



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



# Scottish Ambulance Service

**Annual Report and Accounts**  
for year ended 31 March 2018

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## Scottish Ambulance Service

### Annual Report and Accounts

for year ended 31 March 2018

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# Chair and Chief Executive Statement



Each day around four thousand people call the Scottish Ambulance Service for help.

Fortunately only a small proportion of the one and a half million calls we receive annually concern patients with a condition which is immediately life-threatening. The vast majority passed through to one of our three Ambulance Control Centres in the North, East, and West of Scotland are for patients needing unscheduled, non life-threatening care. One hour we might tend to a cyclist with broken bones sustained during an accident; on another we might be called on to help someone who has fallen and needs a face-to-face assessment to establish the most appropriate care pathway; which might not result in a hospital admission.

We might also be called on to help acutely ill patients, or premature babies, who need the assistance of our specialist SCOTSTAR team. Given that we provide care in some of northern Europe's remotest areas, patients in many areas of Scotland also rely on the swift response of our Air Ambulance crews.

Around half of the calls we receive are from patients too sick to travel to and from their hospital appointments on their own and who need help from our patient transport service.

Meanwhile, whenever there is a major incident or a major risk to life somewhere across the country, our Special Operations Response Teams will



race to the front line and provide appropriate care for patients. Our SORT teams undergo constant training throughout the year to ensure they are at peak performance and can respond and adapt to new and emerging threats, such as terrorism.

The role of the Scottish Ambulance Service does not end there – we employ over 4,700 staff directly and we are delighted to have over 1,500 Community First Responder volunteers working closely with us to provide prompt, early life-saving help to patients, whilst the ambulance is on its way. Our work in further exploring co-responder models with Police Scotland, the Scottish Fire and Rescue Service, and BASICS GPs and Nurses is helping to save more lives and improve patient outcomes.

Whilst attending to patients across a wide spectrum of contexts has kept us busy throughout the year, our teams deserve extra special praise this year for coping admirably with the additional strains on our services during this year's harsh winter, starting at the end of November and which lasted well into early Spring, characterised appropriately as the 'Beast from the East'.

We are extremely proud of the fact that, even in the face of incredible winter pressures and record levels of demand, our teams have saved more lives than ever before.

In common with all Scottish boards – and trusts across the wider UK – we increasingly find ourselves operating within the framework of increased demands for unscheduled care services combined with pressures on budgets and calls for public service reform. To navigate through this, and continue to give our patients the highest quality care, we are in the process of implementing our strategy: “Towards 2020; Taking Care to the Patient”. Developed in partnership with staff and the people using our services, the strategy has enabled us to focus on three key areas:

- Ensuring our response is more clinically focused, basing assessment on robust clinical evidence and patient experience.
- Giving staff the right tools to do their jobs well by enhancing technology, equipment and processes.
- Widening the skills and capacity of our workforce by providing education, training and development for existing staff. To that end we are introducing new specialist and clinical roles and have recruited record numbers of new staff towards our goal of 1,000 additional paramedics.

In November 2016, we started to pilot a new response system so that patients with immediately life-threatening conditions, such as cardiac arrest, or who have been involved in serious road traffic incidents, are prioritised and receive the fastest response. In less urgent cases, call handlers may spend more time with patients (or their representatives) to better understand their health needs and ensure we send the most appropriate resource for their condition. To boost this element of our work, we are enhancing our Ambulance Control Centres and working collaboratively with flow and discharge centres. Recognising the multi-disciplinary roles of those on the frontline, we

have re-banded paramedics and technicians and we are developing advanced practice roles within local communities. This burgeoning pilot scheme has seen advanced practice paramedics working alongside multidisciplinary teams, including GP practices, in community settings across Scotland. Working with other NHS Boards, Integrated Joint Boards and third sector health and social care organisations, we are ensuring patients are getting the right treatment by better identifying their particular needs. This means that falls patients and those with mental health needs, for example, get the right care, rather than simply being whisked off to the nearest A&E department; this shifts the balance of care and ensures those patients can access the help they need within their local communities. Meanwhile, we have established a 24/7 specialist services desk and a major trauma triage tool which is having a positive impact in helping trauma patients who need highly specialised treatments.

Our staff do a tremendous job – often in challenging circumstances – and we would like to acknowledge the fantastic contribution they have made over the past year towards the continuous improvement of the care we provide for patients. Alongside providing excellent patient care and working as part of a whole system of care in Scotland, we are committed to investing in our staff. Indeed, they will remain one of our key priorities over the coming years as we continue to implement our 2020 strategy in line with our intent to provide the best possible care to the people of Scotland.

Finally, this foreword would be incomplete without acknowledging our gratitude for the tremendous contribution of our outgoing Chair David Garbutt, QPM. David, whose new role is Chair of NHS National Education Scotland, has been in post since 2009 and deserves heartfelt thanks for the hard work, support and direction he has provided.



**Tom Steele, Chair**



**Pauline Howie OBE, Chief Executive**

# Performance Report

## 1. Overview

### 1.1 Who we are

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

As a frontline service of the NHS in Scotland and with over 4700 members of staff, we provide an emergency ambulance service to a population of over 5 million people serving all of the nation's mainland and island communities. Our Patient Transport Service also undertakes over 1.1 million 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

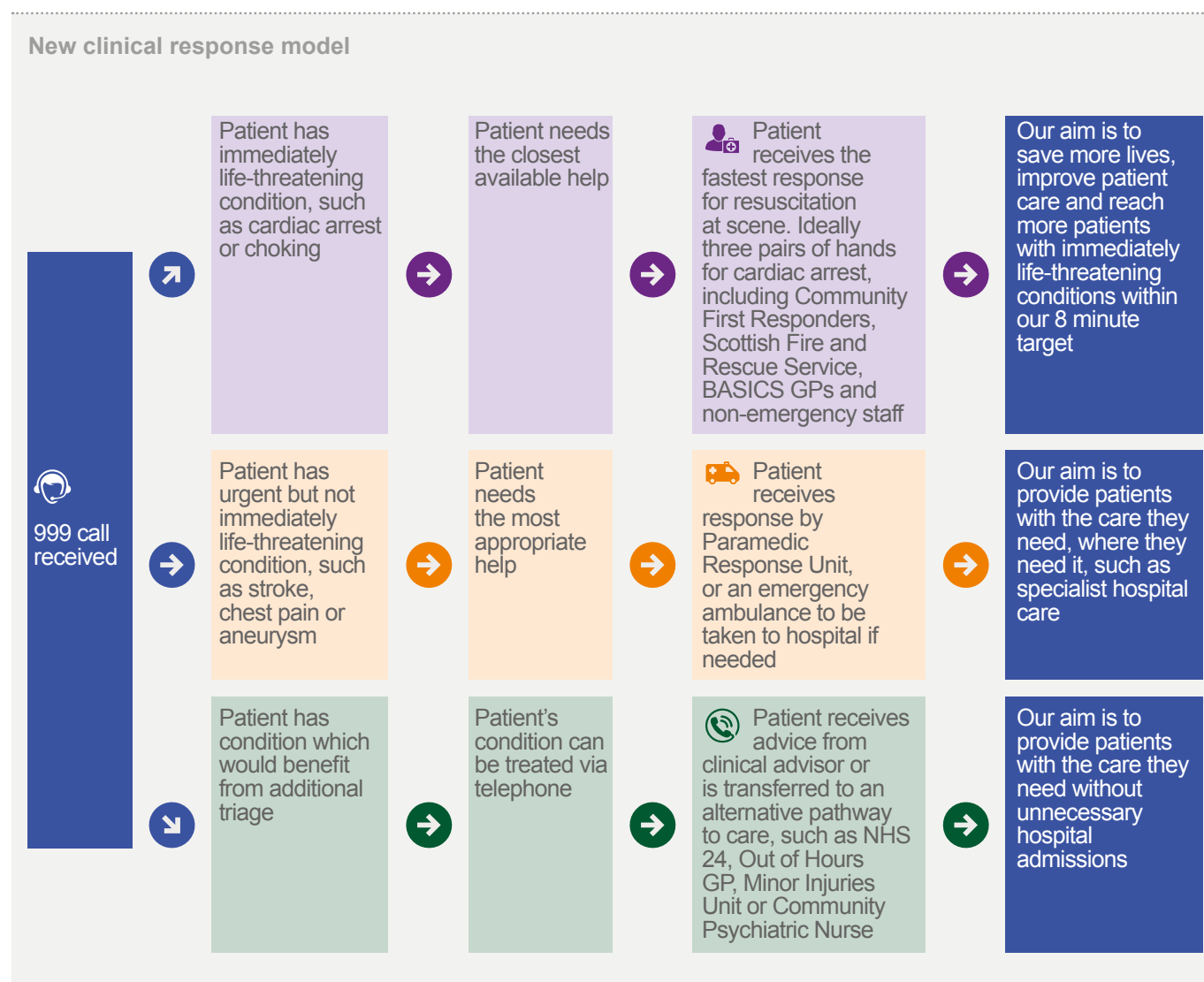
### 1.4 New clinical response model

Following a review of nearly 500,000 patient records, a [New Clinical Response Model \(NCRM\)](#) pilot programme was introduced in November 2016. The purpose of this model is to improve patient outcomes, rather than simply measuring the time it takes to respond.

The new model categorises calls from members of the public which require a response as:

- Immediately life threatening: to save lives
- Ambulance response required: to treat and stabilise patients at the scene or convey patients to hospital
- Additional triage required: provided by a trained clinical advisor to identify the best response based on patient need. This may be referring the patient to a GP, NHS24 or social care services.





These replace categories 'A', 'B' and 'C', which are reported on up to 23 November 2016. The time-based performance target to reach 75% of patients with immediately life-threatening conditions within eight minutes has remained. A range of clinical outcome measures are being introduced to evaluate the quality, safety and timeliness of care delivered for all patients.

The new model underpins our approach to transform clinical care to provide the best outcomes for people, whether that is by direct admission to the Emergency Department, direct referral to an alternative pathway, providing treatment at home or providing telephone advice. 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.

