, rather than the location of the incident. The model allows us to respond faster to more patients with time-critical, immediately life-threatening conditions, such as cardiac arrest. It also supports our call handlers to better understand our patients' health needs in less urgent cases, so that our dispatchers can more effectively send the right resource first time for patients.

In delivering improved outcomes for patients, aims were developed to articulate the requirement to respond to both time critical emergencies, and those where the nature of the resource was more impactful than just the response time.



## Aim

- More accurately identify patients with immediately life threatening symptoms to ensure the most rapid dispatch of resource, resulting in more lives saved
- Safely and more effectively identify and send the right resource first time for patients, for example dispatching a conveying resource first time to chest pain and stroke patients, resulting in better overall clinical outcomes

Over the course of the spring/summer of 2019, we carried out a programme of local community engagement designed to further raise the profile of the NCRM (New Clinical Response Model) and to collect feedback directly from the public on their views on our approach. The results of our engagement showed that there is a solid and widespread understanding of the NCRM, the reasoning behind it and how it works amongst the people and organisations we spoke to. An intensive period of community engagement has added to the public's understanding and has given us an invaluable insight into the views, experiences and opinions of the public and our staff. We will now seek to use the learning from this work to further improve the services and high quality of care we deliver for patients across Scotland.

We have implemented "Protocol 45" which applies the Clinical Response Model methodology to requests for an ambulance response from Health Care Professionals (HCPs). This brings parity of process between 999 calls from the public and HCP requests which, in turn, enables the Service to achieve further consistency in providing a response which is based on a patient's clinical need.

### 1.5 Chief Executive's Statement

The financial year ending 31 March 2020 was the fifth year of our strategy [Towards 2020: Taking Care to the Patient](#).

During this year we received 1,578,415 calls and dealt with 806,849 incidents, of which 542,213 were emergency incidents that we attended. We also completed 606,015 patient transport journeys, 3,732 air ambulance missions, 42,679 inter hospital transfers, 2,617 transfer and retrievals across Scotland and 5,009 special operations teams responses.

Delivering our '2020' vision requires whole system transformation and as a Service we recognise the need to work differently to deliver emergency, unscheduled and scheduled care in this context.

We have successfully continued our 2020 delivery programme, which has three main strands of work:

- Clinical Services Transformation
- Workforce Development
- Enabling Technology

In each of these areas we continue to make progress, with key achievements including a 16.6% year on year increase for VF/VT return of spontaneous circulation (ROSC) across Scotland between 2018/19 and 2019/20 – the rate at which patients experiencing a cardiac arrest are resuscitated at scene – and 230, 068 patients safely treated in their community or referred to a more appropriate service for their needs. There has also been significant investment in our staffing, skills and vehicle fleet.

The Scottish Ambulance Service has almost doubled survival rates for cardiac arrest patients since 2013. Our improved approach of prioritising immediately life threatening cases, such as those in cardiac arrest, has contributed to a 45.3% increase in 30 day survival rates for our most at risk patients in 2019/20.

Our highly trained and dedicated staff continue to go above and beyond in their care for patients. It is their hard work and professionalism which is delivering fantastic results day in, day out. A highly trained, motivated and fully engaged workforce will help us to continue to deliver upon our ambitions and their input and support is key.

That is why we are continuing to invest in our staff and their ongoing professional development, whilst ensuring they are continually engaged in work to improve the services we provide for patients.




We cannot deliver our 2020 goal in isolation and also need to work effectively in partnership with NHS boards, health and social care partnerships, patients, communities and other public and voluntary agencies. We are increasingly doing so and our staff work in over 16 primary care teams across the country, in and out of hours, as part of multiprofessional teams, taking care to patients.

All of these achievements are against a backdrop of good financial planning, management and performance, with all of our financial targets being achieved.

### 1.6 Performance summary

The following performance summary relates to work undertaken and achieved in 2019/20, in year five of our five-year strategy.

## Clinical Services Transformation

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED
 <p>Introduce a new clinical response model to save more lives and improve patient care</p>	<p>We continued to develop our response model and enhance our telephone triage introducing advanced clinical triage and the use of technology for remote patient consultation.</p>
 <p>Develop our out-of-hospital cardiac arrest strategy to save more lives</p>	<p>On average we attempt resuscitation on 70 patients in a VF/VT rhythm per month. In 2019/20 50.8% of patients in VF/VT achieved return of spontaneous circulation. In March 2020 our performance was 50.6% of patients in VF/VT achieved return of spontaneous circulation, surpassing our aim of 45%. We have seen a statistical shift in improving the rate of ROSC and therefore are contributing to saving more lives.</p> <p>This year has seen the culmination of Scotland’s five-year strategy “Out-of-Hospital Cardiac Arrest: A Strategy for Scotland”, of which SAS has been a key stakeholder. This has seen the aims of increasing bystander CPR and survival being successfully achieved. During this year our linked data report for 18/19 has been published and has shown that hospital discharge survival has doubled from 1 in 20 patients surviving their out of hospital cardiac arrest (OHCA) at the start of the strategy to 1 in 10. It also shows during this time bystander CPR has increased from a rate of 41% to 64%.</p> <p>Other SAS achievements during this time also include:</p> <ul style="list-style-type: none"> <li>• The introduction of GoodSam App which alerts signed up off duty staff responders to the locus of the OHCA to start early bystander CPR.</li> <li>• The introduction of initially our own internal public access defibrillator (PAD) mapping system and then latterly partnering with the British Heart Foundation to introduce “the circuit” PAD mapping system onto our computer aided dispatch (CAD) system to allow our call handlers to sign post caller to nearby defibrillators.</li> <li>• The culmination of the Sandpiper Wildcat cardiac responder project. In order to continue this work the Service has agreed funding for a full time development officer to bring the on-going management of this scheme in house.</li> <li>• We continue to ensure we resuscitate the right people to ensure we don’t expose those that are naturally dying to futile and inappropriate resuscitation and have completed a pilot partnership with Macmillan, The Service continues to have an End of Life Care project paramedic on secondment.</li> <li>• Working with Save a Life for Scotland, we are supporting more people to provide early high quality CPR. More than 520,000 people have now been equipped with CPR skills, meeting a key aim of the strategy over a year early.</li> </ul>
 <p>Develop our national and local pathways for hyper-acute stroke to improve patient outcomes</p>	<p>Established pre-hospital pathways have been or are under review to ensure that they will effectively support and reflect ‘in-hospital’ pathways as Scotland continues to work towards delivering a national thrombectomy service.</p> <p>The Pre-Hospital Hyper Acute Stroke (HAS) Care Bundle is the clinical quality indicator for pre-hospital HAS care. The Scottish Ambulance Service has reliably implemented the pre-hospital stroke bundle based on evidenced best practice – 97.4% average recorded implementation over 19/20 against our aim of 95%. In the few cases that bundle compliance is not achieved, through linked data frameworks and established stroke lead links throughout the Service, it is possible to understand why this was not achieved and in most cases, able to show that it was not detrimental to patient care.</p>



WHAT WE SAID WE WILL DO

WHAT WE HAVE ACHIEVED



Enhance our capability and capacity to respond to major trauma to save more lives

During 2019/20 the Scottish Ambulance Service has continued to work with Scottish Trauma Network partners to improve our pre-hospital response to major trauma patients, pursuing our shared goals of “Saving Lives and Giving Life Back”.

To that end we have continued to develop our frontlines services, creating a geographically equitable, tiered response to the traumatically injured patient. An enhanced “Green” level of care delivered by our Paramedic and Ambulance Technician workforce, a “Yellow” level response delivered by our developing cadre of Advanced Practitioners in Pre-hospital Critical Care and a “Red” level response provided by the Doctors, Nurses and Paramedics that staff our pre-hospital critical care or “Trauma Teams”.

As we near the planned spring 2021 opening of Scotland’s final two Major Trauma Centres in Glasgow and Edinburgh, our team have been working closely with health board colleagues to ensure successful implementation of our Major Trauma Triage Tool. This development will see our staff implement a new bypass protocol for the most seriously injured patients, ensuring they are delivered to a centre capable of delivering an improved outcome. Our overarching strategy is to ensure our pre-hospital response is tailored to each patient’s individual need and that these resources can be delivered to the right patient, at the right place at the right time.



Increase ‘hear and treat’ outcomes to ensure patients receive the most appropriate care first time and reduce demand on operational ambulances.

In March 2020, 19.4% of patients received a hear and treat outcome, against our 19/20 aim of 15%.

Our developing clinical triage model and the introduction of Advanced Practitioners to provide remote triage and patient consultation has supported the increase in performance. The AP’s triage around 10% of incident demand with 40% hear and treat resolution however this has taken some time to report directly into the Heat and Treat figures.



Increase ‘see and treat’ outcomes to take more care to patients in their homes and communities.

In March 2020, 26.5% of patients received a see and treat outcome, against our aim of 20%.

The Service continues to support staff in providing the most appropriate care for patients following face to face assessment by developing clinical decision making skills. In addition, we continue to develop our arrangements to target Advanced Paramedics to patients with illness and injury best suited to their enhanced skill set.

## Workforce Development

### WHAT WE SAID WE WILL DO



Developed our workforce planning arrangements to support delivery of regional workforce aims

### WHAT WE HAVE ACHIEVED

2019/20 recruitment and training delivery aims informed by 2020 workforce targets. Workforce targets were delivered, reflecting core operational priorities informed by our demand & capacity aims.

#### Summary

- 90 offers were made to Ambulance Care Assistants
- 206 offers made to VQ Ambulance Technicians
- 199 offers to DipHE Paramedics from 200 training places

#### Specialist Paramedics transition to Advanced Paramedic Cohort

- In September 2019 work was completed on transitioning our existing Specialist Paramedic to Advanced Paramedic development.
- 21 new Advanced Paramedic offers during 2019/20.

#### BSc Paramedic degree programme

An additional 50 Undergraduates commenced their BSc paramedic degree programme at Glasgow Caledonian University in September 2019.

#### Workforce Systems: eESS to e-Payroll Interface

Following the introduction of the eESS/e-Payroll interface in the previous year, a review with the eESS national Team agreed that GRS currently in operation across SAS, should be seen as the core system to administer all absence and time planning, similar to SSTS used in all other NHS Boards. The interface to eESS from GRS through our Data Warehouse will continue to be managed, in line with the data flow from SSTS to eESS, with further functionality development subject to review in 2020/21.

The table below provides an overview of the transactions that have been managed across NHS Scotland between eESS to e-Payroll.

NHS Board	New Start (electronic)	Terminations (electronic)	NOC (electronic)	NOC (report)	Totals
<b>SAS</b>	1,059	715	5,247	1,209	8,230

#### Demand and Capacity Implementation Programme





19/20

- Demand and Capacity Programme governance established
- 5 modelling scenarios developed with Operational Research in Health (ORH)
- Business Case developed and submitted to the Scottish Government detailing additional resources required to meet current and future demand (to 2022) in line with the corporate performance targets
- Programme delivery schedule developed for East, West and North Regions
- ORH AmbSim (ambulance simulation and modelling) and Working Time Solutions (WTS) WORKSuite (roster design) software training undertaken with SAS super users

20/21

- The Demand and Capacity Programme was officially paused in March 2020 to allow the Service to focus on the COVID-19 crisis, with Programme restart subject to staff and patient welfare considerations and review of Programme scope to reflect the changed circumstances

## Workforce Development

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED
 <p>Develop a new Paramedic Education Model to respond to HCPC registration changes</p>	<p>Joint Project Group with NHS Education and Scottish Government developed, and the Board approved proposals for new model operation. Following Scottish Government approval, the tender stage was progressed and, five Higher Education providers were appointed to provide the Paramedic Undergraduate degree programmes across Scotland commencing from 2020. Programme Board and Project Operational Groups continue to oversee this work as we transition from our present arrangements through the Scottish Ambulance Academy which will continue to deliver our internal Paramedic Training programmes until 2021/22.</p>
 <p>Coordinate and Plan Learning &amp; Development activity to enable achievement of 2020 Strategy</p>	<p>Work continued in 2019/20 on the full implementation of the Turas Appraisal system including the Executive Performance system to support the completion of annual performance review. Organisation wide Development Review completion target will be reviewed for 2020/21.</p> <p>Our Workforce systems review will inform the launch of an organisation wide learning management system, reflecting developments in the NHS Scotland Business Systems programme.</p>
 <p>Leadership and management arrangements developed to support our strategic change activity</p>	<p>Our Foundation Leadership Management &amp; Development was launch during 2019, with initial focus on first line operational managers.</p> <p>The first phase of our operational leadership model has been delivered, and work will continue to consolidate further changes during 2020/21.</p> <p>Values Based Recruitment for Board/Executive appointments was extended into other Senior Leadership appointments during 2019/20</p> <p>Continued roll out of Project Lift within SAS enabling engagement of our leadership cohort in the national talent management process. Senior Leaders from SAS have participated on all 4 cohorts of the national Leadership<sup>3</sup> programme since its initiation in 2018.</p>
 <p>Developing the employee experience within the service to support sustainable workforce</p>	<p>Second iMatter single organisational cohort cycle completed in 2019, with actions developed to improve staff engagement level scores</p> <p>Maintained our high levels of iMatter action plan completions with 86% of plans completed in 2019</p> <p>Delivered Wellbeing Implementation Plan for 2019/20 to enhance support for our staff and commenced the refresh of our overarching Wellbeing Strategy for launch in 2020.</p> <p>Delivered our OD Plan for 2019/20 with emphasis on enhancing staff engagement, to complement the work on leadership, culture and employee wellbeing.</p>

## Enabling Technology

### WHAT WE SAID WE WILL DO



Enhance the cab-based technology hardware in the unscheduled care ambulance fleet.

The aim being to support our strategic aims, by ensuring our clinical staff are able to access, record and transfer relevant information, e.g. patient related information and up to date clinical guideline and pathway information

### WHAT WE HAVE ACHIEVED

Completed the rollout of 600 new defibrillators across our unscheduled care fleet. This included integrating the new units with the in-vehicle communications infrastructure.