Over the past year we have demonstrated improvements in both timeliness of median response to our most seriously ill patients and in our clinical outcomes, as well as improvements in the reliability and efficiency of our response. The pilot has been extended while the University of Stirling complete their external evaluation.

We will be able to demonstrate the impact of the new model on patient outcomes in Scotland through on-going monitoring and review in line with clinical governance arrangements. This will inform any future improvements to the model.

## 1.5 Chief Executive's Statement

The financial year ending 31 March 2018 was the third year of our strategy [Towards 2020: Taking Care to the Patient](#).

During this year we received 1,478,972 calls and responded to 764,201 accident and emergency incidents, of which 600,016 were emergencies. We also completed 692,756 patient journeys, 3,721 air ambulance missions, 56,621 inter hospital transfers and 2,518 SCOTSTAR retrievals across Scotland.

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 established and 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 2.7% increase in return of spontaneous circulation (all rhythms ROSC) across Scotland between 2016 and 2017 – the rate at which patients experiencing a cardiac arrest are resuscitated at scene – and over 100,000 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 led to additional 62 people suffering cardiac arrest

returning home to their families in 2016/17 compared to the previous year.

It is also encouraging that we are sending conveyance resources first time to patients most likely to need to be taken to definitive care more than 91% of the time.

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.


Examples of this in 2017/18 include the further development of our out-of-hospital cardiac arrest strategy, establishment of Wildcat responders in the North East and co-responding pilots with Police Scotland and the Scottish Fire and Rescue Service in rural and remote areas.






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 2017/18, in year three of our five-year strategy.

## Clinical Services Transformation





WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <p>Introduce a new clinical response model to save more lives and improve patient care</p>	<ul style="list-style-type: none"> <li>• Phase 1 (better align response to patient's clinical acuity) successfully introduced in November 2016</li> <li>• Phase 2 (dispatch on disposition) successfully introduced in October 2017</li> <li>• We are identifying those with immediate life threatening conditions earlier in the call cycle – 78.5% of cardiac arrest patients are now identified at Pre Entry Question (PEQ) stage enabling faster response to these patients and access to life saving CPR</li> <li>• The evidence shows that critically ill patients can be managed and resuscitated more effectively with a minimum of three responders. NCRM has enabled us to identify and dispatch three responders to all purple response category calls resulting in an increase of over 40% of patients receiving a triple response.</li> </ul>

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <p>Develop our out-of-hospital cardiac arrest strategy to save more lives</p>	<ul style="list-style-type: none"> <li>• Saved more lives through increased Return of Spontaneous Circulation (ROSC)</li> <li>• Extended our 3RU response model to cardiac arrests to Edinburgh, West Lothian, Glasgow, Lanarkshire, Falkirk, Stirling, Dundee, Perth and Aberdeen</li> <li>• Introduced Sandpiper Wildcat in February 2017, which has responded to more than 152 call outs</li> <li>• Co-responding with Police Scotland in Grampian, and secured Health Foundation funding for a co-responding trial with the Fire Service in Mull and Oban</li> <li>• As a key partner in Save a Life for Scotland, contributed to the equipping of over 200,000 people in Scotland with bystander CPR skills so they can start CPR before emergency care arrives</li> </ul>
 <p>Develop our national and local pathways for hyper-acute stroke to improve patient outcomes</p>	<ul style="list-style-type: none"> <li>• Introduced a National Clinical Stroke Pathway to ensure uniformity in the care we deliver</li> <li>• Reliable implementation (96.1% recorded between January – March 2018) of a Pre Hospital Stroke bundle based on evidenced best practice.</li> </ul>
 <p>Enhance our capability and capacity to respond to major trauma to save more lives</p>	<ul style="list-style-type: none"> <li>• Key partner of the Scottish Trauma Network, responsible for ensuring patients are taken to the most appropriate facility for their injuries and receive quicker access to expert specialist care and intervention</li> <li>• Trauma Desk as part of the Specialist Services Desk established in Ambulance Control Centre to enable effective trauma recognition, triage and tasking 24/7</li> <li>• New trauma kit procured and introduced for frontline staff</li> <li>• Developed and tested Major Trauma Triage Tool for use by ambulance crews to support decision-making on where a patient should go depending on the severity of their injuries</li> <li>• Piloted the use of advanced practitioners in critical care to support advanced care in the pre-hospital setting.</li> </ul>
 <p>Achieve 30% 'hear and treat' by December 2020 to ensure patients receive the most appropriate care first time and reduce demand on operational ambulances</p>	<ul style="list-style-type: none"> <li>• 14% 'hear and treat' achieved, against 17/18 aim of 12%</li> <li>• Recruited additional clinical advisors and supervisors to establish clinical services hub</li> <li>• Joint working with NHS24 to improve the experience, safety and efficiency for people who can be safely treated or referred by telephone triage</li> </ul>
 <p>Achieve 30% safe non-conveyance 'see and treat' rate by December 2020 to take more care to patients in their homes and communities</p>	<ul style="list-style-type: none"> <li>• 18.7% 'see and treat' achieved, against 17/18 aim of 19%</li> <li>• 100 paramedics have undergone urgent and primary care specialist training to equip them with the skills and knowledge to treat more people at home or in a homely setting</li> <li>• Paramedics with an enhanced scope of practice in urgent and primary care are working in 10 GP practices and 4 out-of-hours services across Scotland supporting GPs in providing care at home.</li> </ul>



WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <p>Work with key partners to improve access to alternative care pathways</p>	<ul style="list-style-type: none"> <li>• Operating Regions leading on local work with partners to develop, establish and improve local pathways, prioritising falls, respiratory conditions, mental health and direct admissions for appropriate patients</li> <li>• Development of falls and frailty data collection to more effectively refer patients to pathways</li> <li>• Key member of the Scottish Government's Active and Independent Living Programme</li> </ul>
 <p>Work with health boards to support the development of transport hubs across Scotland and model future provision of services</p>	<ul style="list-style-type: none"> <li>• A revised Patient Needs Assessment was implemented in December 2017, following involvement of more than 300 patients, to make sure we appropriately identify patient needs</li> <li>• Supported the development of integrated transport hubs, in conjunction with SPT, across the West of Scotland</li> <li>• All divisions are carrying out shift reviews to align resources to the needs of patients</li> <li>• Test of scheduled care support of patient transport requests from GPs which are suitable for assistance from Ambulance Care Assistants. This has resulted in an improvement in the response time for this cohort of patients, with an increase in the number of suitable patients being supported via the Patient Transport Service.</li> </ul>

## Workforce Development

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <p>Recruitment &amp; Selection processes coordinated to deliver regional delivery requirements</p>	<ul style="list-style-type: none"> <li>• 2017/18 Recruitment and training delivery aims informed by 2020 workforce targets</li> <li>• 137 Paramedics and 187 Technicians recruited</li> <li>• 82 Ambulance Care Assistants appointed.</li> <li>• 30 additional specialist paramedics recruited</li> </ul>
 <p>Implement the first undergraduate paramedic programme in Scotland</p>	<ul style="list-style-type: none"> <li>• Programme commenced in September 2017 with first cohort of 50 students</li> <li>• Established a joint project group with NHS Education to develop national paramedic education strategy</li> </ul>
 <p>Coordinate and plan Learning &amp; Development activity to enable achievement of the 2020 Strategy</p>	<ul style="list-style-type: none"> <li>• Capable Workforce Group established to oversee the organisational learning needs and effective coordination of activity</li> <li>• Learning &amp; Development Policy developed and approved in December 2017</li> <li>• Preparation for launch of the new national Turas Appraisal system completed to support the launch in April 2018</li> </ul>
 <p>Leadership and management arrangements developed to support our strategic change activity</p>	<ul style="list-style-type: none"> <li>• Delivering Future Leaders and Managers model review completed and revised action plan implemented</li> <li>• Work completed with National board partners to develop collaborative leadership programme delivery</li> <li>• Values Based Recruitment activity embedded in to our senior leadership appointment processes as part of alignment to Project Lift national leadership development</li> </ul>

## WHAT WE SAID WE WILL DO



Developing the employee experience within the service to support a sustainable workforce

## WHAT WE HAVE ACHIEVED SO FAR

- Full organisational roll out of iMatter completed and plans developed to move to a single organisational cohort from April 2018
- Significant improvement in iMatter action planning with 73% of plans completed by end of 2017/18
- Delivery of Employee Wellbeing Strategy with refreshed delivery plan

## 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 SO FAR

- Replaced the cab-based technology hardware in more than 500 unscheduled care ambulances (Ambulance Telehealth Phase One)
- Completed the roll-out of a new electronic Patient Record (ePR) solution which runs on the new hardware
- Completed development and testing of a paramedic information app (called the 'SAS app'). Roll-out is planned for completion by late summer 2018
- Completed development and testing of the communications infrastructure required to support the use of SAS app and selected 'back-office' applications by unscheduled care ambulance crews
- Completed specification and outline business case (OBC) for the provision of replacement defibrillators. The specifications include full integration with the new ePR solution.



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

- Established an internal Emergency Service Network 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) National programme
- Established an internal Coverage Assurance Group to ensure future network coverage meets agreed standards as set out within the ESN contracts.



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

- Technical solution for the transfer of SAS ePR developed and being actively refined and improved on an on-going basis
- ePR transfer solution is live in NHS Ayrshire and Arran, NHS Dumfries and Galloway, NHS Grampian, NHS Greater Glasgow and Clyde, NHS Highland, NHS Lothian and is being used for Falls data for Lanarkshire to Lanarkshire Falls team
- Early scoping work in relation to the transfer of 'live' ePR data for use within the NHS Tayside Emergency Department(s)
- Pilot due to commence in NHS Forth Valley in June and NHS Fife in July. Discussions ongoing with NHS Borders and NHS Western Isles
- Communication, collaboration and engagement with various NHSS partners to extend the reach of the solution e.g. eHealth Leads, Clinical Change Leads and Scottish Government eHealth team.

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <p>Progress the delivery of our eHealth Strategy</p>	<ul style="list-style-type: none"> <li>• Completed data transfer and access provision to the National eFinancials application</li> <li>• Developed Interface to electronically transfer emergency call data from our command and control system to that of our 'buddy' service in Northern Ireland</li> <li>• Completed the rollout of our new Ambulance Control Centre call recording solution</li> <li>• Continued to enhance and extend our video conferencing capability</li> <li>• Provided ICT and Project Management support to the East ACC Enhancement Project. Phase 1 of which was successfully completed in March 2018</li> <li>• Implemented 'Pre-entry' questions and 'Key Phrases' module in support of National Clinical Response Model developments</li> <li>• Carried out initial scoping in support of an extensive programme of work to replace, or renew, a number of key ICT related contracts over the next 3-5 years.</li> </ul>
 <p>Improve vehicle reliability, availability, emissions and operational performance through a comprehensive Fleet Replacement Programme.</p>	<ul style="list-style-type: none"> <li>• £78 million investment plan agreed and business case approved in support of a programme to introduce almost 1,000 new vehicles between 2016 and 2020</li> <li>• Programme remains on track with circa 200 vehicles replaced during financial year 2017-18.</li> </ul>

## Patient Engagement and Participation

WHAT WE SAID WE WILL DO	WHAT WE HAVE ACHIEVED SO FAR
 <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>• Developed and approved communications and engagement strategy</li> <li>• Driven change through patient experience, such as design of new vehicles</li> <li>• Co-produced patient experience framework</li> <li>• Revised Patient Focus, Public Involvement governance</li> <li>• Supported National Conversation</li> <li>• Participated in development of Our Voice framework</li> <li>• Widening our Public Engagement to not just patient reps but representatives from the third sector and other community groups</li> <li>• Changed our policy with regards to how we categorise complaints to better reflect patient feedback</li> <li>• Improved links with Mental Health Charities to enhance partnership working</li> <li>• New approaches and measures to help improve the Patient Experience and the efficiency of our complaints handling processes.</li> </ul>

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

This section may be read alongside 2.4, which provides further analysis and context.

	Target	2017/18	2016/17	Comment
Achieve a return of spontaneous circulation for VF/VT patients on arrival at hospital	>40%	42.3%	40.3%	This improvement is saving lives.
% of cardiac arrest patients responded to within 8 minutes	80%	71.2%	70.4%	Target has been in place pre new response model and should be updated in light of latest evidence
% of immediately life-threatening incidents responded to within 8 minutes	75%	61.5%	63.8%	2016/17 measured from 23 November 2016. 2017/18 from October 2017 phase 2 of new clinical response model changed process and therefore unable to make direct comparison
Immediately Life Threatening (ILT) Response Times	Median < 7 min 90th %ile <15min	6.47 14.55	- -	New target for 2017/18
Purple Response Times	Median < 6 min 90th %ile <15min	5.45 12.49	- -	New target for 2017/18
% of unscheduled cases managed by telephone or face-to-face assessment	>32%	32.7%	31.2%	
% of hyper acute stroke patients who receive the pre hospital care bundle.	>70%	78.7%	n/a	Since the introduction of the new Terrapace software the rate has been 96.1% (January to March 2018).
% of recorded use of peripheral vascular cannula (PVC) insertion care bundle	>85%	89.2%	82.5%	Since the introduction of the new Terrapace software the rate has been 94.9% (January to March 2018).
% employee engagement score	>60%	67%	67%	Score measured twice a year. Reported scores as at November 2017.
Reduce sickness absence to a target of 5%	<5%	7.6%	7.6%	The 2017/18 figure reflects the performance from April 2017 to March 2018*.

## 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 SO FAR
<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 2018</li> <li>Efficiency Target: Deliver the full quantum of savings required at £8,652k</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 2018, the financial performance against each target as detailed below:</p> <ul style="list-style-type: none"> <li>Revenue Resource Limit : Breakeven Comprising: Core Breakeven Non Core Breakeven</li> <li>Capital Resource limit: £4k underspend</li> <li>Cash Target £60k held at end of March 2018</li> <li>Efficiency Target: Delivered the full quantum of savings required £8,652k</li> </ul> <p>The Service was required to produce a trajectory of its expected position from July until March to the SGHSCD. Financial performance was monitored and reported monthly to the Board and Chief Executive.</p>

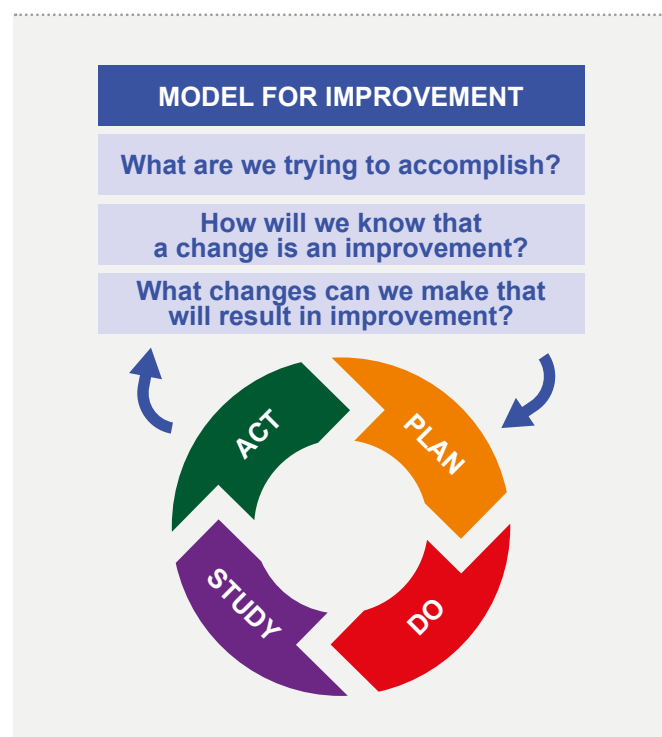
\*(Reference Remuneration Report for more detail for the reduction of sickness absence)

## 1.7 Measurement for improvement

Our HEAT targets from the Government measure only a small number of factors within the organisation but there are many more aspects of our work we want to change and improve. These methods are now underpinned by the Scottish Government's [Quality Improvement and Measurement – What Non-Executive Directors need to know \(Jan 2016\)](#).

Our intention is to measure progress using a small number of tools to build data literacy levels within the Service that are suitable for all staff, beginning with the Board, executives and senior managers with the ambition to move away from 'Red', 'Amber' and 'Green' (RAG) status to a more dynamic method of data display.

We will embed the Model for Improvement to underpin our use of data to understand variation in processes and practices and make that variation visible to all so we can collectively discuss and co-design changes, to improve and standardise data display and interpretation throughout the organisation.



## 1.8 Principal risks and uncertainties

The Scottish Ambulance Service's Local Delivery Plan summarises the key risks facing the organisation in future years and how these will be mitigated. The key challenge is to 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: changing demographics increasing future demand for our services above what can be resourced through future funding; the ability to recruit and retain staff, especially in remote and rural parts of Scotland; unidentified or high risk efficiency saving targets in the planned savings programme; and the need to ensure property is maintained at a level that meets the needs of staff and patients.

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>	235,383	235,383	0
<b>Revenue resource limit – Non Core</b>	15,622	15,622	0
<b>Capital resource limit</b>	21,320	21,316	4
<b>Cash requirement</b>	261,383	261,383	0

2016/17 £000		2017/18 £000
(54)	Brought forward surplus from previous financial year	(50)
(1)	(Savings) /Deficit against in year revenue resource limit	0
<b>(55)</b>	<b>TOTAL Surplus for year</b>	<b>0</b>
5	Non Core Surplus returned to government	0
<b>(50)</b>	<b>Carried forward Core surplus to next year</b>	<b>0</b>

In respect of financial position and performance:

- The Scottish Ambulance Service achieved breakeven against its Non-Core Revenue Resource Limit and Core Revenue Resource Limit at the year-end;
- The Scottish Ambulance Service contained its costs within the revenue and capital resource limits;
- Provisions for bad and doubtful debts of £319k (2016/17 £335k) were made.
- Provision for legal obligations of £4,128k (2016/17 £3,679k) 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 an advised share of £4.305k (2016/17 £3,769k) advised by SGHSCD;
- Land and buildings were revalued by the Valuation Office Agency at 31 March 2018 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 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 £756k (2016/17: £947k increase), of which £196k (2016/17: £290k credited) was credited to the revaluation reserve and £560k (2016/17: £657k) credited to the Statement of Comprehensive Net Expenditure. The net charge of £560k to the Statement of Comprehensive Net Expenditure comprised reversal of previous impairment losses (2016/17: £173k charge for impairment losses, £830k credit for reversal of previous impairment losses).
- Total outstanding current payables are Board £19,454k, Consolidated £19,494k (2016/17: Board £20,402k, Consolidated £20,489k)
- These accounts have been prepared on a going concern basis.

## 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.

Payment Policy	2017/18	2016/17
Invoices paid within 10 Days (Volume)	47%	40%
Invoices paid within 10 Days (Value)	57%	32%
Invoices paid within 30 Days (Volume)	82%	79%
Invoices paid within 30 Days (Value)	80%	82%
Average days credit taken	22	23

## 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.

### 3. 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.

Further information on the Act, along with copies of prior year national reports, can be found at the following resource:

<http://www.keepsotlandbeautiful.org/sustainability-climate-change/sustainable-scotland-network/climate-change-reporting/>

### 4. Equality and diversity

Our five year strategic framework "Towards 2020: Taking Care to the Patient" describes how we plan to deliver our frontline service providing emergency, unscheduled and scheduled care 24/7. Our mission is to deliver the best ambulance services for every person, every time. Our goals to improve access to healthcare, evidence a shift in the balance of care by taking more care to the patient and improving outcomes for patients 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. Stakeholders, third sector organisations, members of the public and staff have been involved in the development of the equality outcomes and cognisance have been taken of the progress we have made, the relevance of the activities we have identified and the changing needs of the Service. 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.

In keeping with the Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 we have also published an Equality Outcomes Progress

Report 2013 – 17, Mainstreaming Report and Equality Pay Statement and Gender Pay Gap information.

The Scottish Ambulance Service employs over 4,900 staff and as at 1 April 2018 the profile of the workforce was 60 per cent men and 40 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 Management policy which aims to remove any barriers to access and participation and promote equality of opportunity.