Integrated the defibrillators with the electronic patient record (ePR) to automatically transfer and populate clinical patient information into the ePR.



Ensure the Service has continued access to appropriate

emergency service communications when the current Airwave system is 'decommissioned'. This will be achieved through active participation in the GB-wide Emergency Service Mobile Communications Programme

Active participation in the UK Government, GB-wide, 'Emergency Services Mobile Communications Programme'.

Proactive engagement and collaboration with the Scottish Government, Police Scotland, Scottish Fire & Rescue and other relevant partners.

Preparation and planning for transition to the GB-wide Emergency Services Network (ESN) in line with the delayed GB programme (currently scheduled for completion in 2024).

Completed our government-approved IT health check and installed network links to central data centres for our new, ESN-compatible Integrated Communications Control System (ICCS) project in readiness for a go-live date in early 2021. This is a joint programme with other GB Ambulance Services and will be used in our Ambulance Control Centres.



Enhance and promote our capability to electronically transfer the patient

information our clinicians collect to our NHSS partners, e.g. territorial health boards. The aim being to support and enable better clinical decision making, patient care and patient safety



Further refinement of the technical solution for the transfer of Service Electronic Patient Report (ePR) information to partner organisations. This includes working with colleagues in Information Services (SAS) regarding data sharing related to Falls, DBI and other pathways

ePR transfer live in NHS Ayrshire and Arran, NHS Dumfries and Galloway, NHS Grampian, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lothian. All remaining NHSS Boards were contacted in January 2020 and progress is being made with regard to bringing them on board.

Covering letters sent to GPs who have received ePR information have been reviewed and improved, this includes simpler wording and combining three existing letters into one.

Enhanced validation checks have been introduced to reduce clinical and reputational risk. As a result, ECS lookup now requires exact detail for name, surname, DOB and gender to return GP practice code. We have also introduced a further postcode validation on incident address which must match postcode held on ECS system.

Improved the reliability of ECG transfers to Coronary Care Units through the roll-out of new defibrillators across the unscheduled care fleet.

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED
 <p>Progress the delivery of our eHealth Strategy</p>	<p>Implemented the British Heart Foundation National Public Access Defibrillator solution.</p> <p>Replaced and enhanced the wide area network solution that securely and resiliently inter-connects all three Ambulance Control Centres.</p> <p>Further enhanced and extended our video conferencing capability.</p> <p>Improved our cyber resilience approach.</p> <p>Further enhanced our Ambulance Control Centre back-up telephony solution</p> <p>Upgraded our West and North Ambulance Control Centre Local Area Networks</p> <p>Migrated a number of physical servers to new virtual servers.</p> <p>Completed the procurement of a comprehensive Ambulance Control Centre telephony upgrade that will be implemented during 2020.</p> <p>Produced an Outline Business Case to replace the current Patient Transport Service mobile data solution.</p>
 <p>Improve vehicle reliability, availability, emissions and operational performance through a comprehensive Fleet Replacement Programme</p>	<p>£78 million investment plan agreed and business case approved in support of a programme to introduce almost 1,000 new replacement vehicles between 2016 and 2021</p> <p>Programme remains on track as we move into the last year of the five year business case with a further 188 vehicles replaced during the 2019-20 financial year providing 802 replacement vehicles in the first 4 years of the programme in the national fleet of 1,450 vehicles. In addition to these vehicles, the introduction of 50 new full electric lease cars has allowed investment in electric vehicle charger infrastructure at 23 locations nationally with further installation plans underway.</p>

**Patient Engagement and Participation**

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED
 <p>Ensure our patients, staff and the people who use our services have a voice and can contribute to future service design, with people at the heart of everything we do</p>	<ul style="list-style-type: none"> <li>• Widening our Public Engagement to not just patient representatives but representatives from the third sector and other community groups</li> <li>• Driven change through patient experience and new co-design focus, such as producing new mental health strategy in partnership with mental health users</li> <li>• New co-produced Patient Focus, Public Involvement strategy, with improved governance.</li> <li>• Patient representatives now formal members of key internal committee group meetings to give valuable insight from patients and the public.</li> <li>• Participated in development of Our Voice framework</li> <li>• Changed our policy with regards to how we categorise complaints to better reflect patient feedback</li> <li>• New approaches and measures to help improve the Patient Experience and the efficiency of our complaints handling processes.</li> <li>• Establishment of a 'learning from feedback and incidents' group - with membership from across the Service.</li> <li>• Intensive engagement with staff, partners, public and patients to co-design a new SAS strategy for the next decade.</li> <li>• New insight and engagement campaign undertaken to gain public views and attitudes towards our clinical response model and our approach to prioritising patients based on the severity of their condition.</li> </ul>

**HEAT summary: health improvement, efficiency, access to treatment and treatment**

Performance Indicator	2019/20 Targets	2019/20	2018/19
SAS H1 Save More Lives ROSC Return of Spontaneous Circulation for VF/VT patients	>45%	50.8%	49.8%
SAS H2 Purple Response Times Purple coded incidents percentage with resource on scene within 8 minutes	>75%	64.7%	70.0%
SAS H3 Purple Median Response Times Purple coded incidents median response time (mm:ss)	<06:00	06:20	05:46
SAS H4 Purple 90th Percentile Response Times Purple incidents 90th Percentile response time (mm:ss)	<15:00	14:01	12:55
SAS H5 Red Median Response Times Red coded incidents median response time (mm:ss)	<07:00	07:44	07:11
SAS H6 Red 90th Percentile Response Times Red incidents 90th Percentile response time (mm:ss)	<15:00	17:05	15:38
SAS H7 Amber Median Response Times Amber coded incidents median response time (mm:ss)	<15:00	13:55	11:55
SAS H8 Amber 90th Percentile Response Times Amber incidents 90th Percentile response time (mm:ss)	<30:00	31:00	24:22
SAS H9 Yellow Median Response Times Yellow coded incidents median response time (mm:ss)	<20:00	20:52	16:45
SAS H10 Yellow 90th Percentile Response Times Yellow incidents 90th Percentile response time (hh:mm:ss)	<60:00	01:21:43	51:05
SAS T1 Reduce Hospital Attendances % of unscheduled cases managed by telephone or face-to-face assessment	>35%	37.8%	33.8%
SAS T2 Hyper Acute Stroke % of hyper acute stroke patients who receive the pre hospital care bundle.	>95%	97.4%	96.3%
SAS T3 Infection Control % of recorded use of PVC insertion care bundle	>95%	96.0%	95.7%
SAS T4 Purple 30 Day Survival *** Purple coded incidents who survived to 30 days post ambulance treatment	tbc ***	45.3%	33.7%
SAS T7 Staff Experience Employee Engagement Score	>68	No EEI	67

## 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"> <li>Revenue Resource limit: a break even resource budget for ongoing operations</li> <li>Capital Resource limit: a break even resource budget for new capital investment</li> <li>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 2020</li> <li>Efficiency Target: Deliver the full quantum of savings required at £9,979k</li> </ul> <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 Scottish Ambulance Service achieved each of the targets set, as at 31 March 2020, the financial performance against each target as detailed below:</p> <ul style="list-style-type: none"> <li>Revenue Resource Limit : £69k underspend                             <ul style="list-style-type: none"> <li>Core - £69k underspend</li> <li>Non Core - Breakeven</li> </ul> </li> <li>Capital Resource limit: Breakeven</li> <li>Cash of £75k held at end of March 2020</li> <li>Efficiency Target: Delivered the full quantum of savings required £9,979k</li> </ul> <p>The Service was required to produce a trajectory of its expected position from July 2019 until March 2020 to the SGHDCD. Financial performance was monitored and reported monthly to the Board and Chief Executive.</p>

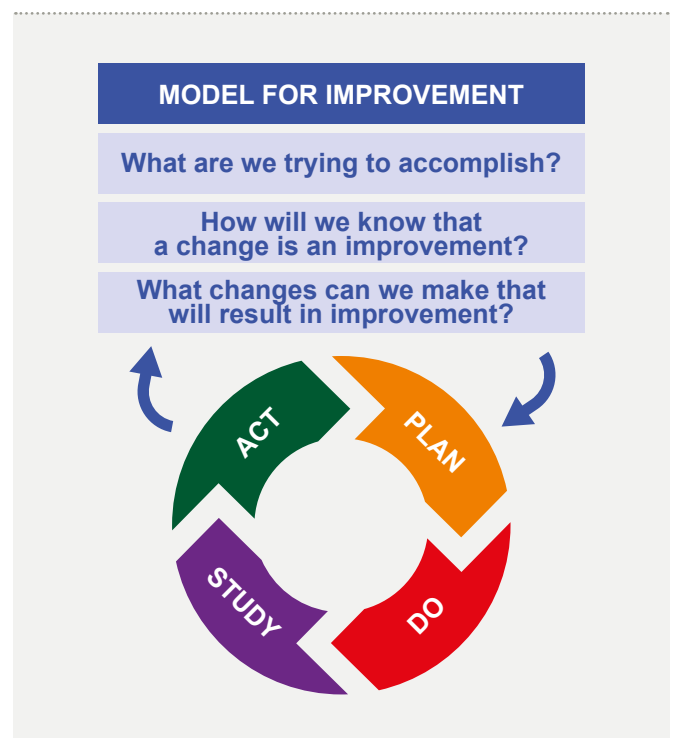
### 1.7 Measurement for improvement

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.

Continuing to build from previous years we will progress the principle of measuring progress through the provision of high quality data and subsequent scrutiny and analysis. We will achieve this principle by using a small number of tools to improve data literacy levels across the Service beginning with the Board, executives and senior managers. This in turn will move the Service towards its ambition to progressively move away from, for example, simplistic 'Red', 'Amber' and 'Green' (RAG) status measurement/ reporting methods to a more dynamic and engaging approach of data visualisation and interpretation.

To underpin this approach, we will embed the Model for Improvement and other improvement methodologies in our development and business as usual practices which will build our ability to use data as a means, for example, to help us understand variation in

processes and practices by making that variation visible. This will consequently enable the organisation to collectively discuss and co-design service changes, to improve and standardise data display and improve our data interpretation skills throughout the Service.



## 1.8 Principal risks and uncertainties

The Scottish Ambulance 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: increasing demand especially in our urban areas resulting in staff welfare risks and response times, as we implement the first year of the new UK Paramedic Education model risks of recruitment and training; cyber risks as we continue to develop digital solutions and unidentified or high risk efficiency saving targets in the planned savings programme. In addition, a separate and detailed COVID-19 risk register has been in place since February 2020.

The Scottish Ambulance Service's approach to the management of risk is set out in detail in the Governance Statement.

## 2. Performance Analysis

### 2.1 Financial performance and position

The Scottish Government Health and Social Care Directorate (SGHSCD) sets three financial targets at NHS Board level on an annual basis.

These limits are:

- **Revenue resource limit**  
a resource budget for ongoing operations;
- **Capital resource limit**  
a resource budget for new capital investment; and
- **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.

The Scottish Ambulance 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
<b>Revenue resource limit – Core</b>	281,413	281,344	69
<b>Revenue resource limit – Non Core</b>	15,236	15,236	-
<b>Capital resource limit</b>	26,025	26,025	-
<b>Cash requirement</b>	301,170	301,170	-

Memorandum for in year outturn	£'000
Core Revenue Resource Variance (Deficit)/Surplus in 2019/20	69
Financial flexibility: funding banked with/(provided by) Scottish Government	0
<b>Underlying (Deficit)/Surplus against Core Revenue Resource Limit</b>	<b>69</b>
<b>Percentage</b>	<b>0.00%</b>



A three-year operational plan including the financial plan was submitted to Scottish Government by the Scottish Ambulance Service on 11 March 2019. Confirmation was received on the 8th April 2020 that in light of the priority now given to COVID-19 the submitted plan would be taken as a baseline and will form the basis of the recovery plan including the COVID mobilisation plan. Detailed financial templates describing COVID financial and operational implications have been submitted to Scottish Government throughout April and May 2020.

Excluding provision of financial flexibility provided by the Scottish Government, the Board's outturn would have been an underspend on RRL of £0.01m (equivalent to 0.00%) being the £69k current year less the £58k carry forward from the prior year. The underspend is within the one per cent flexibility afforded by the three-year financial planning and performance cycle, and will be managed within an overall breakeven position in period to 2021-22.

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;
- £1.7m of COVID-19 related costs were incurred and funded by Scottish Government during 2019-20
- Provisions for bad and doubtful debts of £514k (2018/19 £314k) were made.
- Provision for legal obligations of £4,017k (2018/19 £4,095k) were made relating to clinical, medical and legal claims against the Board;
- 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 £4,745k (2018/19 £4,212k) by SGHSCD;
- Land and buildings were revalued by the Valuation Office Agency at 31 March 2020 on the basis of Existing Use Value (EUUV) for non specialised properties and Depreciated Replacement Cost (DRC) for a number of specialised properties. The remaining specialised properties not revalued were indexed at that date using indices supplied by the Building Cost Information Service (BCIS). The valuation was in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practices and Guidance Notes, subject to the special requirements of the accounting policies of the NHS.
- The net impact was an increase in value of £641k (2018/19: £839k increase), of which £45k (2018/19: £255k credited) was credited to the revaluation reserve and £596k (2018/19: £584k) credited to the Statement of Comprehensive Net Expenditure. The net charge of £596k to the Statement of Comprehensive Net Expenditure (2018/19: £584k) was comprised of £62k (2018/19 £0) impairment losses and £658k (2018/19 £584k) reversal of previous impairment losses.
- Total outstanding current payables are Board £23,741k, Consolidated £23,764k (2018/19: Board £14,661k, Consolidated £14,683k)
- The Service submitted a balanced three year plan that was accepted by Scottish Government and while there may be some re-prioritising due to COVID-19, it is expected that those additional costs will be met by Government as was the case this year. Therefore, these accounts have been prepared on a going concern basis.