Human Resources 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 Promoting Dignity at Work 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 of the Service.

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 Strategy 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 being developed for each area of the business to work towards the Healthy Working Lives gold award.

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.

## **5. 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.

In accordance with the Equality Act 2010 and regulations, the Scottish Ambulance Service promotes equality and celebrates the diversity of the population that it serves. The development of equality outcomes provides assurance that the Scottish Ambulance Service meets the equality and diversity needs of people with the nine relevant protected characteristics (race, disability, age, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership, religion or belief), whether they are patients, members of the public, carers or staff.

The Scottish Ambulance Service Equality Impact Assessment policy ensures that the impact of equality and health inequalities is embedded and integrated into the decisions and actions of the Board. The recognised principles of fairness, respect, equality, dignity and autonomy are firmly included in our organisational values. These are considered in our work specifically around service redesign to meet the 2020 Workforce Vision, developing ways patients can provide feedback, training and education programmes, staff appraisal, stakeholder engagement and involvement with patient groups as well as our work on equality and diversity.

Human rights principles are also 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: 27 June 2018

Mrs Pauline Howie OBE  
Chief Executive

# SCOTSTAR

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

## Adult Team

Our Emergency Medical Retrieval Service (EMRS) provides adult retrieval services 24 hours a day. EMRS comprises two teams, each led by a consultant accompanied by a senior medical trainee or a Critical Care Practitioner.

## 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 three clinicians, including consultants, advanced nurse practitioners, 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, providing telephone advice to referring clinicians.

## Adult Transfer and Retrieval Activity

During 2017/18, the EMRS team received 1,164 calls and was activated on 856 missions, a decrease of 14 missions on the previous year:

- The team performed 88 primary pre-hospital general anaesthetics and gave pre-hospital blood transfusions to 45 patients, in addition to enhanced-response critical care team interventions and senior clinical decision maker input.
- 140 secondary retrieval patients were intubated and ventilated for transfer, with 93% taking place by air, of which 52.5% were by helicopter and 47.5% by fixed wing aircraft.

- Advice calls with remote and rural clinicians meant that only those patients who needed specialist care were transferred outside their community. As a result 375 patients were able to remain near their home location and receive ongoing safe medical care at their local hospital.

## Neonatal Transfer and Retrieval Activity

In 2017/18 the Neonatal Transfer Service performed 1,345 missions:

- 495 of these missions were repatriations, allowing babies to be safely cared for at a unit closer to their families. Of these transfers the regional teams each carried out the following:
 

West:	251 transfers	(51%)
East:	215 transfer	(43%)
North	29 transfers	(6%)
- 94.7% of the transfers were by road with an average mission duration of 3.27 hours.
- 361 missions were intensive-care level transfers with 176 intubated, ventilated babies.
- 149 other babies were transferred on other advanced respiratory support.

## Paediatric Transfer and Retrieval Activity

The Paediatric Retrieval Team undertook 317 missions in 2017/18, visiting 28 hospital sites across Scotland. Of these transfers, 195 were intensive-care level and 73 were high-dependency:

- 195 transfers were intubated, ventilated children
- The average mission duration was 6.07 hours.
- 75% of transfers were by road, 7% by fixed wing aircraft and 18% by helicopter.



# 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 2017/18 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

Audited Financial Statements were approved and authorised for issue by the Board on 27 June 2018.

### 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.

### 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: Ms Moi Ali (Chair), Ms Neelam Bakshi, Mr Martin Togneri, Dr Francis Tierney and the Chairman, Mr David Garbutt (ex officio member). Ms Moi Ali was Chair of the Committee until the end of her appointment on 31 March 2018 and was replaced by Mr Martin Togneri. Ms Irene Oldfather joined the Committee in May 2018. 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 2017/18 and all meetings were quorate.

### Audit Committee

The Audit Committee comprised four Non-Executive Directors: Mr Edward Frizzell (Chair), Ms Moi Ali, Ms Esther Robertson and Councillor Cecil Meiklejohn. Ms Moi Ali was a member of the Committee until 31 March 2018. Ms Irene Oldfather joined the Committee in June 2018.

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 2017/18 and all meetings were quorate.

### Staff Governance Committee

The Staff Governance Committee comprised four Non-Executive Directors: Ms Neelam Bakshi (Chair), Mr John Riggins (Employee Director), Ms Esther Robertson and Mr Martin Togneri, together with the Chairman, Mr David Garbutt (*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 2017/18 and all meetings were quorate.

### Remuneration Committee

The Remuneration Committee comprised the Chairman, Mr David Garbutt, and four Non-Executive Directors: Mr Martin Togneri (Chair to November 2017); Mr Edward Frizzell; Mr John Riggins (Employee Director); and Councillor Cecil Meiklejohn. In November 2017 Mr Martin Togneri left the Committee and Dr Francis Tierney joined the Committee as Chair. The Committee meets at least twice per year to consider the evaluation of performance and pay awards for Executive Directors. It has an important role in ensuring consistency of policy and equity of treatment of staff across the local NHS system, including remuneration issues, where they are not already covered by existing arrangements at national level. The Committee met twice in 2017/18 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:

David Garbutt QPM	Chairman (to 31 May 2018)
Tom Steele	Chairman (from 1 June 2018)
Pauline Howie OBE	Chief Executive
Moi Ali	Non-Executive Director (to 31 March 2018)
Neelam Bakshi	Non-Executive Director
Edward Frizzell CB	Non-Executive Director
Cecil Meiklejohn	Non-Executive Director
Irene Oldfather	Non-Executive Director (from 1 April 2018)
Esther Robertson	Non-Executive Director
Dr Francis Tierney	Non-Executive Director
Martin Togneri	Non-Executive Director
John Riggins	Employee Director
Gerry O'Brien	Director of Finance & Logistics (on secondment from 1 January 2018)
Julie Carter	Interim Director of Finance & Logistics (from 1 January 2018)
Dr Jim Ward	Medical Director

### New Appointments

The Chairman, David Garbutt, left the Board on 31 May 2018. With effect from 1 June 2018 Tom Steele was appointed as Chairman. Ms Moi Ali left the Board on 31 March 2018. Ms Irene Oldfather joined the Board on 1 April 2018.

With effect from 1 January 2018 Gerry O'Brien, the Director of Finance & Logistics, was seconded to another Health Board. On the same date Julie Carter assumed the vacant directorship on a part-time basis.

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 (appointed 1 June 2018)	<ul style="list-style-type: none"> <li>Non Executive Director NHS Lanarkshire to 30 June 2018</li> <li>Non Executive Director South Lanarkshire Integrated Joint Board to 30 June 2018</li> </ul>	None
David Garbutt (to 31 May 2018)	<ul style="list-style-type: none"> <li>Chartered fellow of the Chartered Institute of Personnel and Development</li> <li>Fellow Scottish Police College</li> <li>Visiting Fellow Australian Institute of Police Management</li> <li>Chair NHS NES from 1 April 2018</li> </ul>	Self Employed Consultant
Pauline Howie	<ul style="list-style-type: none"> <li>Honorary Air Commodore of 612 (County of Aberdeen) Royal Auxiliary Air Force Squadron</li> <li>Non Executive Director, SACRO</li> </ul>	None
Moi Ali	<ul style="list-style-type: none"> <li>Non Executive member of Education Scotland's management board</li> <li>Non Executive member of Professional Standards Authority for Health and Social Care</li> <li>Non Executive member of Ministry of Defence Police Committee</li> </ul>	Self Employed Consultant
Neelam Bakshi	<ul style="list-style-type: none"> <li>Lay Member Employment Tribunals Scotland</li> <li>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
Edward Frizzell	<ul style="list-style-type: none"> <li>Chair of Court of Abertay University, Dundee</li> </ul>	None
Councillor Cecil Meiklejohn	<ul style="list-style-type: none"> <li>Member of the Scottish National Party</li> <li>Elected member Falkirk Council</li> </ul>	None
John Riggins	<ul style="list-style-type: none"> <li>None</li> </ul>	None
Esther Robertson	<ul style="list-style-type: none"> <li>Chair of NHS 24</li> <li>Chair of Independent Review of the Regulation of Legal Services in Scotland</li> </ul>	None
Francis Tierney	<ul style="list-style-type: none"> <li>GP Locum</li> <li>GP Appraisal</li> <li>Member of Children's Panel</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>Trustee, Scotland's Charity Air Ambulance</li> <li>Non Executive Director, NHS24 from 1 April 2018</li> </ul>	None
Gerry O'Brien (on secondment from 1 January 2018)	<ul style="list-style-type: none"> <li>Acting Chief Executive of NHS Orkney Health Board (from 1 January 2018)</li> <li>Member, Healthcare Financial Management Association, Accounting Standards Committee</li> </ul>	None
Julie Carter (from 1 January 2018)	<ul style="list-style-type: none"> <li>Director of Finance, Golden Jubilee National Hospital</li> </ul>	None
Dr Jim Ward	<ul style="list-style-type: none"> <li>Sessional GP, Greater Glasgow and Clyde Out of Hours service</li> </ul>	None

Senior Managers	Directorships	Ownerships
Pat O'Connor	<ul style="list-style-type: none"> <li>Director Quality Improvement Discovery Consultancy</li> <li>Editorial Board Member – Clinical Risk Journal;</li> <li>Honorary Professor, University of Dundee Business School</li> </ul>	None
Director of HR & OD Linda Douglas	<ul style="list-style-type: none"> <li>None</li> </ul>	None

## 8. 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..

## 9. 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 2017/18.

## 10. Related party transactions

Details of all related party transactions are set out in Note 20 of the accounts.

## 11. 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.

## 12. 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.

## 13. 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.

## 14. 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 19.

The Accounting Officer (Chief Executive) of the Scottish Ambulance Service has authorised these financial statements for issue on the 27 June 2018.

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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.

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 letters to me of 24 June 2008 and 5 November 2009.

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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 2018 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 organisation'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 organisation.

### Purpose of System of Internal Control

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

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

The process within the organisation 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, the following governance arrangements and processes have been in place throughout the financial year:

- 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;
- 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;
- 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;
- 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 Scottish Ambulance Service Board is supported in its governance responsibilities by the following committees:

Committee	Responsibilities
Staff Governance	Is conducted in Partnership, chaired by a Non Executive Director with the Employee Director as deputy.
Audit	Reviews Standing Financial Instructions, Estates Policy, Procurement, Fraud and Risk matters and, supported by Internal Audit, has oversight of Internal Controls operating within the organisation.
Clinical Governance	Looks after the clinical controls that are required to be in place, as well as assessment of new clinical practices and clinical development of staff.
Remuneration	Examines the pay and benefits of senior staff within the organisation.
Information Governance	The Information Governance Group, which reports to the Audit Committee, is chaired by the Director of Care Quality & Strategic Development and the main objective of the Committee is 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 Board also examines its own effectiveness in line with current best practice, approves the scheme of delegation and ensures compliance with current legislation. The Board through defining the roles and responsibilities of members sets out clear areas of responsibility and levels of delegated authority.

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

The Board has a whistle blowing policy and makes it clear that staff will be supported when they raise areas of concern in respect of patient safety and quality of service. The Scottish Government have a whistle blowing help line in place to assist NHS Scotland staff in raising appropriate concerns. This help line continued throughout 2017/18.

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 Chairman. The Chief Executive is appraised by the Chairman 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.

### Risk Management

All NHS Scotland bodies are subject to the requirements of the SPFM and must have 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's Risk Management Strategy for 2016 – 2020 was approved by the Board in March 2016. The Scottish Ambulance Service aims to control, eliminate or reduce significant risk to an acceptable level by creating a culture founded upon assessment and prevention rather than reaction and remedy. The strategy was reviewed during 2017 to take account of structural changes in the organisation, the web based approach to the management of risk registers and reviewed risk management principles. The strategy was approved by the Scottish Ambulance Service Board in November 2017.

The Scottish Ambulance Service has adopted the principles and guidelines set out in BS ISO 31000:2009 International Standards for Risk Management which superseded the Australia / New Zealand (AUS/NZ) Risk Management Standards 4360:2004. 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 and prevention rather than reaction and remedy. Effective management of risk will:

- Help to ensure the safety of patients, staff and the public;
- Protect the services and finances of the Scottish Ambulance 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 national strategy and relevant guidelines and compliance with national standards, guidelines and legislation. Processes are in place to reduce very high risks to an acceptable level.

### **Risk Management Principles**

- The Service will positively support all staff to take personal responsibility for their own learning for risk management;
- The Service will create an environment which encourages and supports staff to report adverse / near miss events, including their own human errors, so that learning and improvement can take place;
- The Service will promote a fair and just culture;
- The Service will 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;
- The Service will make suitable and inclusive arrangements to ensure that our learning is used to improve procedures and processes and share the lessons learned;
- All staff have a personal responsibility to perform their duties properly and in accordance with any procedures, rules or instructions provided;
- Consideration of risk should not inhibit innovation; and
- The Service will endeavour to understand the risks faced and be aware of the cost of risk to the Organisation.

A Board risk workshop, facilitated by Scott-Moncrieff our internal auditors, reviewed the corporate risk register and identified new risks for the Service for the coming year as part of their annual work plan. 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 Service's 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 Scottish Ambulance Service Board approve the corporate risk register at each meeting.

The risk management governance group formally reports to the Audit Committee. The Audit Committee receive a quarterly report from the group which includes an update on the risk management work plan. The Audit Committee also receive updates on the corporate risk register. Internal Audit utilise the corporate level register and the findings from the annual risk workshop to develop their work plan for the forthcoming year. This process ensures that Internal Audit is focused on areas of greatest risk to the organisation.

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

- Risk Management Strategy was reviewed and approved by the Scottish Ambulance Service Board in November 2017;
- Continue to progress and improve the Service's framework for the management of adverse events;
- Engagement with Healthcare Improvement Scotland on the management of adverse events;
- Risk management governance group met 4 times throughout the year;
- Clinical Governance Risk Management and Patient Safety reports have been presented to the Clinical Governance Committee and Audit Committee on a quarterly basis;
- A regular programme of facilitated workshops to identify and keep up to date the record of risks facing the organisation;
- Managers and staff have been trained to use the Service's risk management system - Datix - for the management of adverse events and risks, with a new e-learning module implemented;
- Rolled out of web based access to risk registers;
- Duty of Candour preparatory work, builds on the Service's approach to being open with patients and families;
- Testing and development of Datix Web module for the management of complaints;
- Risk Management, Resilience and Business Continuity training course reviewed and delivered to managers across the Service.

## Corporate Risk Register

Risk Description	Current Controls	Risk Ranking
<p>There is a risk of SAS failing to deliver safe and effective services as the Health and Social Care Delivery plan is implemented and highly marketable staff move on resulting in potential patient harm, particularly in remote and rural areas.</p>	<p><b>Actions to mitigate the risk</b>                      Pilot ongoing in Hawick Station with the Clinical Decision Making Framework. Pilot complete.                      Now working to spread feedback model to front line staff re safe decision making for non-conveyed patients.                      Stroke bundle rolled out in all divisions, focussing on clinical care rather than time based targets.                      Tests of change re appropriate clinical deployment of specialists being designed and delivered April 2017. Specialist program has emerged from SAS' Practitioner model work, which largely was developed in remote and rural settings.                      Robust Governance arrangements in place within the Organisation and clear prioritisation of the local delivery plan process.                      General Managers engaged throughout the process.</p> <p><b>Actions to monitor the risk</b>                      Clinical Services Transformation Group will monitor progress and report through the 2020 Steering Group.</p>	<p>High</p>
<p>There is a risk that SAS does not get the necessary funding in future years, because of changing political priorities, resulting in the failure to deliver the strategy or to resource existing commitments.</p>	<p><b>Actions to mitigate the risk</b>                      Service prioritises key areas of impact through its Corporate Governance structures.</p>	<p>High</p>
<p>There is a risk that SAS is unable to engage staff in changes in working practices and effect cultural change necessary for the delivery of the new model of care resulting in delays in Service delivery, poor decision making, patient harm and a negative impact on staff morale.</p>	<p><b>Actions to monitor risk</b>                      Strategic workforce engagement and cultural issues considered through the workforce development steering group, the Working Practices Steering Group and the National Partnership forum.                      Workforce Development Steering Group with a Healthy Organisational Culture workstream reviewing change initiatives in terms of engagement.                      Patient Safety Walk rounds feedback.                      Local engagement initiatives are being progressed through local partnership forums and through implementation of the iMatter programme.                      Excellent feedback has been received from current staff engagement on Clinical Model changes with lessons learned being applied as part of ongoing changes.</p>	<p>High</p>
<p>SAS does not have the right people, in the right roles, with the right skills because our workforce planning (including recruitment, learning and development, succession, and talent development) is insufficient and results in the organisation failing to achieve its operational and strategic objectives.</p>	<p><b>Actions to monitor the risk</b>                      Workforce Plans at both a local and organisational level developed to allow SAS to assess its workforce needs.                      Workforce Development Steering group is overseeing the programme of work aimed at ensuring our plans and delivery mechanisms are in place and supporting the workforce strategy.                      Workforce Plans are reviewed and updated annually.</p> <p><b>Actions to mitigate the risk</b>                      Career Framework is in place with an education model developed to support staff to progress.                      The launch of a full time paramedic degree programme in September 2017 via GCU means a new route for qualified staff will be available in future.                      Improvements are being made to the recruitment and selection process through a quality improvement initiative to support higher volumes of recruitment.</p>	<p>High</p>



There is a risk that the human resources configuration, ergonomics and physical constraints of the existing Ambulance Control Centres will limit the ability for SAS to introduce changing services resulting in the full benefits of the strategy not being realised.	<p><b>Actions to mitigate the risk</b> Continue to progress issues and concerns in partnership, local drive for engagement with facilities managers.</p> <p><b>Actions to monitor the risk</b> Highlighted to Executives regularly as a high risk and constraint to performance and development. North ACC fall back has been completed at the new North Division HQ. Once the new national arrangements are in place the BC arrangements will be tested. The East ACC reconfiguration is planned to be complete by end of June 2018, subject to successful completion of works</p>	Medium
There is a risk of patient harm due to the roll out of the new clinical protocols and SAS treating patients with increasingly complex needs and higher volumes of patients.	<p><b>Actions to mitigate the risk</b> Pilot ongoing in Hawick Station with the Clinical Decision Making Framework. Initial Pilot complete. Now working to spread feedback model to front line staff re safe decision making for non-conveyed patients. Stroke bundle rolled out in all divisions, focussing on clinical care rather than time based targets. Tests of change re appropriate clinical deployment of specialists being designed and delivered April 2017. Updated UK Ambulance Service Guidelines issued to staff and implemented on 1st July 2016.</p> <p><b>Actions to monitor the risk</b> Clinical Services Transformation Group will monitor progress and report through the 2020 Steering Group.</p>	Medium
There is a risk that the public and partners do not understand and support SAS' new models of care and clinical pathways which results in potential patient harm.	<p><b>Actions to monitor the risk</b> Communication and Engagement Strategy for our stakeholders is complete. Senior Managers are actively engaged with Integrated Joint Board (IJBs) Partners, NHS Boards, Regional Delivery Groups and SG.</p>	Medium
There is a risk that e-health developments do not adequately support the delivery of SAS's strategy resulting in patient harm and inconsistent Service delivery.	<p><b>Actions to mitigate the risk</b> Enabling Technology Board in place to provide appropriate governance and to monitor the Enabling Technology work stream. Operational and Clinical Staff have been involved in all procurement processes and there is robust stakeholder engagement for each project. The Enabling Technology Programme Director is a member of the Interdependencies Planning Group with a view to reducing the risk of delivering solutions that are not fully aligned with strategic requirements</p> <p><b>Actions to monitor the risk</b> User satisfaction survey in place. Benefits realisation plans in place and reviewed regularly. Communications plans in place and reviewed regularly. All key approval documentation, e.g, Initial agreements, Full Business Cases, go through full governance procedure, including to board level where appropriate.</p>	Medium
There is a risk to staff and patient safety due to an increase in demand on the on call stations resulting in staff or patient harm.	<p><b>Actions to mitigate the risk</b> Fatigue policy in place to reduce the risk to staff</p>	Medium



## 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.

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.