Payment Policy	2019/20	2018/19
Invoices paid within 10 Days (Volume)	42%	37%
Invoices paid within 10 Days (Value)	73%	59%
Invoices paid within 30 Days (Volume)	82%	77%
Invoices paid within 30 Days (Value)	87%	83%
Average days credit taken	23	27

## 2.2 Payment Policy

The Scottish Ambulance 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 Scottish Ambulance 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.

Staff turnover within the accounts payable team remains an issue but performance measures improved across the board. This is testament to the team and the process improvements they implemented this year.

## 2.3 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.

## 2.4 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. In 2015, an Order was introduced requiring all designated Major Players (of which The Scottish Ambulance Service Board is one) to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act. 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 Scottish Ambulance Service is committed to ensuring that it considers Sustainability in all its actions and decisions. Sustainable Development is one of the guiding principles in the Service's Strategic and Operational Planning process.

The Service recognises its responsibilities to promote development which meets the needs of the service

- without compromising the ability of future generations or other communities to meet their needs, and,
- without overburdening the ecosystems on which we all depend for our social, environmental and economic well-being.

The Service acknowledges the great potential benefits within policies and practices relating to employment, training, procurement, transport, energy, waste management and capital development policies and practices that create and support sustainable communities, through minimising environmental damage and promoting social and economic well-being and development.

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://sustainablescotlandnetwork.org/reports>

## 2.5 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 Scottish Ambulance 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:

<http://www.scottishambulance.com/TheService/act.aspx>

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

## 2.6 Remuneration For Non-Audit Work

Grant Thornton UK LLP, the Scottish Ambulance Service's current External Auditor, have undertaken no non-audit related work during 2019/20.

## 2.7 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 19.

## 2.8 Personal Data Related Incidents Reported To The Information Commissioner

There have been no incidents that have required to be reported to the Information Commissioner during the year.

## 2.9 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 auditor is 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.

## 2.10 Events After the End of the Reporting Period

There have been no significant events after the end of the financial year that would materially impact on the information contained within the accounts.

## 2.11 Financial Instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Scottish Ambulance Service to price risk, credit risk, liquidity risk and cash flow risk is disclosed in Note 18.

The Accounting Officer (Chief Executive) of the Scottish Ambulance Service has authorised these financial statements for issue on the 24 June 2020.

## 2.12 SCOTSTAR Performance

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.

### Adult Team

Our Emergency Medical Retrieval Service (EMRS) provides national retrieval services 24 hours a day. EMRS comprises of 2 sections, 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 the 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 Nurse Practitioners (ANPs), 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, Nurse Practitioners and 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 2019/20 the EMRS team received 1,952 calls and was activated on 1,369 missions, an increase of 428 over the previous year:

- The team performed 114 primary pre-hospital general anaesthetics and gave pre-hospital blood transfusions to 64 patients, in addition to enhanced-response critical care team interventions and senior clinical decision maker input.

- 34 secondary retrieval patients were intubated and ventilated by EMRS for transfer, with 88.2% being transported by air, of which 76.7% were by helicopter and 23.3% by fixed wing aircraft.
- 583 advice Calls with remote and rural clinicians. 186 were Top Cover calls.

**Other Advice Calls excluding Top Cover by Follow Up**

**Follow Up Outcome Type**

No follow up recorded	17
No follow up recorded but EMRS not needed	48
No transfer of patient	77
Patient transferred hospital	255

**Neonatal Transfer and Retrieval Activity**

During 2019/20 the Neonatal Transfer Service performed 1,187 patient transfers:

- 452 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: 221 (48.9%)
  - East: 191 (42.3%)
  - North: 38 (8.41%)
- 93.3% of the transfers were by road with an average transfer duration of 3 hours 22 minutes.
- 359 transfers were intensive-care level transfers with 176 intubated, ventilated babies.
- 110 other babies were transferred on other advanced respiratory support.

**Paediatric Transfer and Retrieval Activity**

During 2019/20 the Paediatric Retrieval Team performed 339 patient transfers, visiting over 35 hospital sites across Scotland. Of those transfers, 219 were intensive care level and 81 were high dependency:

- 186 transfers were intubated, ventilated children.
- The average mission duration by road was 5 hours 28 minutes and by Air was 7 hours 49 minutes.
- 73.2% of transfers were by road, 21.2% by fixed wing aircraft and 5.31% by helicopter. One mission required the use of both helicopter and fixed wing resources.

**2.13 Equality and Diversity**

Building on our strategic framework “Towards 2020: Taking Care to the Patient” we are developing our

future strategy for 2020 and beyond. 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.

In 2017 Equality Outcomes for 2017 – 21 were developed and published. 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 Scottish Ambulance 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.

As at 1 April 2020 the Scottish Ambulance Service employed 5,278 staff and the profile of the workforce was 58 per cent men and 42 per cent women. The annual workforce equality monitoring report 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.

**Other employee matters**

The recognised principles of fairness, respect, equality, dignity and autonomy are firmly embedded in our organisational values. The Scottish Ambulance Service 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.

Guidance for the recruitment and employment of staff with Diabetes and the managers’ recruitment guide provide additional guidance for all managers recruiting and managing applicants and staff who have a disability.

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. Applicants who wish to be covered under this initiative are 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. Reasonable adjustments are put in place for those staff who become disabled during the course of their employment and these are supported by the Attendance Policy which aims to remove any barriers to access and participation and promote equality of opportunity.

The Scottish Ambulance Services has been involved in the development of human resources policies with staff side colleagues through the Once for Scotland Programme. A number of these policies are now in place and others will be adopted during 2020. Other policies are developed in partnership with staff side colleagues and staff have the opportunity to contribute to this process through the National Partnership Forum.

The Scottish Ambulance 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 and confidential alert line 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. In February 2020 the Service welcomed Elizabeth Humphreys, Non-Executive Whistleblowing Champion.

The Scottish Ambulance 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, guides and advice.

It is recognised that staff play a vital role in achieving the vision of the Strategy 'Taking Care to the Patient' and the Wellbeing Implementation Plan sets out how the Service will ensure the health, safety and wellbeing of staff which ultimately has an impact on the experience of users of our service. Plans are in place to develop a Wellbeing Strategy which will bring together all the elements currently being taken forward to support staff and their wellbeing in the workplace.

The iMatter staff experience tool has been implemented across the Service providing an opportunity for staff to have their say and allowing the organisation to better understand and improve staff experience through work at team level.

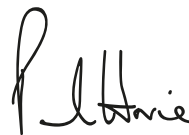
## Social, Community and Human Rights

The challenge for the Scottish Ambulance 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 Scottish Ambulance Service is explicitly 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 Scottish Ambulance Service Equality Impact Assessment guidance ensures that the impact of equality and health inequalities is embedded and 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 fairness, respect, equality, dignity and autonomy are incorporated, although not explicitly, in 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.

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



Signed:  
Date: 24 June 2020

Mrs Pauline Howie OBE  
Chief Executive

# Accountability Report

## Corporate Governance Report Directors' Report

### 1. 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 2019/20 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.

### 2. Naming convention

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

### 3. 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.

### 4. Date of issue

The Accountable Officer authorised these financial statements for issue on 24 June 2020.

### 5. 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 has appointed Grant Thornton UK LLP 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.

### 6. Corporate governance

The Board meets regularly during the year to progress the business of the Scottish Ambulance Service 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 governance committees report to the Board:

- Clinical Governance;
- Audit;
- 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 Scottish Ambulance Service 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 four Non-Executive Directors: Mr Martin Togneri (Chair), Ms Neelam Bakshi (to 30 June 2019), Dr Francis Tierney, Ms Irene Oldfather, Ms Carol Sinclair and the Board Chair, Mr Tom Steele (*ex officio* member). Ms Carol Sinclair joined the Committee in July 2019. 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 2019/20 and all meetings were quorate.

#### Audit Committee

The Audit Committee comprised four Non-Executive Directors: Mr Edward Frizzell (Chair)(to 30 June 2019), Ms Carol Sinclair (Chair)(from 01 July 2019), Councillor Cecil Meiklejohn and Ms Irene Oldfather. Mr Stuart Currie joined the Committee in July 2019. 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 Scottish Ambulance Service. The Committee met 4 times in 2019/20 and all meetings were quorate.

### Staff Governance Committee

The Staff Governance Committee comprised four Non-Executive Directors: Ms Neelam Bakshi (Chair)(to 30 June 2019), Mr John Riggins (Employee Director), Madeline Smith (Chair), Mr Martin Togneri and Mr Stuart Currie, together with the Board Chair Mr Tom Steele (*ex officio* member) 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 organisation. The Committee met 4 times in 2019/20 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); Mr Edward Frizzell (to 30 June 2019); Councillor Cecil Meiklejohn; 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 4 times in 2019/20 and all meetings were quorate.

## 7. Board membership

Under the terms of the Scottish Health Plan, the Scottish Ambulance Service 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 Scottish Ambulance Service as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Scottish Ambulance Service Board comprised the following up to the date of signing the accounts:

Tom Steele	Chair
Pauline Howie OBE	Chief Executive
Neelam Bakshi	Non-Executive Director (to 30 June 2019)
Stuart Currie	Non-Executive Director (from 01 July 2019)
Edward Frizzell CB	Non-Executive Director (to 30 June 2019)
Elizabeth Humphreys	Non-Executive Director (from 01 February 2020)
Cecil Meiklejohn	Non-Executive Director
Irene Oldfather	Non-Executive Director
Carol Sinclair	Non-Executive Director (from 01 July 2019)
Madeline Smith	Non-Executive Director
Dr Francis Tierney	Non-Executive Director
Martin Togneri	Non-Executive Director
John Riggins	Employee Director
Julie Carter	Director of Finance, Logistics and Strategy (from 1 June 2019)
Dr Jim Ward	Medical Director

### New Appointments

Stuart Currie and Carol Sinclair were appointed as Non-Executive Directors from 01 July 2019. Following an all Boards appointment process, Elizabeth Humphreys was appointed as the Board’s Non-Executive Whistleblowing Champion. Julie Carter was appointed as Director of Finance, Logistics and Strategy with effect from 1 June 2019.

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

## Board members' and senior managers' interests

The following interests have been declared by Board members and senior managers:

Board Member	Directorships	Ownerships
Tom Steele	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> </ul>	None
Pauline Howie	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Honorary Air Commodore of 612 (County of Aberdeen) Royal Auxiliary Air Force Squadron</li> </ul>	None
Neelam Bakshi	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Lay Member Employment Tribunals Scotland, Reserve Forces Tribunal</li> <li>Public Appointments Advisor, Commissioner for Ethical Standards</li> <li>Board member, Judicial Appointments Scotland</li> <li>Disability Qualified Member, 1st Tier Social Entitlement Chamber</li> </ul>	NB Associates Owner
Stuart Currie	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Councillor, East Lothian Council</li> <li>Spokesperson, COSLA</li> <li>Lay member, Employment Tribunals</li> </ul>	None
Edward Frizzell	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>President – Trefoil House</li> <li>Chair – Edinburgh Sculpture Workshop</li> </ul>	None
Elizabeth Humphreys	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Non-Executive Director, Independent Living Fund, Scotland</li> <li>Non-Executive Director, Public Health Scotland</li> <li>Chair and Trustee, Drake Music Scotland</li> <li>Trustee, Scottish Association for Mental Health</li> </ul>	None
Councillor Cecil Meiklejohn	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Elected member, Falkirk Council</li> </ul>	None
John Riggins	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> </ul>	None
Dr Francis Tierney	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>GP Locum</li> <li>GP Appraiser</li> <li>Member of British Medical Association and Medical Defence Union</li> <li>Fellow of the Royal College of General Practitioners</li> </ul>	None
Martin Togneri	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Trustee, Scotland's Charity Air Ambulance (to Sept 2019)</li> <li>Non-Executive Director, NHS24</li> </ul>	None
Irene Oldfather	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Director, Health and Social Care Alliance</li> <li>Committee member Scottish Health Council</li> <li>Member, European and Social Committee (to 31 January 2020)</li> </ul>	None
Carol Sinclair	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Trustee, Scotland's Charity Air Ambulance (in capacity as Non-Executive Director of Scottish Ambulance Service Associate Director NHS National Services Scotland to 1 April 2020 (on secondment to Scottish Government (Scottish National Investment Bank from November 2019 to March 2020)</li> <li>Associate Director, Public Health Scotland (from 1 April 2020)</li> </ul>	None



Board Member	Directorships	Ownerships
Madeline Smith	<ul style="list-style-type: none"> <li>Board Member Scottish Ambulance Service</li> <li>Non-Executive Director and Vice Chair, NHS 24</li> <li>Head of Strategy – Innovation School, The Glasgow School of Art</li> <li>Board member, Digital Health and Care Innovation Centre</li> <li>Board member, Construction Scotland Innovation Centre</li> </ul>	Owner/Director, Smith-Kelvin, Strategy and Evaluation Consultancy
Julie Carter (from 1 June 2019)	<ul style="list-style-type: none"> <li>Executive Director/Board Member Scottish Ambulance Service</li> </ul>	None
Dr Jim Ward	<ul style="list-style-type: none"> <li>Executive Director/Board Member Scottish Ambulance Service</li> <li>Sessional GP, Greater Glasgow and Clyde Out of Hours service</li> <li>Member British Medical Association</li> <li>Fellow of Royal College of General Practitioners</li> <li>Member of the Medical and Dental Defence Union Scotland</li> </ul>	None

Other Directors	Directorships	Ownerships
Claire Pearce (to February 2020)	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> <li>NMC Registrant</li> </ul>	None
Director of HR & OD consent to disclose name withheld	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> <li>Chartered Fellow of Chartered Institute of Personnel and Development</li> </ul>	None
Frances Dodd (secondment from 01 February 2020)	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> </ul>	None
Lyndsay Lauder	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> </ul>	None
Paul Bassett	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> <li>Trustee, Scotland's Charity Air Ambulance</li> </ul>	None
Lewis Campbell	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> </ul>	None
Garry Fraser	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> </ul>	None
Milne Weir	<ul style="list-style-type: none"> <li>Executive Director, Scottish Ambulance Service</li> </ul>	None

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## Corporate Governance Report Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board

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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.

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## Corporate Governance Report Statement of Board Members' Responsibilities in Respect of the Accounts

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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 2020 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 that are reasonable and prudent;
- 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.

## Corporate Governance Report 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 Scottish Ambulance 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.

### Purpose 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 March 2020, 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 Scottish Ambulance 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 committees concerning any significant matters on governance, risk and internal controls. In addition, the Board receives regular updates from the 2020 Steering Group.
- 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.
- 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 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.

### Governance Framework

The Scottish Ambulance Service has set out its vision of how the service will be delivered in the future through its Strategy 'Towards 2020: Taking Care to the Patient' and has consulted widely with stakeholders including

the public, other Health Boards and the Scottish Government both in the preparation of this document and also in the progress made with the strategy.

The Audit 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 Scottish Ambulance Service Board is supported in its governance responsibilities by the following committees:

Committee	Responsibilities
Staff Governance	The Staff Governance Committee comprised four Non-Executive Directors: Ms Neelam Bakshi (Chair)(to 30 June 2019), Mr John Riggins (Employee Director), Ms Madeline Smith (Chair), Mr Martin Togneri and Mr Stuart Currie, together with the Board Chair Mr Tom Steele ( <i>ex officio</i> member) and three lay officials (in an <i>ex officio</i> capacity). The Committee meets four times per year to ensure effective monitoring of staff governance within the organisation. The Committee met 4 times in 2019/20 and all meetings were quorate.
Audit	The Audit Committee comprised five Non-Executive Directors: Mr Edward Frizzell (Chair)(to 30 June 2019), Ms Carol Sinclair (Chair) (from 01 July 2019), Councillor Cecil Meiklejohn, Ms Madeline Smith, Ms Irene Oldfather and Mr Stuart Currie. The main objective of the Audit Committee is to support the Accountable Officer and the Board in meeting their assurance needs. The Committee meets four times per year to review Standing Financial Instructions, Estates Policy, Procurement, Fraud and Risk matters, consider the various reports from both internal and external auditors to assess the risks and internal controls in the Scottish Ambulance Service, and supported by Internal Audit, has oversight of Internal Controls operating within the organisation. The Committee met 4 times in 2019/20 and all meetings were quorate.
Clinical Governance	<p>The Clinical Governance Committee of the Board has two key roles:</p> <ul style="list-style-type: none"> <li>• Systems assurance – to ensure that clinical governance mechanisms are in place and operate effectively throughout the Scottish Ambulance Service System; and</li> <li>• Public health governance – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the NHS Board.</li> </ul> <p>The Clinical Governance Committee comprised four Non-Executive Directors: Mr Martin Togneri (Chair), Ms Neelam Bakshi (to 30 June 2019), Dr Francis Tierney, Ms Irene Oldfather, Ms Carol Sinclair and the Board Chair, Mr Tom Steele (<i>ex officio</i> member). Ms Carol Sinclair joined the Committee in July 2019. 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 2019/20 and all meetings were quorate.</p>

Committee	Responsibilities
Remuneration	The Remuneration Committee, which reports to the Staff Governance Committee, comprised the Board Chair, Mr Tom Steele and four Non-Executive Directors: Dr Francis Tierney (Chair); Mr Edward Frizzell (to 30 June 2019); Councillor Cecil Meiklejohn; 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 4 times in 2019/20 and all meetings were quorate.
Information Governance	The Information Governance Group, which reports to the Audit Committee, is chaired by the Director of Care Quality & Professional Development with the main objective of the Committee to ensure a framework is in place to bring together all of the requirements, standards and best practice that apply to the handling of information.

The clinical governance framework approved by the Board in 2017 was reviewed by the Committee in November 2019 and will be further reviewed in November 2021.

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. Following an all Boards appointment process, 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 Chief Executive’s Bulletin 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 assessed its own performance by completing the Board Diagnostic Self-Assessment toolkit and agreed its action plan in April 2018. In February 2019, the Board completed the Good Governance Blueprint Self-Assessment and Board workshops were held in March and April to produce an agreed governance action plan over implementation of the Blueprint. This self-assessment action plan can be accessed at <http://www.scottishambulance.com/TheService/PapersView.aspx?ID=1441> and progress of these actions continues to be monitored by the Board at each meeting.

Throughout 2019/20 the Board has continued to develop its system of corporate governance, which has included:

- The Board’s membership has been refreshed, with new members replacing those who have left;
- The Board has revised the terms of reference of its Governance Committees and sub Committees; and
- The Board has revised its Standing Financial Instructions, and adopted the model Standing Orders following approval at the January 2020 Board meeting.

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 Committee in June 2019 and 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.

A review of Annual Service Audit Reports which are intended to provide assurance around the internal controls frameworks in place for a range of services provided on behalf of NHS Scotland was carried out. This included Payments to Practitioners, IT Services and Finance Ledger Systems. This year, both the Payments to Practitioners and IT Services service audits resulted in a qualified opinion. A qualification in a service audit report relates to the design or operating effectiveness of controls in order to meet the stated control objectives rather than indicating that the underlying transactions are necessarily incorrectly processed. An adverse opinion would occur where controls were absent or failed.

### 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:

- the executive 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 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 PRINCEII 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 2019/20 via the receipt of formal reports relating to each of the governance committees. All Executive Directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the Audit Committee, 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 was written to replace the Management of Risk Strategy 2016-2020, and was approved by the SAS Board in January 2020. This new 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 Scottish Ambulance 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 19/20 the Board risk appetite was also defined, with risk tolerance also set against all of our corporate risks. 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 2020 Programme Board; and
- Risks scored very high have oversight at Board Sub Committee and Board level.

### 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;
- 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 in February 2019 to identify a risk appetite for the Service. Further workshops took place in March and April to progress this work and also review our current corporate risk register and identify emerging risks for the coming year. The key risks identified are prioritised through a risk matrix scoring methodology that examines likelihood and impact. Thereafter, the key risks have controls and mitigating actions developed which allow the organisation to manage these risks. The risks are reviewed on a bi-monthly basis as part of the Services 2020 Steering Group which includes the Executive Team and a cross section of senior managers, they review the current risks, monitor action taken/to be taken and discuss if there are any risks requiring escalation. The Board approve the corporate risk register at each meeting with the risk appetite statements due for approval at the Board meeting in early 2020.

The Risk Management Governance Group formally reported to the Audit Committee. During 19/20 this group was replaced by the Performance & Planning Steering Group, chaired by the Chief Executive, and meets on a Monthly basis. The risk output from this group is now reported to the Audit Committee. The Audit Committee also receives updates on the Corporate Risk Register. Internal Audit utilise the Corporate level register to develop their workplan for the forthcoming year. This process ensures that Internal Audit is focused on areas of greatest risk to the organisation.

More generally, the Service is committed to continuous development and improvement: developing systems in response to 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:

- A workshop was facilitated by the Corporate Risk Manager to identify emerging risks and dis-aggregate existing risks to facilitate timely management.
- We carried out a benchmarking exercise of our Risk Management arrangements with other NHS Boards and UK Ambulance Services to inform the development of the Risk Management Policy.
- SAS engaged with Healthcare Improvement Scotland on the management of Significant Adverse Events.
- Risk Management Governance Group met 2 times throughout the year before being replaced by the Performance & Planning Steering Group, which subsequently met an additional 4 times up to 31st March.
- A regular programme of facilitated workshops to identify, and keep up-to-date, the record of risks facing all levels of the Service.
- We reviewed our Adverse Event Framework and developed an Adverse Event and Duty of Candour Policy. This was approved through the staff and clinical governance structures; Implemented the complaints module on Datix.
- We implemented Duty of Candour which builds on the Service's approach to being open with patients and families.

- SAS engaged with Healthcare Improvement Scotland on the management of adverse events.
- Quarterly Clinical Governance Risk Management and Patient Safety reports have been presented to the Clinical Governance Committee and Audit Committee.
- Managers and staff have been trained to use the Service's risk management system - Datix for the management of adverse events and risks. This was a combination of 1-1 and e-learning training.
- Risk Management, Resilience and Business Continuity training course delivered to managers across the Service.

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 – *Risk appetite statement was approved at the Board meeting in May 2019 and work in developing the risk tolerances agreed*
- 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 was put in place during 19/20*
- 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 20 Board meeting*



## Corporate Risk Register

ID	Risk Description and Impact	Current risk level
4634	There is a risk that we do not achieve our financial targets in 2020/21. This is an unacceptable position with Scottish Government resulting in sanctions likely to include lower than required levels of funding in future years with the key focus on returning to financial balance.	High (12)
4636	There is a risk that the Service is unable to effectively support the health and wellbeing of staff, resulting in; <ul style="list-style-type: none"> <li>• High levels of sickness absence</li> <li>• Low staff engagement and morale</li> <li>• Potential risk to the Service's reputation</li> <li>• High levels of overtime</li> </ul>	High (12)
4637	There is a risk that staff are not effectively supported by line managers, resulting in; <ul style="list-style-type: none"> <li>• Difficulty implementing changes in working practices and productivity improvements</li> <li>• High levels of sickness absence and overtime</li> <li>• Low staff engagement and morale</li> </ul>	High (12)
4638	There is a risk that changes to other parts of the whole system create new demand pressures on the Service, resulting in the following; <ul style="list-style-type: none"> <li>• Insufficient staffing and longer response times</li> <li>• Increased journey times to hospitals as a result of centralisation of clinical services</li> <li>• Longer turnaround times at busy large hospitals</li> <li>• Other Health Care Services attempting to recruit paramedics, due to changes in their care delivery plan</li> </ul>	High (12)
4639	There is a risk of cyber threats and or a significant data breach resulting in the loss of systems or data, Service disruption and reputational damage.	Very High (16)
4640	There is a risk of slippage in the UK Government Emergency Service Communications Programme (ESMCP), resulting in Service delivery impact with the slippage impacting upon the airwave contract and internal systems.	High (12)
4641	There is a risk that the Service may suffer a shortfall in Paramedics, due to the potential of not being able to recruit and train sufficient numbers in the transition period to the new Paramedic Education model arrangements, resulting in an inability to deliver safe, effective & person centred care.	High (12)
4651	There is a risk that the Service cannot consistently deliver patient centred care, due to reduced capacity because of increasing demand, resulting in the potential for adverse patient outcomes.	Very High (16)

## 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.

## Remuneration And Staff Report Remuneration Report

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### 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 the Staff Governance Committee, comprised the Board Chair, Mr Tom Steele and four Non-Executive Directors: Dr Francis Tierney (Chair); Mr Edward Frizzell (to 30

June 2019); Councillor Cecil Meiklejohn; 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 4 times in 2019/20 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 (FRM), 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 2019/20.

**Remuneration report**  
**For the year ended 31 March 2020**  
**Current year 2019/20**

Director	Remuneration Table						Pension Values						
	Gross Salary	Bonus payments	Benefits in Kind £'000	Total Earnings in year	Pension benefits – Note (1)	Total remuneration Note (2) (Audited)	Accrued pension at age 60 as at 31/03/20	Total accrued lump sum at age 65 at 31 March 2020	Real increase in pension at age 60	Real increase in lump sum at 65 at 31 March 2020	CETV at 31/03/20 (Audited)	CETV at 31/03/19 (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: Pauline Howie	140-145	0	3.6	145-150	0	145-150	Not in SPPA scheme						
Medical Director: James Ward	155-160	0	7.3	160-165	0	160-165	Not in SPPA scheme						
Director of Finance & Logistics: Julie Carter (note 3)	90-95	0	4.6	90-95	31	125-130	30-35	65-70	0-2.5	0-2.5	581	553	15
Non-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
Chair: Tom Steele	25-30	0	0	25-30	0	25-30	Non-Executive Directors are not eligible to become members of the pension scheme						
Neelam Bakshi (to June 2019)	0-5	0	0	0-5	0	0-5							
Edward Frizzell (to June 2019)	0-5	0	0	0-5	0	0-5							
Martin Togneri	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 (fr July 19)	5-10	0	0	5-10	0	5-10							
Stuart Currie (fr July 19)	5-10	0	0	5-10	0	5-10							
Elizabeth Humphreys (fr Feb 20)	0-5	0	0	0-5	0	0-5							
Employee Director: John Riggins	50-55	0	0	50-55	0	65-70							
Other Senior Employees	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
Director of Care Quality & Strategic Development Claire Pearce (note 4)	75-80	0	5.4	80-85	93	175-180	30-35	75-80	2.5-5	7.5-10	631	526	91
Frances Dodd (note 5)	10-15	0	0.3	10-15	0	10-15	(see note 5)						
Director of HR & OD: Consent to disclose name withheld (note 6)	70-75	0	3.5	70-75	19	90-95	5-10	0	0-2.5	0	72	51	11
Lyndsay Lauder (note 6)	15-20	0	1.0	15-20	0	15-20	(see note 6)						

**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 2019/20.

**Note (3)** J Carter shared with Golden Jubilee National Hospital until 02 June 2019 (2 days with SAS, 3 days GJNH); total gross salary (£100k-£105k); total remuneration (£140k-£145k). The Opening CETV of £553k equals closing GJNH CETV at 02 June 19.

**Note (4)** C Pearce seconded to NHS Tayside from 17 Feb 2020; total gross salary (£105k-£110k); total remuneration (£200k-£205k)

**Note (5)** F Dodd seconded from NHS Lanarkshire from 17 Feb 2020; FYE gross salary (£85k-90k); no pension disclosed as not substantive SAS Employee

**Note (6)** Previous HR & OD left 31 Dec 2019; FYE gross salary (£95k-£100k). L Lauder appointed 01 Jan 2020; FYE gross salary (£70k-£75k); she is not in SPPA Scheme.