## 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

## Board members' and senior managers' remuneration

The remuneration of Board members and senior employees is determined in accordance with the NHS MEL(2000)25 – *Pay and Conditions of Service*. This document sets out the pay arrangements for Board members and senior employees of NHS Boards. The arrangements referred to in this document are mandatory from 1 April 2000. The information in this remuneration report is subject to audit.

Performance appraisal for Board members and senior employees is conducted in accordance with HDL(2002)64 – *Appraisal arrangements for staff on Executive pay ranges*.

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 2017/18.

## Remuneration report

### For the year ended 31 March 2018

#### Current year 2017/18

Director	Remuneration Table						Pension Values				
	Gross Salary	Bonus payments	Benefits in Kind £'000	Total in year Earnings	Pension benefits – Note (1)	Total remuneration Note (2)	Accrued pension at age 60 as at 31/03/18	Real increase in pension at age 60	CETV at 31/03/18	CETV at 31/03/17	Real Increase in CETV
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 £2,500	£'000	£'000	£'000
Chief Executive: Pauline Howie	130-135	0	2.6	130-135	39	170-175	45-50	2.5-5.0	821	763	56
Medical Director: James Ward	155-160	0	3.3	150-155	0	155-160	Not in SPPA scheme				
Director of Finance & Logistics: Gerry O'Brien (on secondment from 1 January 2018) Julie Carter (from 1 January 2018)	70-75 5-10	0 0	2.9 0	70-75 5-10	41 0	110-115 5-10	35-40 Note 3	0-2.5	721	658	63
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 £2,500	£'000	£'000	£'000
Chairman: David Garbutt (to 31 May 2018)	25-30	0	0	25-30	0	25-30	Non-Executive Directors are not eligible to become members of the pension scheme				
Esther Robertson	5-10	0	0	5-10	0	5-10					
Moi Ali	5-10	0	0	5-10	0	5-10					
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					
Employee Director: John Riggins	55-60	0	0	55-60	19	75-80	10-15	0-2.5	313	296	13
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 £2,500	£'000	£'000	£'000
Director of Care Quality & Strategic Development: Patricia O'Connor	95-100	0	4.1	100-105	25	125-130	50-55	0-2.5	1,213	1,143	57
Director of HR & OD Linda Douglas	85-90	0	3.4	90-95	21	110-115	0-5	0-2.5	29	7	22

#### 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 2017/18.

#### Note (3)

Pension values accounted for by principal employer, Golden Jubilee National Hospital

## Remuneration report

### For the year ended 31 March 2018

### Prior year 2016/17

Director	Remuneration Table						Pension Values				
	Gross Salary	Bonus payments	Benefits in Kind £'000	Total in year Earnings	Pension benefits – Note (1)	Total remuneration Note (2)	Accrued pension at age 60 as at 31/03/17	Real increase in pension at age 60	CETV at 31/03/17	CETV at 31/03/16	Real Increase in CETV
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 £2,500	£'000	£'000	£'000
Chief Executive: Pauline Howie	125-130	0	1.4	125-130	50	175-180	35-40	2.5-5	749	684	65
Director of Service Delivery: Daren Mochrie	100-105	0	2.8	105-110	35	140-145	35-40	2.5-5	608	564	44
Medical Director: James Ward	150-155	0	2.2	150-155	15	165-170	60-65	0-2.5	No longer in SPPAScheme	1,119	No longer in SPPAScheme
Director of Finance & Logistics: Gerry O'Brien	85-90	0	3.3	90-95	29	120-125	30-35	0-2.5	639	589	38
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 £2,500	£'000	£'000	£'000
Chairman: David Garbutt	25-30	0	0	25-30	0	25-30	Non-Executive Directors are not eligible to become members of the pension scheme				
Esther Robertson	5-10	0	0	5-10	0	5-10					
David Alexander (to 30 November 2016)	5-10	0	0	5-10	0	5-10					
Moi Ali	5-10	0	0	5-10	0	5-10					
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 (from 1 December 2016)	0-5	0	0	0-5	0	0-5					
Employee Director: John Riggins	50-55	0	0	50-55	7	55-60	10-15	0	287	281	2
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 £2,500	£'000	£'000	£'000
Director of HR: Rebecca Chalmers (to 30 November 2016)	30-35	0	0	30-35	17	45-50	15-20	0-2.5	284	265	20
Director of Care Quality & Strategic Development: Patricia O'Connor	95-100	0	4.1	100-105	101	200-205	45-50	5-7.5	1,109	1,022	75
Director of HR & OD Linda Douglas (from 05/12/2016)	25-30	0	0	25-30	6	30-35	0-5	0-2.5	7	0	7

#### Notes

(a) Individuals who left the Service or retired during the year therefore pension information not available

#### 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 2016/17.

## Remuneration And Staff Report Staff Report

### Fair Pay Disclosure

	Current Year 2017/18	Prior Year 2016/17
Range of staff remuneration	8,251 – 158,307	8,169 – 142,073
Highest earning Director's total remuneration (£000s)	155 – 160	140 - 145
Median Total Remuneration	33,125	29,768
Ratio (Highest earning compared to median total of remuneration)	4.779	4.773

### Higher Paid Employees' Remuneration

Clinical	2017/18	2016/17	Other	2017/18	2016/17
50-60	135	116	50-60	10	19
60-70	35	40	60-70	5	3
70-80	8	5	70-80	8	5
80-90	6	5	80-90	2	1
90-100	1	2	90-100	2	2
100-110	0	0	100-110	0	1
110-120	0	0	110-120	0	0
120-130	0	0	120-130	0	1
130-140	0	0	130-140	1	0
140-150	0	0	140-150	0	0
150-160	1	1	150-160	0	0
160-170	0	0	160-170	0	0
170-180	0	0	170-180	0	0
180-190	0	0	180-190	0	0
190-200	0	0	190-200	0	0
200+	0	0	200+	0	0
	<b>186</b>	<b>169</b>		<b>28</b>	<b>32</b>
			<b>Total</b>	<b>214</b>	<b>201</b>

## Staff Costs

	Executive Board Members	Non Executive Board Members	Permanent Staff	Inward Secondees	Other staff	Outward Secondess	2018 Total	2017 Total
Staff Costs	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and Wages	367	83	149,221	-	-	(445)	149,226	141,391
Social Security costs	47	3	16,235	-	-	(47)	16,238	14,111
NHS scheme employers' costs	30	0	19,416	-	-	(60)	19,386	17,915
Inward secondees	-	-	-	3,216	-	-	3,216	4,426
Agency Staff	-	-	-	-	115	-	115	59
	<b>444</b>	<b>86</b>	<b>184,872</b>	<b>3,216</b>	<b>115</b>	<b>(552)</b>	<b>188,181</b>	<b>177,902</b>
Compensation for loss of office or early retirement	-	-	25	-	-	-	25	22
Pensions to former board employees	-	-	62	-	413	-	475	507
<b>TOTAL</b>	<b>444</b>	<b>86</b>	<b>184,959</b>	<b>3,216</b>	<b>528</b>	<b>(552)</b>	<b>188,681</b>	<b>178,431</b>
Included in the total staff costs above were costs of staff engaged directly on capital projects, charged to capital expenditure of:							nil	274
Whole time equivalent (WTE)	3	2	4,497	5	2	(12)	4,497	4,473
Included in the total staff numbers above were staff engaged directly on capital projects, charged to capital expenditure of:							nil	7
Included in the total staff numbers above were disabled staff of:							87	83
Included in the total staff numbers above were Special Advisers of:							nil	nil

## Staff Composition

	2017/18			2016/17		
	Male	Female	Total	Male	Female	Total
Executive Directors	2	1	3	3	1	4
Non-Executive Directors and Employee Director	5	4	9	5	4	9
Senior Employees	-	2	2	-	2	2
Other	2,960	1,969	4,929	2,886	1,878	4,764
<b>Total Headcount</b>	<b>2,967</b>	<b>1,976</b>	<b>4,943</b>	<b>2,894</b>	<b>1,885</b>	<b>4,779</b>

## Sickness Absence Data

	2017/18	2016/17
Sickness Absence Rate	7.6%	7.6%

### Note

Absence level for the 2016/17 performance year was 7.6%, which included an exceptional period of short term absence related to winter illnesses in quarter 3 & 4. This has subsequently reduced, with actions introduced to address the rise continuing as we focus on sustained improvement.



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 on a website maintained by or on behalf of the employer before 31st July each year. We intend to publish this data at the following link: [www.scottishambulance.com](http://www.scottishambulance.com)

Requirements for the data to be disclosed within the annual report and accounts was unclear at the time of issue. The Cabinet Office published supporting guidance on 2 June 2018 which has clarified the data should be disclosed. Due to the timing of this confirmation, we were unable to collate reliable data to publish within the 2017/18 annual report and accounts therefore we will publish from 2018/19 onwards.

#### **Staff policies applied during the financial year relating to the employment of disabled persons**

##### **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 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 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

Exit Package Cost Band	2017/18			2016/17		
	Number of Compulsory Redundancies	Number of departures agreed	Total Number of exit packages by cost band	Number of Compulsory Redundancies	Number of departures agreed	Total Number of exit packages by cost band
<£10,000	0	0	0	0	2	2
£10,000 - £25,000	0	1	1	0	1	1
£25,000 - £50,000	0	0	0	0	0	0
£50,000 - £100,000	0	0	0	0	0	0
£100,000 - £150,000	0	0	0	0	0	0
>£200,000	0	0	0	0	0	0
Total Number of exit packages by type	0	1	1	0	3	3
<b>Total resource cost (£'000)</b>	<b>0</b>	<b>25</b>	<b>25</b>	<b>0</b>	<b>22</b>	<b>22</b>

All settlements agreed by the Scottish Ambulance Service are in accordance with Scottish Government Guidance.