## Remuneration report

### For the year ended 31 March 2020

#### Prior year 2018/19

Director	Remuneration Table						Pension Values						
	Gross Salary	Bonus payments	Benefits in Kind £'000	Total Earnings in year	Pension benefits – Note (1)	Total remuneration Note (2) (Audited)	Accrued pension at age 60 as at 31/03/19	Total accrued lump sum at age 65 at 31 March 2019	Real increase in pension at age 60	Real increase in lump sum at 65 at 31 March 2019	CETV at 31/03/19 (Audited)	CETV at 31/03/18 (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: Pauline Howie	135-140	0	3.2	140-145	0	140-145	Not in SPPA scheme						
Medical Director: James Ward	155-160	0	3.8	160-165	0	160-165	Not in SPPA scheme						
Director of Finance & Logistics: Julie Carter	40-45	0	0.4	40-45	0	40-45	Note (3)						
Non-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
Chairman: David Garbutt (to 31/05/18)	0.5	0	0	0.5	0	0.5	Non-Executive Directors are not eligible to become members of the pension scheme						
Tom Steele (from 01/06/18)	20-25	0	0	20-25	0	20-25							
Esther Roberton (to 30/06/18)	0.5	0	0	0.5	0	0.5							
Neelam Bakshi	5-10	0	0	5-10	0	5-10							
Edward Frizzell	5-10	0	0	5-10	0	5-10							
Martin Togneri	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 (from 01/04/18)	5-10	0	0	5-10	0	5-10							
Madeline Smith (from 01/07/18)	5-10	0	0	5-10	0	5-10							
Employee Director: John Riggins	50-55	0	0	50-55	0	50-55	15-20	45-50	0-2.5	0-2.5	363	360	0
Other Senior Employees	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
Director of Care Quality & Strategic Development Pat O'Connor (to 22/10/18)	55-60	0	2.5	60-65	0	60-65					1276	1273	0
Claire Pearce (from 12/12/18) (Note 4)	35-40	0	1.8	35-40	24	60-65	25-30	65-70	0-2.5	0-2.5	488	526	18
Director of HR & OD Consent to disclose name withheld	90-95	0	4.4	95-100	23	115-120	0-5	0.5	0-2.5	0-2.5	51	28	23

**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) 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 2018/19.

**Note (3)** J Carter shared with Golden Jubilee National Hospital during 2018/19 (2 days with SAS, 3 days GJNH), total remuneration is (£100k-£105k including £1k BiK). Pension values accounted for by GJNH as the principal employer.

**Note (4)** Full year equivalent gross salary equates to band 90-95 and total remuneration (£120k-£125k)

## Remuneration And Staff Report Staff Report

### Fair Pay Disclosure (Audited)

	Current Year 2019/20	Prior Year 2018/19
Range of staff remuneration	8,584 – 156,786	8,416 – 157,866
Highest earning Director's total remuneration (£000s)	160-165	155 – 160
Median Total Remuneration	35,000	33,121
Ratio	4.28	4.792

### Higher Paid Employees' Remuneration (Audited)

Clinical	2019/20	2018/19	Other	2019/20	2018/19
70,001-80,000	16	7	70,001-80,000	15	11
80,001-90,000	6	3	80,001-90,000	6	1
90,001-100,000	0	2	90,001-100,000	1	2
100,001-110,000	1	0	100,001-110,000	1	0
110,001-120,000	0	0	110,001-120,000	0	0
120,001-130,000	0	0	120,001-130,000	0	0
130,001-140,000	0	0	130,001-140,000	0	1
140,001-150,000	0	0	140,001-150,000	2	0
150,001-160,000	1	1		<b>25</b>	<b>15</b>
	<b>24</b>	<b>13</b>	<b>Total</b>	<b>49</b>	<b>28</b>

## Staff Costs (Audited)

	Executive Board Members	Non Executive Board Members	Permanent Staff	Inward Secondees	Other staff	Outward Secondess	2020 Total	2019 Total
Staff Costs	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and Wages	397	90	174,068	-	-	(379)	174,176	161,878
Social Security costs	51	3	19,106	-	-	(45)	19,115	17,477
NHS scheme employers' costs	18	-	31,411	-	-	(78)	31,351	20,866
Inward secondees	11	-	-	4,421	-	-	4,432	3,730
Agency Staff	-	-	-	-	183	-	183	89
	<b>477</b>	<b>93</b>	<b>224,585</b>	<b>4,421</b>	<b>183</b>	<b>(502)</b>	<b>229,257</b>	<b>204,040</b>
Compensation for loss of office or early retirement	-	-	-	-	-	-	-	0
Pensions to former board employees	-	-	-	-	549	-	549	0
<b>TOTAL</b>	<b>477</b>	<b>93</b>	<b>224,585</b>	<b>4,421</b>	<b>732</b>	<b>(502)</b>	<b>229,806</b>	<b>204,654</b>
Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							143	11

## Staff Numbers

Whole time equivalent (WTE)	3	10	4,714	-	-	-	4,727	4,651
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							3	1
Included in the total staff numbers above were disabled staff of:							101	98
Included in the total staff numbers above were Special Advisers of:							nil	nil

<b>Reconciliation to income and expenditure</b>	<b>£'000</b>
Total employee expenditure as above	£229,806
Less: employee income charged to capital projects	£143
Add: employee income included in Note 4 (seconded income)	£502
Total employee expenditure disclosed in note 3	£230,165

## Staff Composition

	2019/20				2018/19			
	Male	Female	Prefer not to say	Total	Male	Female	Prefer not to say	Total
Executive Directors	1	2	-	3	1	2	-	3
Non-Executive Directors and Employee Director	6	6	-	12	5	4	-	9
Senior Employees	36	10	-	46	20	6	-	26
Other	3,034	2,196	-	5,230	3,002	2,087	-	5,089
<b>Total Headcount</b>	<b>3,077</b>	<b>2,214</b>	<b>-</b>	<b>5,291</b>	<b>3,028</b>	<b>2,099</b>	<b>-</b>	<b>5,127</b>

Senior Employees are those who have earned over £70,000 in year, 2018-19 figures have been restated on this basis.

## Sickness Absence Data (Unaudited)

	2019/20	2018/19
Sickness Absence Rate	7.9%	7.8%

### **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 Scottish Ambulance 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 Scottish Ambulance 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.

### Exit Packages (Audited)

There were no exit packages agreed by the Board in 2019/20 (none in 2018/19).

### 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 [Scottish Ambulance Service website at the following link](http://www.scottishambulance.com/TheService/publications.aspx).

<http://www.scottishambulance.com/TheService/publications.aspx>

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## Parliamentary Accountability Report

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### Losses and Special Payments

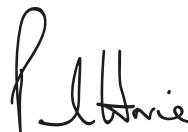
On occasion, the Board is required to write-off balances which are no longer recoverable. Losses and special payments over £250k require formal approval to regularise such transactions and their notation in the annual accounts.

There were no such losses written off in the 2019/20 financial year.

### 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:

Date: 24 June 2020

Mrs Pauline Howie OBE  
Chief Executive



# Independent Auditor's Report

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

### Report 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 2020 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 Consolidated Statement of Cashflows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2019/20 Government Financial Reporting Manual (the 2019/20 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2020 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2019/20 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 of 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 31 May 2016. The period of total uninterrupted appointment is four years. 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.

#### Emphasis of matter – property valuation

We draw attention to Note 1.28 to the financial statements which describes the effects of a material uncertainty on the valuation report basis for valuing land, buildings (including dwellings). Our opinion is not modified in respect of this matter.

#### Conclusions relating to going concern basis of accounting

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

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

#### Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions 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 deemed inappropriate.

## 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 economic decisions of users taken on the basis of these financial statements.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting 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. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. 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 matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

## Report 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. 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.

## Report on other requirements

### Opinions on matters prescribed by the Auditor General for Scotland

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

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 part 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

- 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 120 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.



Joanne Brown  
(for and on behalf of Grant Thornton UK LLP)

110 Queen Street, Glasgow G1 3BX  
United Kingdom

# Financial Statements

## Consolidated Statement of Comprehensive Net Expenditure and Summary of Resource Outturn

2019 £000		Note	2020 £000
205,451	Staff costs	3a	230,165
	Other operating expenditure	3b	
12,092	Vehicle Running Costs		12,026
15,320	Air Ambulance Costs		16,820
7,870	Property Running Costs		8,348
4,735	Medical Costs		4,842
30,312	Other health care expenditure		33,725
<b>275,780</b>	<b>Gross expenditure for the year</b>		<b>305,926</b>
(10,793)	Less: operating income	4	(9,514)
<b>264,987</b>	<b>Net expenditure for the year</b>		<b>296,412</b>

### Other comprehensive net expenditure

2019 £'000		2020 £'000
(255)	Net (gain) / loss on revaluation of property, plant and equipment	(499)
(255)	Other comprehensive expenditure	(499)
<b>264,732</b>	<b>Comprehensive net expenditure</b>	<b>295,913</b>


The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

## Consolidated Summary of Financial Position

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
<b>Non-Current Assets</b>					
89,494	89,494	Property, plant and equipment	7c	102,764	102,764
1,487	1,487	Intangible assets	6a	977	977
Financial assets:					
3,803	3,803	Trade and other receivables	9	4,070	4,070
<b>94,784</b>	<b>94,784</b>	<b>Total non-current assets</b>		<b>107,811</b>	<b>107,811</b>
<b>Current Assets</b>					
106	106	Inventories	8	107	107
Financial assets:					
20,950	20,950	Trade and other receivables	9	23,990	23,983
816	61	Cash and cash equivalents	10	938	75
115	115	Assets classified as held for sale	7b	0	0
<b>21,987</b>	<b>21,232</b>	<b>Total current assets</b>		<b>25,035</b>	<b>24,165</b>
<b>116,771</b>	<b>116,016</b>	<b>Total assets</b>		<b>132,846</b>	<b>131,976</b>
<b>Current liabilities</b>					
(2,782)	(2,782)	Provisions	12a	(2,314)	(2,314)
Financial liabilities:					
(14,683)	(14,661)	Trade and other payables	11	(23,764)	(23,741)
<b>(17,465)</b>	<b>(17,443)</b>	<b>Total current liabilities</b>		<b>(26,078)</b>	<b>(26,055)</b>
<b>99,306</b>	<b>98,573</b>	<b>Non-current assets plus / less net current assets / liabilities</b>		<b>106,768</b>	<b>105,921</b>
<b>Non-current liabilities</b>					
(15,514)	(15,514)	Provisions	12a	(17,319)	(17,319)
Financial liabilities:					
(20)	0	Trade and other payables	12	(420)	(420)
<b>(15,534)</b>	<b>(15,514)</b>	<b>Total non-current liabilities</b>		<b>(17,739)</b>	<b>(17,739)</b>
<b>83,772</b>	<b>83,059</b>	<b>Assets less liabilities</b>		<b>89,029</b>	<b>88,182</b>
<b>Taxpayers' Equity</b>					
78,801	78,801	General fund	SoCTE	83,562	83,562
4,258	4,258	Revaluation reserve	SoCTE	4,620	4,620
713	0	Fund held on Trust	SoCTE	847	0
<b>83,772</b>	<b>83,059</b>	<b>Total taxpayers' equity</b>		<b>89,029</b>	<b>88,182</b>

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

The financial statements on pages 44 to 47 were approved by the Board on 24 June 2020 and signed on their behalf by

  
 Director of Finance

  
 Chief Executive

## Consolidated Statement of Cash Flow

2019 £'000	Note	2020 £'000	2020 £'000
<b>Cash flows from operating activities</b>			
(264,987)	Net expenditure	SoCTE	(296,412)
12,501	Adjustments for non-cash transactions	2b	13,677
36	Add back: interest payable recognised in net operating expenditure	2b	(139)
(2)	Deduct: interest receivable recognised in net operating expenditure	4	(2)
(2,285)	Movements in working capital	2b	(565)
<b>(254,737)</b>	<b>Net cash outflow from operating activities</b>	20c	<b>(283,441)</b>
<b>Cash flows from investing activities</b>			
(16,164)	Purchase of property, plant and equipment		(18,279)
(41)	Purchase of intangible assets		(2)
13	Transfer of assets to/(from) other NHS Scotland bodies		0
264	Proceeds of disposal of property, plant and equipment		533
2	Interest received		2
<b>(15,926)</b>	<b>Net cash outflow from investing activities</b>	20c	<b>(17,746)</b>
<b>Cash flows from financing activities</b>			
270,728	Funding	SoCTE	301,170
270,728	Cash drawn down		301,170
(36)	Unwinding of discount		139
<b>270,692</b>	<b>Net Financing</b>	20c	<b>301,309</b>
29	<b>Net Increase / (decrease) in cash and cash equivalents in the period</b>		<b>122</b>
787	<b>Cash and cash equivalents at the beginning of the period</b>		<b>816</b>
<b>816</b>	<b>Cash and cash equivalents at the end of the period</b>		<b>938</b>
<b>Reconciliation of net cash flow to movement in net debt/cash</b>			
29	Increase / (decrease) in cash in year	11	122
787	Net debt / cash at 1 April		816
<b>816</b>	<b>Net debt / cash at 31 March</b>		<b>938</b>

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

## Consolidated Statement of Changes in Taxpayers' Equity

	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2019		78,801	4,258	713	83,772
<b>Changes in taxpayers' equity for 2019-20</b>					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	499	0	499
Impairment of property, plant and equipment		0	176	0	176
Revaluation and impairments taken to operating costs	2a	0	(176)	0	(176)
Transfers between reserves		137	(137)	0	0
Net operating cost for the year	CFS	(296,546)	0	134	(296,412)
<b>Total recognised income and expense for 2019-20</b>		<b>(296,409)</b>	<b>362</b>	<b>134</b>	<b>(295,913)</b>
<b>Funding:</b>					
Drawn down	CFS	301,170	0	0	301,170
<b>Balance at 31 March 2020</b>	SoFP	<b>83,562</b>	<b>4,620</b>	<b>847</b>	<b>89,029</b>

Prior year	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2018		72,976	4,126	687	77,789
<b>Changes in taxpayers' equity for 2018-19</b>					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	255	0	255
Impairment of property, plant and equipment		0	184	0	184
Revaluation and impairments taken to operating costs	2a	0	(184)	0	(184)
Transfers between reserves		123	(123)	0	0
Other non cash costs (transfer of asset to NHS Greater Glasgow)		(13)	0	0	(13)
Net operating cost for the year	CFS	(265,013)	0	26	(264,987)
<b>Total recognised income and expense for 2018-19</b>		<b>(264,903)</b>	<b>132</b>	<b>26</b>	<b>(264,745)</b>
<b>Funding:</b>					
Drawn down	CFS	270,728	0	0	270,728
<b>Balance at 31 March 2019</b>	SoFP	<b>78,801</b>	<b>4,258</b>	<b>713</b>	<b>83,772</b>

The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

# Notes To The Accounts

## 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 (FRM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), 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

There are no new standards, amendments or interpretations effective in the current year.

#### (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

There are no new standards, amendments or interpretations issued but not adopted this year. The implementation of IFRS 16 – Accounting

for Leases is delayed until April 2021 due to the COVID-19 pandemic. This is a new standard that brings most leases onto the balance sheet for lessees under a single model, eliminating the distinction between operating and finance leases.

### 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 20 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

### 3. Going Concern

The board has submitted a balanced three year financial plan and local delivery plan to Scottish Government. This highlights key assumptions and risks to delivering on our operational objectives within budget. In addition, the budget for the 2020/21 year has been approved. 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.



## 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, or where they are part of the initial costs of equipping a new development and total over £20,000

### 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. 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.
- Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

Depreciation is charged on a straight line basis.

The following asset lives have been used:

Asset Category/Component	Useful Life (Years)
<b>Buildings</b>	
The expected UEL for each asset is based on independent valuers assessment of condition but falls in the following ranges:	
Structure	11-71
Engineering	2-47
External Works	7-48
<b>Transport Equipment</b>	
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 Measurement

#### Valuation

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 (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

#### 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 Benefits

#### Short-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 19 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:

1. the financial asset is held within a business model where the objective is to collect contractual cash flows; and
2. 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:

3. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
4. 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:

1. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
2. they contain embedded derivatives; and/or
3. 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.

In March 2020, the Royal Institute of Chartered Surveyors (RICS), published guidance in relation to material valuation uncertainty in response to Covid-19 impact on individual markets. The Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('the Red Book') defines material uncertainty as *'where the degree of uncertainty in a valuation falls outside any parameters that might normally be expected and accepted.'* Further guidance – Impact of Covid-19 on Valuation – was issued in April 2020. The valuer has considered this guidance and has concluded the following potential impacts:

- Specialised in Use (Operational) Assets – it has been determined that it is too early for Covid-19 related issues to impact BCIS indices published and adopted in the valuations.
- Non-Specialised in USE (Operational) Assets – it is the opinion of the valuer that the assessed impact falls within normal valuation tolerances.
- Assets Held for Sale and Surplus Assets – the valuer has considered the suggested downward movement in value in the reported valuations.
- Investment Assets - the valuer has considered the suggested downward movement in value in the reported valuations.

The valuer has recommended that a future impairment review should be undertaken.

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.



## 2. Memoranda to the Primary Statements

### 2a. Summary of Resource Outturn (SORO)

Summary of core revenue resource outturn	Note	2020 £'000	20120 £'000
<b>Net Expenditure</b>	<b>SoCNE</b>		<b>296,412</b>
Total non core expenditure (see below)			(15,236)
Donated assets income	2b		34
Endowment net expenditure			134
<b>Total Core Expenditure</b>			<b>281,344</b>
Core Revenue Resource Limit			281,413
<b>Saving/(excess) against Core Revenue Resource Limit</b>			<b>69</b>

Summary of non core revenue resource outturn	Note	2020 £'000	2020 £'000
Depreciation / amortisation		14,000	
Annually Managed Expenditure - impairments		(596)	
Annually Managed Expenditure - creation of provisions		1,322	
Annually Managed Expenditure - depreciation of donated assets	2b	90	
Additional Scottish Government non-core funding		420	
<b>Total Non Core Expenditure</b>			<b>15,236</b>
Non Core Revenue Resource Limit			15,236
<b>Saving against Non Core Revenue Resource Limit</b>			<b>0</b>

Summary resource outturn	Resource £'000	Expenditure £'000	Saving £'000
Core	281,413	281,344	69
Non Core	15,236	15,236	0
<b>Total</b>	<b>296,649</b>	<b>296,580</b>	<b>69</b>

## 2b. Notes to the Cash Flow Statement

### Consolidated adjustments for non-cash transactions

2019 £'000		Note	2020 £'000
<b>Expenditure Not Paid In Cash</b>			
12,425	Depreciation	7a	13,463
566	Amortisation	6	537
103	Depreciation Donated Assets	7a	90
535	Impairments on PPE charged to SOCNE		482
(719)	Reversal of impairments on PPE charged to SOCNE		(658)
0	(Gain) on re-measurement of non-current assets held for sale	7b	0
(183)	Funding Of Donated Assets	7a	(34)
(213)	Loss / (profit) on disposal of property, plant and equipment		(203)
(13)	Other non cash costs [transfer of asset to NHS Greater Glasgow and Clyde]		0
<b>12,501</b>	<b>Total Expenditure Not Paid In Cash</b>	CFS	<b>13,677</b>

### Interest payable recognised in operating expenditure

2019 £'000		Note	2020 £'000
<b>Interest payable</b>			
0	Bank and other interest payable		0
36	Provisions - Unwinding of discount		(139)
<b>36</b>	<b>Net interest payable</b>	CFS	<b>(139)</b>

## Consolidated movements in working capital

2019 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2020 Net Movement £'000
<b>Inventories</b>					
20	Balance Sheet	8	106	107	
<b>20</b>	<b>Net Decrease</b>				<b>(1)</b>
<b>Trade And Other Receivables</b>					
1,058	Due within one year	9	20,950	23,990	
(197)	Due after more than one year	9	3,803	4,070	
861			24,753	28,060	
<b>861</b>	<b>Net Decrease/(Increase)</b>				<b>(3,307)</b>
<b>Trade And Other Payables</b>					
(4,811)	Due within one year	12	14,683	23,764	
20	Due after more than one year	12	20	420	
1,100	Less: property, plant & equipment (capital) included in above		(2,556)	(10,631)	
	Less: General Fund creditor included in above	12	(60)	(60)	
			12,087	13,493	
<b>(3,691)</b>	<b>Net (decrease) / increase</b>				<b>1,406</b>
<b>Provisions</b>					
525	Statement of Financial Position	13a	18,296	19,633	
			18,296	19,633	
<b>525</b>	<b>Net (decrease) / increase</b>				<b>1,337</b>
<b>(2,285)</b>	<b>Net movement (decrease) / increase</b>	CFS			<b>(565)</b>

## 3. Operating Expenses

### 3a. Staff costs

2019 Total £'000		Note	2020 Board £'000	2020 Consolidated £'000
205,451	Other Staff		230,165	230,165
<b>205,451</b>	<b>Total</b>	SoCNE	<b>230,165</b>	<b>230,165</b>

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

2019 Total £'000		Note	2020 Board £'000	2020 Consolidated £'000
12,092	Vehicle Running Costs	SoCNE	12,026	12,026
15,320	Air Ambulance Costs	SoCNE	16,820	16,820
7,870	Property Running Costs	SoCNE	8,348	8,348
4,735	Medical Costs	SoCNE	4,842	4,842
<b>40,017</b>	<b>Total</b>	SoCNE	<b>42,036</b>	<b>42,036</b>
<b>Other health care expenditure</b>				
0	Loss on disposal of assets		0	0
30,101	Other operating expenses		33,578	33,578
78	External auditor's remuneration - statutory audit fee		75	75
133	Endowment Fund expenditure		0	72
<b>30,312</b>	<b>Total</b>	SoCNE	<b>33,653</b>	<b>33,725</b>
<b>70,329</b>	<b>Total Other Operating Expenditure</b>		<b>75,689</b>	<b>75,761</b>

### 4. Operating Income

2019 Total £'000		Note	2020 Board £'000	2020 Consolidated £'000
229	Income from Scottish Government		201	201
6,001	Income from other NHS Scotland bodies		5,711	5,711
30	Income from NHS non-Scottish bodies			
54	Income from private patients		55	55
196	Donations		54	54
213	Profit on disposal of assets		203	203
445	Contributions in respect of clinical and medical negligence claims		492	492
2	Interest received	CFS		2
<b>Non NHS:</b>				
646	Non-patient care income generation schemes		627	627
157	Endowment Fund Income			204
2,820	Other		1,965	1,965
<b>10,793</b>	<b>Total Income</b>	SoCNE	<b>9,308</b>	<b>9,514</b>

## 5. Segmental Information

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

	North Region £'000	East Region £'000	West Region £'000	National £'000	HQ Directorates £'000	Endowment £'000	2020 £'000
Net operating cost	37,659	60,793	82,132	58,727	57,235	(134)	296,412

## Prior Year

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

	North Region £'000	East Region £'000	West Region £'000	National £'000	HQ Directorates £'000	Endowment £'000	2019 £'000
Net operating cost	34,355	54,775	74,980	51,853	49,050	(26)	264,987

## 6. Intangible Assets

### 6a. Intangible Assets (non-current) – Consolidated and Board

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation:</b>					
At 1 April 2019		1,377	9,643	0	11,020
Additions			2		2
Completions		2	23	(25)	0
Transfers between asset categories		0	0	25	25
Disposals			(44)		(44)
<b>At 31 March 2020</b>		<b>1,379</b>	<b>9,624</b>	<b>0</b>	<b>11,003</b>
<b>Amortisation</b>					
At 1 April 2019		1,090	8,443	0	9,533
Provided during the year		156	381	0	537
Disposals			(44)		(44)
<b>At 31 March 2020</b>		<b>1,246</b>	<b>8,780</b>	<b>0</b>	<b>10,026</b>
<b>Net book value at 1 April 2019</b>		<b>287</b>	<b>1,200</b>	<b>0</b>	<b>1,487</b>
<b>Net book value at 31 March 2020</b>	SoFP	<b>133</b>	<b>844</b>	<b>0</b>	<b>977</b>

## Consolidated and Board - Prior Year

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation:</b>					
At 1 April 2018		1,377	9,594	0	10,971
Additions			41		41
Completions			8	(8)	0
Transfers between asset categories		0	0	8	8
<b>At 31 March 2019</b>		<b>1,377</b>	<b>9,643</b>	<b>0</b>	<b>11,020</b>
<b>Amortisation</b>					
At 1 April 2018		897	8,070	0	8,967
Provided during the year	2a	193	373	0	566
<b>At 31st March 2019</b>		<b>1,090</b>	<b>8,443</b>	<b>0</b>	<b>9,533</b>
<b>Net book value at 1 April 2018</b>		<b>480</b>	<b>1,524</b>	<b>0</b>	<b>2,004</b>
<b>Net book value at 31 March 2019</b>	SoFP	<b>287</b>	<b>1,200</b>	<b>0</b>	<b>1,487</b>

**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
Note	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation:</b>									
At 1 April 2019		4,815	19,116	86,048	14,028	15,443	7,033	12,585	159,068
Additions - purchased		0	0	6,362	9,134	104	331	10,423	26,354
Additions - donated		0	0	0	34	0	0	0	34
Completions		0	0	11,519	269	217	366	(12,371)	0
Transfers between asset categories		0	0	0	0	0	0	(25)	(25)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		101	171	0	0	0	0	0	272
Impairment charges		0	(104)	(420)	0	0	0	0	(524)
Impairment reversals		6	252	0	0	0	0	0	258
Disposals - purchased		(19)	(42)	(11,183)	(795)	(42)	(3)	0	(12,084)
		<b>4,903</b>	<b>19,393</b>	<b>92,326</b>	<b>22,670</b>	<b>15,722</b>	<b>7,727</b>	<b>10,612</b>	<b>173,353</b>
<b>Depreciation</b>									
At 1 April 2019		0	(1)	41,993	11,843	12,507	3,232	0	69,574
Provided during the year - purchased		0	673	10,966	527	837	460	0	13,463
Provided during the year - donated		0	0	56	34	0	0	0	90
Transfers between asset categories		0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		0	(227)	0	0	0	0	0	(227)
Impairment charges		0	(42)	0	0	0	0	0	(42)
Impairment reversals		0	(400)	0	0	0	0	0	(400)
Disposals - purchased		0	0	(11,035)	(789)	(42)	(3)	0	(11,869)
		<b>0</b>	<b>3</b>	<b>41,980</b>	<b>11,615</b>	<b>13,302</b>	<b>3,689</b>	<b>0</b>	<b>70,589</b>
<b>Net book value at 1 April 2019</b>		<b>4,815</b>	<b>19,117</b>	<b>44,055</b>	<b>2,185</b>	<b>2,936</b>	<b>3,801</b>	<b>12,585</b>	<b>89,494</b>
<b>Net book value at 31 March 2020</b>	SoFP	<b>4,903</b>	<b>19,390</b>	<b>50,346</b>	<b>11,055</b>	<b>2,420</b>	<b>4,038</b>	<b>10,612</b>	<b>102,764</b>
Open Market Value of Land and Dwellings Included Above		0							
<b>Asset financing:</b>									
Owned - purchased		4,903	19,390	50,191	10,850	2,420	4,038	10,612	102,404
Owned - donated		0	0	155	205	0	0	0	360
<b>Net book value at 31 March 2020</b>	SoFP	<b>4,903</b>	<b>19,390</b>	<b>50,346</b>	<b>11,055</b>	<b>2,420</b>	<b>4,038</b>	<b>10,612</b>	<b>102,764</b>