## Parliamentary Accountability Report

### 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 2017/18 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: 27 June 2018

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

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 approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

## 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 for the year ended 31 March 2018 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Summary of Resource Outturn, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flow, 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 2017/18 Government Financial Reporting Manual (the 2017/18 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 board's affairs as at 31 March 2018 and of its 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 2017/18 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)). 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 are independent of the board 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Conclusions relating to going concern basis of accounting

We have 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.

### 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 board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

## Auditor's responsibilities for the audit of the financial statements

Our objectives are to achieve 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.

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.

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

110 Queen Street, Glasgow G1 3BX  
United Kingdom

28 June 2018

# Financial Statements

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

2017 £'000		Note	2018 £'000
178,431	Staff costs	3a	188,681
	Other operating expenditure	3b	
11,678	Vehicle Running Costs		11,624
13,647	Air Ambulance Costs		14,727
7,310	Property Running Costs		7,583
4,030	Medical Costs		4,714
34,718	Other health care expenditure		32,041
<b>249,814</b>	<b>Gross expenditure for the year</b>		<b>259,370</b>
(8,680)	Less: operating income	4	(8,492)
<b>241,134</b>	<b>Net expenditure for the year</b>		<b>250,878</b>

### Other comprehensive net expenditure

2017 £'000		2018 £'000
(290)	Net (gain) / loss on revaluation of property, plant and equipment	(196)
(290)	Other comprehensive expenditure	(196)
<b>240,844</b>	<b>Comprehensive net expenditure</b>	<b>250,682</b>

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

The presentation of the Consolidated Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which better reflects the activities of the Scottish Ambulance Service. The comparative information in respect of 2016-17 has been presented above in the new format. Details of changes to the presentation of the Statement of Comprehensive Net Expenditure are disclosed in Note 18.



## Summary of resource outturn

Summary of core revenue resource outturn		2018	2018
	Note	£'000	£'000
<b>Net Operating Costs</b>	<b>SoCNE</b>		<b>250,878</b>
Total Non Core Expenditure (see below)			(15,622)
Donated Assets Income	2a		50
Endowment Net Operating Costs			77
<b>Total Core Expenditure</b>			<b>235,383</b>
Core Revenue Resource Limit			235,383
<b>Saving/(excess) against Core Revenue Resource Limit</b>			<b>0</b>

Summary of non core revenue resource outturn		2018	2018
	Note	£'000	£'000
Depreciation/Amortisation		13,999	
Annually Managed Expenditure - Impairments		(432)	
Annually Managed Expenditure - Creation of Provisions		532	
Annually Managed Expenditure - Depreciation of Donated Assets	2a	75	
Additional SGHSCD non-core funding		1,448	
<b>Total Non Core Expenditure</b>			<b>15,622</b>
Non Core Revenue Resource Limit			15,622
<b>Saving against Non Core Revenue Resource Limit</b>			<b>0</b>

Summary resource outturn	Resource	Expenditure	Saving
	£'000	£'000	£'000
Core	235,383	235,383	
Non Core	15,622	15,622	0
<b>Total</b>	<b>251,005</b>	<b>251,005</b>	<b>0</b>

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

The financial statements on pages 38 to 76 were approved by the Board on 27 June 2018 and signed on their behalf by

Director of Finance

Chief Executive

## Consolidated Summary of Financial Position

Consolidated 2017 £'000	Board 2017 £'000		Note	Consolidated 2018 £'000	Board 2018 £'000
<b>Non-Current Assets</b>					
80,852	80,852	Property, plant and equipment	7c	86,408	86,408
1,062	1,062	Intangible assets	6	2,004	2,004
		Financial assets:			
3,516	3,516	Trade and other receivables	9	3,606	3,606
<b>85,430</b>	<b>85,430</b>	<b>Total non-current assets</b>		<b>92,018</b>	<b>92,018</b>
<b>Current Assets</b>					
157	157	Inventories	8	126	126
		Financial assets:			
18,133	18,072	Trade and other receivables	9	22,008	22,008
696	60	Cash and cash equivalents	10	787	60
85	85	Assets classified as held for sale	7b	115	115
<b>19,071</b>	<b>18,374</b>	<b>Total current assets</b>		<b>23,036</b>	<b>22,309</b>
<b>104,501</b>	<b>103,804</b>	<b>Total assets</b>		<b>115,054</b>	<b>114,327</b>
<b>Current liabilities</b>					
(2,771)	(2,771)	Provisions	12a	(2,803)	(2,803)
		Financial liabilities:			
(20,489)	(20,402)	Trade and other payables	11	(19,494)	(19,454)
<b>(23,260)</b>	<b>(23,173)</b>	<b>Total current liabilities</b>		<b>(22,297)</b>	<b>(22,257)</b>
<b>81,241</b>	<b>80,631</b>	<b>Non-current assets plus / less net current assets / liabilities</b>		<b>92,757</b>	<b>92,070</b>
<b>Non-current liabilities</b>					
(14,153)	(14,153)	Provisions	12a	(14,968)	(14,968)
<b>(14,153)</b>	<b>(14,153)</b>	<b>Total non-current liabilities</b>		<b>(14,968)</b>	<b>(14,968)</b>
<b>67,088</b>	<b>66,478</b>	<b>Assets less liabilities</b>		<b>77,789</b>	<b>77,102</b>
<b>Taxpayers' Equity</b>					
61,988	61,988	General fund	SOCTE	72,976	72,976
4,490	4,490	Revaluation reserve	SOCTE	4,126	4,126
610	0	Other reserves	SOCTE	687	0
<b>67,088</b>	<b>66,478</b>	<b>Total taxpayers' equity</b>		<b>77,789</b>	<b>77,102</b>

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

The financial statements on pages 38 to 76 were approved by the Board on 27 June 2018 and signed on their behalf by

## Consolidated Statement of Cash Flow

Restated 2017 £'000	Note	2018 £'000	2018 £'000
<b>Cash flows from operating activities</b>			
(241,134) Net expenditure	SoCTE	(250,878)	
13,173 Adjustments for non-cash transactions	2a	14,538	
71 Add back: interest payable recognised in net operating expenditure	2b	(246)	
(1) Deduct: interest receivable recognised in net operating expenditure	4	(1)	
(2,108) Movements in working capital	2c	650	
<b>(229,999) Net cash outflow from operating activities</b>	<b>21c</b>		<b>(235,937)</b>
<b>Cash flows from investing activities</b>			
(14,472) Purchase of property, plant and equipment		(26,155)	
(179) Purchase of intangible assets		(89)	
264 Proceeds of disposal of property, plant and equipment		642	
1 Interest received		1	
<b>(14,386) Net cash outflow from investing activities</b>	<b>21c</b>		<b>(25,601)</b>
<b>Cash flows from financing activities</b>			
244,495 Funding	SoCTE	261,383	
244,495 Cash drawn down		261,383	
(71) Unwinding of discount		246	
<b>244,424 Net Financing</b>	<b>21c</b>		<b>261,629</b>
39 <b>Net Increase / (decrease) in cash and cash equivalents in the period</b>			<b>91</b>
657 <b>Cash and cash equivalents at the beginning of the period</b>			<b>696</b>
<b>696 Cash and cash equivalents at the end of the period</b>			<b>787</b>
<b>Reconciliation of net cash flow to movement in net debt/cash</b>			
39 Increase / (decrease) in cash in year	10		91
657 Net debt / cash at 1 April			696
<b>696 Net debt / cash at 31 March</b>			<b>787</b>

The Notes to the Accounts, numbered 1 to 21, 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 2017		61,988	4,490	610	67,088
<b>Changes in taxpayers' equity for 2017/18</b>					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a	0	196	0	196
Impairment of property, plant and equipment		0	(960)	0	(960)
Revaluation & impairments taken to operating costs		0	960	0	960
Transfers between reserves	CFS	560	(560)	0	0
Net operating cost for the year		(250,955)		77	(250,878)
<b>Total recognised income and expense for 2017/18</b>		<b>(250,395)</b>	<b>(364)</b>	<b>77</b>	<b>(250,682)</b>
<b>Funding:</b>					
Drawn down	CFS	261,383	0	0	261,383
<b>Balance at 31 March 2018</b>	SoFP	<b>72,976</b>	<b>4,126</b>	<b>687</b>	<b>77,789</b>

Prior year	Note	General Fund £'000	Revaluation Reserve £'000	Funds Held on Trust £'000	Total Reserves £'000
Balance at 31 March 2016		58,200	4,673	564	63,437
<b>Changes in taxpayers' equity for 2016/17</b>					
Net gain / (loss) on revaluation / indexation of property, plant and equipment	7a		290		290
Impairment of property, plant and equipment		0	(343)	0	(343)
Revaluation & impairments taken to operating costs		0	343	0	343
Transfers between reserves		473	(473)	0	0
Net operating cost for the year	CFS	(241,180)	0	46	(241,134)
<b>Total recognised income and expense for 2016/17</b>		<b>(240,707)</b>	<b>(183)</b>	<b>46</b>	<b>(240,844)</b>
<b>Funding:</b>					
Drawn down	CFS	244,495	0	0	244,495
<b>Balance at 31 March 2017</b>	SoFP	<b>61,988</b>	<b>4,490</b>	<b>610</b>	<b>67,088</b>

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

# Notes To The Accounts

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## 1. Accounting Policies

### 1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury and Health Board manual for accounts, 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 29 below.

### Standards, Amendments and Interpretations of International Accounting Standards in 2017/18

There are no new relevant accounting standards, or amendments or interpretations of standards effective for the first time and no early adoptions thereof in 2017/18.

IFRS 16 Leases was published by the International Accounting Standards Board in January 2016, which is applicable for accounting periods beginning on or after 1 January 2019. This means that the standard will be effective for the first time for the year ending 31 March 2020.

The standard requires leases to be recognised in the Statement of Financial Position as “right of use” assets with a corresponding liability for future lease payments. As at the date of authorisation of these financial statements, IFRS 16 has not been adopted for use in the public sector and has not been included in the FReM. As such, it is not yet feasible to quantify the impact of the standard accurately.