## Prior Year

	Note	Land (including under buildings) £'000	Buildings (excluding dwellings) £'000	Transport Equipment £'000	Plant & Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation:</b>									
At 1 April 2018		4,790	18,980	81,897	13,886	15,122	6,911	12,098	153,684
Additions - purchased		0	54	1,674	83	321	77	12,855	15,064
Additions - donated		0	0	159	24	0	0	0	183
Completions		0	0	12,243	72	0	45	(12,360)	0
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	(37)	0	0	0	(37)
Transfers between asset categories		0	0	0	0	0	0	(8)	(8)
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		25	42	0	0	0	0	0	67
Impairment charges		0	(186)	(400)	0	0	0	0	(586)
Impairment reversals		0	226	0	0	0	0	0	226
Disposals - purchased		0	0	(9,525)	0	0	0	0	(9,525)
<b>At 31 March 2019</b>		<b>4,815</b>	<b>19,116</b>	<b>86,048</b>	<b>14,028</b>	<b>15,443</b>	<b>7,033</b>	<b>12,585</b>	<b>159,068</b>
<b>Depreciation</b>									
At 1 April 2018		0	0	41,836	10,943	11,614	2,883	0	67,276
Provided during the year - purchased		0	731	9,566	886	893	349	0	12,425
Provided during the year - donated		0	0	65	38	0	0	0	103
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	(24)	0	0	0	(24)
Transfers between asset categories		0	0	0	0	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		0	(188)	0	0	0	0	0	(188)
Impairment charges		0	(51)	0	0	0	0	0	(51)
Impairment reversals		0	(493)	0	0	0	0	0	(493)
Disposals - purchased		0	0	(9,474)	0	0	0	0	(9,474)
<b>At 31 March 2018</b>		<b>0</b>	<b>(1)</b>	<b>41,993</b>	<b>11,843</b>	<b>12,507</b>	<b>3,232</b>	<b>0</b>	<b>69,574</b>
<b>Net book value at 1 April 2018</b>		<b>4,790</b>	<b>18,980</b>	<b>40,061</b>	<b>2,943</b>	<b>3,508</b>	<b>4,028</b>	<b>12,098</b>	<b>86,408</b>
<b>Net book value at 31 March 2019</b>	SoFP	<b>4,815</b>	<b>19,117</b>	<b>44,055</b>	<b>2,185</b>	<b>2,936</b>	<b>3,801</b>	<b>12,585</b>	<b>89,494</b>
Open Market Value of Land and Dwellings Included Above		0							
<b>Asset financing:</b>									
Owned - purchased		4,815	19,117	43,844	1,980	2,936	3,801	12,585	89,078
Owned - donated		0	0	211	205	0	0	0	416
<b>Net book value at 31 March 2019</b>	SoFP	<b>4,815</b>	<b>19,117</b>	<b>44,055</b>	<b>2,185</b>	<b>2,936</b>	<b>3,801</b>	<b>12,585</b>	<b>89,494</b>



## 7b. Assets Held For Sale - Consolidated And Board

	Note	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2019</b>		115	115
Transfers from property, plant and equipment			
Gain or losses recognised on re-measurement of non-current assets held for sale			
Disposals of non-current assets held for sale		(115)	(115)
<b>At 31 March 2020</b>	SoFP	0	0

### Prior Year

	Note	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2018</b>		115	115
Transfers from property, plant and equipment			
Gain or losses recognised on re-measurement of non-current assets held for sale			
Disposals of non-current assets held for sale			
<b>At 31st March 2019</b>	SoFP	115	115

## 7c. Property, Plant And Equipment Disclosures

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
<b>Net book value of property, plant and equipment at 31 March</b>					
89,078	89,078	Purchased		102,404	102,404
416	416	Donated		360	360
<b>89,494</b>	<b>89,494</b>	<b>Total</b>	SoFP	<b>102,764</b>	<b>102,764</b>
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

Property was fully revalued by the Valuation Office Agency (independent valuer) at 31 March 2020 on the basis of Existing Use Value (EUV) for non specialised properties and Depreciated Replacement Cost (DRC) for a number of specialised properties. The remaining specialised properties not revalued were indexed at that date using indices supplied by the Building Cost Information Service (BCIS). 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 in value of £641k (2018/19: £839k increase), of which £45k (2018/19: £255k credited) was credited to the revaluation reserve and £596k (2018/19: £584k) credited to the Statement of Comprehensive Net Expenditure. The net charge of £596k to the Statement of Comprehensive Net Expenditure (2018/19: £584k) was comprised of £62k (2018/19 £0) impairment losses and £658k (2018/19 £584k) reversal of previous impairment losses.

The Board commissioned a valuation for 31 March 2020 which was performed in March 2020.

The valuation report has been used to inform the measurement of assets in these financial statements. The valuer has continued to exercise professional judgement in preparing the valuation and, therefore, this is the best information available to the Scottish Ambulance Service as at 31 March 2020 and can be relied upon.

## 7d. Analysis Of Capital Expenditure

Consolidated 2019 £'000	Board 2019 £'000		Note	Consolidated 2020 £'000	Board 2020 £'000
<b>Expenditure</b>					
41	41	Acquisition of intangible assets	6	2	2
15,064	15,064	Acquisition of property, plant and equipment	7a	26,354	26,354
183	183	Donated asset additions	7a	34	34
<b>15,288</b>	<b>15,288</b>	<b>Gross Capital Expenditure</b>		<b>26,390</b>	<b>26,390</b>
<b>Income</b>					
51	51	Net book value of disposal of property, plant and equipment		215	215
		Value of disposal of non-current assets held for sale		115	115
183	183	Donated asset income		34	34
<b>234</b>	<b>234</b>	<b>Capital Income</b>		<b>364</b>	<b>364</b>
<b>15,054</b>	<b>15,054</b>	<b>Net Capital Expenditure</b>		<b>26,026</b>	<b>26,026</b>
<b>Summary Of Capital Resource Outturn</b>					
15,054	15,054	Core capital expenditure included above		26,026	26,026
15,062	15,062	Core Capital Resource Limit		26,026	26,026
<b>8</b>	<b>8</b>	<b>Saving / (excess) against Core Capital Resource Limit</b>		<b>0</b>	<b>0</b>

## 8. Inventories – Consolidated And Board

2019 £'000		Note	Board 2020 £'000
106	Consumables		107
<b>106</b>	<b>Total</b>	SoFP	<b>107</b>

## 9. Trade And Other Receivables

Consolidated 2019 £'000	Board 2019 £'000	Note	Consolidated 2020 £'000	Board 2020 £'000
<b>Receivables due within one year</b>				
<b>NHS Scotland</b>				
211	211	Scottish Government Health & Social Care Directorate	84	84
7,314	7,314	Boards	8,369	8,369
<b>7,525</b>	<b>7,525</b>	<b>Total NHS Scotland Receivables</b>	<b>8,453</b>	<b>8,453</b>
15	15	NHS non-Scottish bodies	1	1
1,179	1,179	VAT recoverable	1,979	1,979
10,571	10,571	Prepayments	11,298	11,298
831	831	Accrued income	1,680	1,673
307	307	Other receivables	259	259
503	503	Reimbursement of provisions	304	304
19	19	Other public sector bodies	16	16
<b>20,950</b>	<b>20,950</b>	<b>Total Receivables due within one year</b>	<b>23,990</b>	<b>23,983</b>
<b>Receivables due after more than one year</b>				
752	752	Accrued income	822	822
(158)	(158)	Other receivables	(175)	(175)
3,209	3,209	Reimbursement of provisions	3,423	3,423
<b>3,803</b>	<b>3,803</b>	<b>Total Receivables due after more than one year</b>	<b>4,070</b>	<b>4,070</b>
<b>24,753</b>	<b>24,753</b>	<b>TOTAL RECEIVABLES</b>	<b>28,060</b>	<b>28,053</b>
314	314	The total receivables figure above includes a provision for impairments of :	514	514
<b>WGA Classification</b>				
7,314	7,314	NHS Scotland	8,369	8,369
1,403	1,403	Central Government bodies	2,340	2,340
4	4	Whole of Government bodies	9	9
15	15	Balances with NHS bodies in England and Wales	1	1
16,017	16,017	Balances with bodies external to Government	17,341	17,334
<b>24,753</b>	<b>24,753</b>	<b>Total</b>	<b>28,060</b>	<b>28,053</b>
Movements on the provision for impairment of receivables are as follows:				
319	319	At 1 April	314	314
119	119	Provision for impairment	272	272
(16)	(16)	Receivables written off during the year as uncollectable	(10)	(10)
(108)	(108)	Unused amounts reversed	(62)	(62)
<b>314</b>	<b>314</b>	<b>At 31 March</b>	<b>514</b>	<b>514</b>
As of 31 March 2020, receivables with a carrying value of £514k (2019: £314k) were impaired and provided for. The ageing of these receivables is as follows:				
20	20	3 to 6 months past due	20	20
294	294	Over 6 months past due	494	494
<b>314</b>	<b>314</b>		<b>514</b>	<b>514</b>

Consolidated 2019 £'000	Board 2019 £'000	Note	Consolidated 2020 £'000	Board 2020 £'000
		The receivables assessed as individually impaired were mainly [English, Welsh and Irish NHS Trusts/ Health Authorities, other Health Bodies, overseas patients, research companies and private individuals] and it was assessed that not all of the receivable balance may be recovered		
		Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2020, receivables with a carrying value of £5.46 million (2018: £5.23 million) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:		
199	199	Up to 3 months past due	143	143
326	326	3 to 6 months past due	160	160
4,705	4,705	Over 6 months past due	5,161	5,161
<b>5,230</b>	<b>5,230</b>		<b>5,464</b>	<b>5,464</b>
		The receivables assessed as past due but not impaired were mainly [NHS Scotland Health Boards, Local Authorities and Universities] and there is no history of default from these customers recently.		
		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:		
		Counterparties with external credit ratings		
17,125	17,125	Existing customers with no defaults in the past	19,177	19,177
<b>17,125</b>	<b>17,125</b>	<b>Total neither past due or impaired</b>	<b>19,177</b>	<b>19,177</b>
		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:		
24,753	24,753	Pounds	28,060	28,053
<b>24,753</b>	<b>24,753</b>		<b>28,060</b>	<b>28,053</b>
		All non-current receivables are due within 6 years (2018-19: 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 (2018-19: £Nil).		

## 10. Cash And Cash Equivalents

	Note	2019 £'000	2020 £'000
<b>At 1 April</b>		787	816
Net change in cash and cash equivalent balances	CFS	29	122
<b>At 31st March</b>	SoFP	<b>816</b>	<b>938</b>
<b>Total Cash - Cash Flow Statement</b>		<b>816</b>	<b>938</b>
The following balances at 31 March were held at:			
Government Banking Service		59	72
Commercial Banks and Cash in Hand		2	3
Endowment Cash		755	863
<b>At 31st March</b>		<b>816</b>	<b>938</b>

## 11. Trade And Other Payables

Consolidated 2019 £'000	Board 2019 £'000	Note	Consolidated 2020 £'000	Board 2020 £'000
<b>Payables due within one year</b>				
<b>NHS Scotland</b>				
101	101	Scottish Government Health & Social Care Directorate	258	258
1,871	1,871	Boards	1,298	1,298
<b>1,972</b>	<b>1,972</b>	<b>Total NHS Scotland Payables</b>	<b>1,556</b>	<b>1,556</b>
0	0	NHS Non-Scottish bodies	0	0
60	60	Amounts payable to General Fund	60	60
3,462	3,462	Trade payables	3,092	3,092
5,095	5,093	Accruals	14,126	14,123
22	22	Deferred income	23	23
180	180	Income tax and social security	137	137
110	110	Superannuation	119	119
411	411	Holiday pay accrual	1,141	1,141
341	341	Other public sector bodies	228	228
59	39	Other payables	52	32
2,971	2,971	Other significant payables (pay accrual)	3,230	3,230
<b>14,683</b>	<b>14,661</b>	<b>Total Payables due within one year</b>	<b>23,764</b>	<b>23,741</b>
<b>Payables due after more than one year</b>				
0	0	Scottish Government Health & Social Care Directorate	420	420
0	0	<b>Payables due after more than one year</b>	<b>420</b>	<b>420</b>
20	0	Other payables	0	0
<b>20</b>	<b>0</b>	<b>Total Payables due after more than one year</b>	<b>420</b>	<b>420</b>
<b>14,703</b>	<b>14,661</b>	<b>TOTAL PAYABLES</b>	<b>24,184</b>	<b>24,161</b>
<b>WGA Classification</b>				
1,871	1,871	NHS Scotland	1,298	1,298
302	302	Central Government bodies	1,206	1,206
13	13	Whole of Government bodies	11	11
0	0	Balances with NHS bodies in England and Wales	0	0
12,517	12,475	Balances with bodies external to Government	21,669	21,646
<b>14,703</b>	<b>14,661</b>	<b>Total</b>	<b>24,184</b>	<b>24,161</b>
The carrying amount of short term payables approximates their fair value.				
The carrying amount of payables are denominated in the following currencies:				
14,703	14,661	Pounds	24,184	24,161
<b>14,703</b>	<b>14,661</b>		<b>24,184</b>	<b>24,161</b>

## 12a. Provisions – Consolidated And Board

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2020 Total
	Note	£'000	£'000	£'000	£'000	£'000
At 1 April 2019		9,426	4,095	4,212	563	18,296
Arising during the year		1,386	998	563	548	3,495
Utilised during the year		(451)	(705)	(30)	(477)	(1,663)
Unwinding of discount		(27)	(50)	0	(62)	(139)
Reversed unutilised		0	(321)	0	(35)	(356)
<b>At 31 March 2020</b>	2	<b>10,334</b>	<b>4,017</b>	<b>4,745</b>	<b>537</b>	<b>19,633</b>

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 2020

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2020 Total
	Note	£'000	£'000	£'000	£'000	£'000
Payable in one year		451	519	807	537	2,314
Payable between 2 - 5 years		1,829	3,498	2,847	0	8,174
Payable between 6 - 10 years		2,337	0	237	0	2,574
Thereafter		5,717	0	854	0	6,571
<b>At 31 March 2020</b>		<b>10,334</b>	<b>4,017</b>	<b>4,745</b>	<b>537</b>	<b>19,633</b>

### Prior Year

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2019 Total
	Note	£'000	£'000	£'000	£'000	£'000
At 1 April 2018		8,981	4,128	4,305	357	17,771
Arising during the year		1,229	880	1,101	535	3,745
Utilised during the year		(432)	(481)	(317)	(286)	(1,516)
Unwinding of discount		9	41	(14)	0	36
Reversed unutilised		(361)	(473)	(863)	(43)	(1,740)
<b>At 31 March 2019</b>		<b>9,426</b>	<b>4,095</b>	<b>4,212</b>	<b>563</b>	<b>18,296</b>

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 2019

	Note	Pensions and similar obligations £'000	Clinical & Medical Legal Claims against NHS Board £'000	Participation in CNORIS £'000	Other (non-endowment) £'000	2019 Total £'000
Payable in one year		441	749	1,029	563	2,782
Payable between 2 - 5 years		1,750	3,346	2,842		7,938
Payable between 6 - 10 years		2,159		285		2,444
Thereafter		5,076	0	56	0	5,132
<b>At 31 March 2019</b>		<b>9,426</b>	<b>4,095</b>	<b>4,212</b>	<b>563</b>	<b>18,296</b>

### 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 nine 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 (0.50%) as at the balance sheet date. As at the balance sheet date the life expectancy varied between nine years and thirty-seven 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.

## 12b. Clinical Negligence And Other Risks Indemnity Scheme (CNORIS)

2018 £'000		Note	2020 £'000
4,095	Provision recognising individual claims against the NHS Board as at 31 March	13a	4,017
(3,712)	Associated CNORIS receivable at 31 March	9	(3,727)
4,212	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	13a	4,745
<b>4,595 Net Total Provision relating to CNORIS at 31 March</b>			<b>5,035</b>

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>



### 13a. Contingent Liabilities

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

2019 £'000	Nature	2020 £'000
3,863	Clinical and medical compensation payments	3,595
823	Employer's liability	452
<b>4,686</b>	<b>Total contingent liabilities</b>	<b>4,047</b>

The Service is currently contesting through Central Legal Office a number of negligence claims arising from normal activities. These claims have been assessed by the Central Legal Office as at 31 March 2020 and for those which have been deemed likely to require settlement the estimated amount has been included in provisions. In addition to those claims provided for, there are further Clinical and Medical Negligence claims with an estimated value of £3.60m and Employer's Liability claims with an estimated value of £0.45m, which have not been provided for as they have been judged unlikely to result in any settlement.

### 13b. Contingent Assets

2019 £'000	Nature	2020 £'000
3,675	Clinical and medical compensation payments	3,513
95	Employer's liability	55
<b>3,770</b>	<b>Total contingent liabilities</b>	<b>3,568</b>

A contingent asset consisting of amounts recoverable from the CNORIS scheme associated with the contingent liability disclosed above, £3.51m for Clinical and Medical Negligence and £0.1m for Employer's Liability compensation payments would be receivable if these claims were to be settled at their current estimated value.

### 14. Events After The End Of The Reporting Year

There were no events after the end of the reporting period that would have a material effect on the accounts.

### 15. Commitments

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

2019 £'000	Nature	Property, plant and equipment £'000	2020 Total £'000
<b>Contracted</b>			
12,734	Vehicles	14,546	14,546
219	Building works	0	0
10,600	Defibrillators	0	0
<b>23,553</b>	<b>Total</b>	<b>14,546</b>	<b>14,546</b>
<b>Authorised but not Contracted</b>			
14,546	Vehicles	0	0
0	Property	0	0
0	Information Technology	0	0
<b>14,546</b>	<b>Total</b>	<b>0</b>	<b>0</b>

## 16. Commitments Under Leases

**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:**

2019 £'000		2020 £'000
<b>Obligations under operating leases comprise: Land</b>		
204	Not later than one year	225
170	Later than one year, not later than 2 years	194
437	Later than two year, not later than five years	483
754	Later than five years	1,174
<b>Buildings</b>		
1,059	Not later than one year	1,158
937	Later than one year, not later than 2 years	1,054
2,653	Later than two years, not later than five years	2,959
5,026	Later than five years	6,193
<b>Other</b>		
3,977	Not later than one year	4,296
3,867	Later than one year, not later than 2 years	4,201
7,530	Later than two years, not later than five years	4,681
<b>Amounts charged to Operating Costs in the year were:</b>		
4,044	Hire of equipment (including vehicles)	4,231
1,985	Other operating leases	1,971
<b>6,029</b>	<b>Total</b>	<b>6,202</b>

The major components included within Other Operating: Leases obligations are the fixed and rotary wing aircraft contracted for under the managed Air Ambulance Service. While the managed service contract is not in the legal form of an operating lease, in adopting the IFRIC 4 approach, these aircraft are adjudged in substance to have the characteristics of leased assets and have therefore been classified under IAS 17 as operating lease assets. Other elements of the managed Air Ambulance service are not considered to be within scope of IAS 17.

## 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.

1. The scheme is an unfunded multi-employer defined benefit scheme.
2. 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.
3. The employer contribution rate for the period from 1 April 2019 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay.
4. While a valuation was carried out as at 3 March 2016, it is not possible to say what deficit or surplus may affect future contributions. Work on the valuation was suspended by the UK Government pending the decision from the Court of Appeal (McCloud (Judiciary scheme/Sargeant (Firefighter's Scheme) cases) that held that the transitional protections provided as part of the 2015 reforms was unlawfully discriminated on the grounds of age. The cost cap will be reconsidered once the final decision on remedy and how this affects the NHS Pension Scheme (Scotland) is known and its impact fully assessed in relation to any additional costs to the scheme.
5. The Scottish Ambulance Service contribution in 2019/20 was £31.4 million (£21.0 million in 2018/19). The total employer contributions received for the NHS Scotland scheme in the year to 31 March 2019 was £791.8 million (see note 3 in the scheme accounts). Contributions collected in the year to 31 March 2020 will be published in October 2020).

### 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 £6,136 up to £50,000, 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.

	Employee Contribution	Employer Contribution	Total Contribution
1st March 2013	1%	1%	2%
1st October 2019	3%	2%	5%
1st October 2020	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.

	2020 £'000	2019 £'000
Pension cost charge for the year	31,375	20,964
Provisions / liabilities / prepayments included in the Statement of Financial Position	2	2

## 18a. Financial Instruments By Category

### Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2020</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	2,603	2,603
Cash and cash equivalents	10	938	938
		3,541	3,541

### Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2020</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	2,596	2,596
Cash and cash equivalents	10	75	75
		2,671	2,671

## Prior Year

### Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2019</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,766	1,766
Cash and cash equivalents	10	816	816
		2,582	2,582

### Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2019</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,766	1,766
Cash and cash equivalents	10	61	61
		1,827	1,827

## Financial Liabilities - Consolidated

	Note	Other Financial Liabilities £'000	Total £'000
<b>At 31 March 2020</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	11	21,929	21,929
		21,929	21,929

## Financial Liabilities - Board

	Note	Other Financial Liabilities £'000	Total £'000
<b>At 31 March 2020</b>			
<b>Liabilities per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	11	21,906	21,906
		21,906	21,906

## Prior Year

### Financial Liabilities - Consolidated

	Note	Other Financial Liabilities £'000	Total £'000
<b>At 31 March 2019</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	12,419	12,419
		12,419	12,419

### Financial Liabilities - Board

	Note	Other Financial Liabilities £'000	Total £'000
<b>At 31 March 2019</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	12,377	12,377
		12,377	12,377

## 18b. 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.

As At 31 March 2020	Less than 1 year £'000	Between 1 and 2 years £'000
Trade and other payables excluding statutory liabilities	21,929	
<b>Total</b>	<b>21,929</b>	

As At 31 March 2019	Less than 1 year £'000	Less than 1 year £'000
Trade and other payables excluding statutory liabilities	12,399	20
<b>Total</b>	<b>12,399</b>	<b>20</b>

### 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.

### 18c. 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.

### 19. 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.

### 20a. Consolidated Statement Of Comprehensive Net Expenditure

Group 2019 £'000		Note	Board 2020 £'000	Endowment 2020 £'000	Consolidated 2020 £'000
	<b>Total income and expenditure</b>				
205,451	Staff costs	3	230,165		230,165
	Other operating expenditure	3			
12,092	Vehicle Running Costs		12,026		12,026
15,320	Air Ambulance Costs		16,820		16,820
7,870	Property Running Costs		8,348		8,348
4,735	Medical Costs		4,842		4,842
30,312	Other health care expenditure		33,653	72	33,725
<u>275,780</u>	Gross expenditure for the year		<u>305,854</u>	<u>72</u>	<u>305,926</u>
(10,793)	Less: operating income	4	(9,308)	(206)	(9,514)
<u>264,987</u>	<b>Net Expenditure</b>		<u>296,546</u>	<u>(134)</u>	<u>296,412</u>

## 20b. Consolidated Statement Of Financial Position

Consolidated 2019 £'000		Note	Board 2020 £'000	Endowment 2020 £'000	Consolidated 2020 £'000
<b>Non-current assets</b>					
89,494	Property, plant and equipment	SoFP	102,764	0	102,764
1,487	Intangible assets	SoFP	977	0	977
3,803	Trade and other receivables	SoFP	4,070	0	4,070
<b>94,784</b>	<b>Total non-current assets</b>		<b>107,811</b>	<b>0</b>	<b>107,811</b>
<b>Current Assets</b>					
106	Inventories	SoFP	107	0	107
20,950	Trade and other receivables	SoFP	23,983	7	23,990
816	Cash and cash equivalents	SoFP	75	863	938
115	Assets classified as held for sale	SoFP	0	0	0
<b>21,987</b>	<b>Total current assets</b>		<b>24,165</b>	<b>870</b>	<b>25,035</b>
<b>116,771</b>	<b>TOTAL ASSETS</b>		<b>131,976</b>	<b>870</b>	<b>132,846</b>
<b>Current Liabilities</b>					
(2,782)	Provisions	SoFP	(2,314)	0	(2,314)
Financial liabilities:					
(14,683)	Trade and other payables	SoFP	(23,741)	(23)	(23,764)
<b>(17,465)</b>	<b>Total Current Liabilities</b>		<b>(26,055)</b>	<b>(23)</b>	<b>(26,078)</b>
<b>99,306</b>	<b>Non-current assets plus / less net current assets/liabilities</b>		<b>105,921</b>	<b>847</b>	<b>106,768</b>
<b>Non-current liabilities</b>					
(15,514)	Provisions	SoFP	(17,319)	0	(17,319)
Financial liabilities:					
(20)	Trade and other payables	SoFP	(420)	0	(420)
<b>(15,534)</b>	<b>Total non-current liabilities</b>		<b>(17,739)</b>	<b>0</b>	<b>(17,739)</b>
<b>83,772</b>	<b>Assets less liabilities</b>		<b>88,182</b>	<b>847</b>	<b>89,029</b>
<b>Taxpayers' Equity</b>					
78,801	General Fund	SoFP	83,562	0	83,562
4,258	Revaluation Reserve	SoFP	4,620	0	4,620
713	Funds Held on Trust	SoFP	0	847	847
<b>83,772</b>	<b>Total taxpayers' equity</b>		<b>88,182</b>	<b>847</b>	<b>89,029</b>



**20c. Consolidated Statement Of Cashflows**

<b>Consolidated 2019 £'000</b>	<b>Board 2020 £'000</b>	<b>Endowment 2020 £'000</b>	<b>Consolidated 2020 £'000</b>
<b>Cash flows from operating activities</b>			
(264,987)	(296,546)	134	(296,412)
12,501	13,677	0	13,677
36	(139)	0	(139)
(2)	0	(2)	(2)
(2,285)	(539)	(26)	(565)
<b>(254,737)</b>	<b>(283,547)</b>	<b>106</b>	<b>(283,441)</b>
<b>Cash flows from investing activities</b>			
(16,164)	(18,279)	0	(18,279)
(41)	(2)	0	(2)
13	0	0	0
264	533	0	533
2	0	2	2
<b>(15,926)</b>	<b>(17,748)</b>	<b>2</b>	<b>(17,748)</b>
<b>Cash flows from financing activities</b>			
270,728	301,170	0	301,170
270,728	301,170	0	301,170
(36)	139	0	139
<b>270,692</b>	<b>301,309</b>	<b>0</b>	<b>301,309</b>
<b>29</b>	<b>14</b>	<b>108</b>	<b>122</b>
<b>Net Increase / (decrease) in cash and cash equivalents in the period</b>			
787	61	755	816
<b>816</b>	<b>75</b>	<b>863</b>	<b>938</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
<b>Cash and cash equivalents at the end of the period</b>			
<b>Reconciliation of Net Cash Flow to movement in net debt / cash</b>			
29	14	108	122
787	61	755	816
<b>816</b>	<b>75</b>	<b>863</b>	<b>938</b>
<b>Net debt / cash at 31 March</b>			

# Direction by the Scottish Ministers

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1. The Scottish Ministers, in pursuance of sections 86(1), (1B) and (3) of the National Health Services (Scotland) Act 1978, hereby give the following direction.
2. The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
3. Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.
4. The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
5. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 20 December 2002 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated 10/2/2006