## 2. Basis of Consolidation

In accordance with IAS 27 – Consolidated and Separate 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 is Merger Accounting. Any intra-group transactions or balances between the Board and the Endowment Fund have been eliminated on consolidation.

Note 21 to the Annual Accounts details how these consolidated financial statements have been prepared.

## 3. Re-presentation of Comparatives

The presentation of the Consolidated Statement of Net Expenditure has been changed following a review of the financial statements in order to provide information that better reflects the activities of the Board. The comparative figures in respect of 2016/17 have been presented in the new format.

## 4. Going Concern

The principal risks and uncertainties faced by the Board are outlined in the Strategic Report and addressed within the Governance Statement. The main factor which would affect going concern is the level of government funding. The budget for the 2018/19 year has been approved and we foresee no funding issues in the immediate future. Therefore the accounts are prepared on a going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.



## 5. Accounting Convention

The accounts are prepared on a historical cost basis, as modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale financial assets and financial assets and liabilities (including derivative instruments) at fair value.

## 6. Funding

Most of the expenditure of the Health Board as Provider 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 full or part in the following financial year, the element relating to the future period 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.

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.

## 7. 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.

### 7.1 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:

1. 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;
2. In cases where a new station 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; and
3. 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.

### 7.2 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 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 existing use 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. To meet the underlying objectives established by the Scottish Government, the following accepted variation of the RICS Appraisal and Valuation Manual has 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;

- 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); and
- Assets under construction are valued at historic cost.

### 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 any 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.

Decreases in asset values and 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.

Gains and losses recognised in the revaluation exercise are reported in the Statement of Other Comprehensive Expenditure.

## 7.3 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:

1. Freehold land is considered to have an infinite life and is not depreciated.
2. Assets in the course of construction and residual interests in off-balance sheet PFI contract assets are not depreciated until the asset is brought into use or reverts to the Board, respectively.
3. Property, Plant and Equipment which has been reclassified as 'Held for Sale' ceases to be depreciated upon the reclassification.

4. 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.
5. Equipment is depreciated over the estimated life of the asset.
6. 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>	
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
<b>Plant &amp; Machinery</b>	
Medical Equipment	5-10
Mechanical	7-30
Furniture and furnishings	10
Fixtures and Fittings	4-17

## 8. Intangible Assets

### 8.1 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 which 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.

### 8.2 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 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.

Decreases in asset values and 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. Permanent impairments are charged to the Statement of Changes in Taxpayers' Equity.

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.

### 8.3 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:

1. Internally generated intangible assets; amortised on a systematic basis over the period expected to benefit from the project.
2. Software; amortised over their expected useful lives.
3. Software licences; amortised over the shorter term of the licence and their useful economic lives.
4. Other intangible assets; amortised over their expected useful lives.
5. Intangible assets which have been reclassified as 'Held for Sale' cease 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

### 9. 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.

## 10. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Balance Sheet, 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.

## 11. 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.

## 12. Leasing

### Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. The value at which both are recognised is the lower of the fair value of the asset or the present value of the minimum lease payments, discounted using the interest rate implicit in the lease. The implicit interest rate is that which produces a constant periodic rate of interest on the outstanding liability. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The annual rental

is split between the repayment of the liability and a finance cost. The annual finance cost is calculated by applying the implicit interest rate to the outstanding liability and is charged to interest payable in the Statement of Comprehensive Net Expenditure.

### 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.

## 13. 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 Statement of Comprehensive Net Expenditure are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

## 14. 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.



## 15. 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.

## 16. 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.

## 17. 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. Details of the most recent actuarial valuation which took place in the year to 31 March 2012, are published by the Scottish Public Pensions Agency.

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.

## 18. 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.

As a result of participation in the CNORIS scheme, the Service 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 Note 12 to the accounts.

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

## 19. Related Party Transactions

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

## 20. 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.



## 21. 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.

## 22. 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.

## 23. 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.

## 24. Financial Instruments

### Financial assets

#### Classification

The Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

Financial assets at fair value through profit or loss comprise derivatives. Assets in this category are

classified as current assets. The Board does not trade in derivatives and does not apply hedge accounting.

#### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the balance sheet.

#### (c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

### 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) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are

considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the Statement of Comprehensive Net Expenditure. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the Statement of Comprehensive Net Expenditure.

#### (c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity in other reserves. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the Statement of Comprehensive Net Expenditure. Dividends on available-for-sale equity instruments are recognised in the Statement of Comprehensive Net Expenditure when the Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the Statement of Comprehensive Net Expenditure. Impairment losses recognised in the Statement of Comprehensive Net Expenditure on equity instruments are not reversed through the income statement.

### Financial Liabilities

#### Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were

issued. Management determines the classification of its financial liabilities at initial recognition.

#### (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 Board does not trade in derivatives and does not apply hedge accounting.

#### (b) Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. The Board's other financial liabilities comprise trade and other payables in the balance sheet.

### Recognition and measurement

Financial liabilities are recognised when the Board becomes party to the contractual provisions of the financial instrument. A financial liability is removed from the balance sheet 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) Other financial liabilities

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

### 25. 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 relate to the analysis of income and expenditure shown in notes 3 and 4, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

## 26. 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.

## 27. 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 balance sheet 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.

## 28. Third Party Assets

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

However, they are disclosed in a separate note to the accounts in accordance with the requirements of HM Treasury's Financial Reporting Manual.

## 29. 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 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 uses judgement to assess the relative years in which future liabilities fall.

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

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

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

## 2. Notes To The Cash Flow Statement

### 2a. Consolidated adjustments for non-cash transactions

2017 £'000		Note	2018 £'000
<b>Expenditure Not Paid In Cash</b>			
12,590	Depreciation	7a	13,644
410	Amortisation	6	355
69	Depreciation Donated Assets	7a	75
1,173	Impairments on PPE charged to SOCNE		1,522
(830)	Reversal of impairments on PPE charged to SOCNE		(560)
0	(Gain) on re-measurement of non-current assets held for sale	7b	(2)
(50)	Funding Of Donated Assets	7a	(50)
(189)	Loss / (profit) on disposal of property, plant and equipment		(446)
<b>13,173</b>	<b>Total Expenditure Not Paid In Cash</b>	<b>CFS</b>	<b>14,538</b>

### 2b. Interest payable recognised in operating expenditure

2017 £'000		Note	2018 £'000
<b>Interest payable</b>			
3	Bank and other interest payable		0
68	Provisions - Unwinding of discount		(246)
<b>71</b>	<b>Net interest payable</b>	<b>CFS</b>	<b>(246)</b>

## 2c. Consolidated movements in working capital

2017 Net Movement £'000		Note	Opening Balances £'000	Closing Balances £'000	2018 Net Movement £'000
<b>Inventories</b>					
(21)	Balance Sheet	8	157	126	
<b>(21)</b>	<b>Net Decrease</b>				<b>31</b>
<b>Trade And Other Receivables</b>					
(2,336)	Due within one year	9	18,133	22,008	
(479)	Due after more than one year	9	3,516	3,606	
(2,815)			21,649	25,614	
<b>(2,815)</b>	<b>Net Decrease/(Increase)</b>				<b>(3,965)</b>
<b>Trade And Other Payables</b>					
5,201	Due within one year	11	20,489	19,494	
(8,388)	Less: Property, Plant & Equipment (Capital) included in above		(8,388)	(3,656)	
0	Less: General Fund Creditor included in above	11	(60)	(60)	
			12,041	15,778	
<b>(3,187)</b>	<b>Net (Decrease)/Increase</b>				<b>3,737</b>
<b>Provisions</b>					
3,922	Statement of Financial Position	12a	16,924	17,771	
			16,924	17,771	
<b>3,922</b>	<b>Net decrease</b>				<b>847</b>
<b>(2,101)</b>	<b>Net movement (decrease) / increase</b>	CFS			<b>650</b>

## 3. Operating Expenses

### 3a. Staff costs

2017 Total £'000		Note	2018 Board £'000	2018 Consolidated £'000
178,431	Other Staff		188,681	188,681
<b>178,431</b>	<b>Total</b>	SoCNE	<b>188,681</b>	<b>188,681</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

2017 Total £'000		Note	2018 Board £'000	2018 Consolidated £'000
11,678	Vehicle Running Costs	SoCNE	11,624	11,624
13,647	Air Ambulance Costs	SoCNE	14,727	14,727
7,310	Property Running Costs	SoCNE	7,583	7,583
4,030	Medical Costs	SoCNE	4,714	4,714
<b>36,665</b>	<b>Total</b>	SoCNE	<b>38,648</b>	<b>38,648</b>
<b>Other health care expenditure</b>				
12	Loss on disposal of assets		0	0
34,478	Other operating expenses		31,651	31,651
77	External auditor's remuneration - statutory audit fee		76	76
151	Endowment Fund expenditure		0	314
<b>34,718</b>	<b>Total</b>	SoCNE	<b>31,727</b>	<b>32,041</b>
<b>71,383</b>	<b>Total Other Operating Expenditure</b>		<b>70,375</b>	<b>70,689</b>

### 4. Operating Income

2017 Total £'000		Note	2018 Board £'000	2018 Consolidated £'000
190	Income from Scottish Government		4	4
4,452	Income from other NHS Scotland bodies		4,383	4,383
63	Income from NHS non-Scottish bodies		16	16
899	Income from private patients		940	940
50	Donations		50	50
201	Profit on disposal of assets		446	446
673	Contributions in respect of clinical and medical negligence claims		434	434
	Interest received	CFS	0	1
<b>Non NHS:</b>				
	Overseas patients (non-reciprocal)			
684	Non-patient care income generation schemes		641	641
197	Endowment Fund Income			390
1,271	Other		1,186	1,186
<b>8,680</b>	<b>Total Income</b>	SoCNE	<b>8,101</b>	<b>8,492</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	Endowment £'000	2018 £'000
Net operating cost	31,842	51,276	71,783	96,054	(77)	250,878

## 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	Endowment £'000	2017 £'000
Net operating cost	32,233	52,079	72,689	84,179	(46)	241,134

## 6. Intangible Assets - Consolidated And Board

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation:</b>					
As at 1st April 2017		1,355	8,319	0	9,674
Additions		22	67	0	89
Completions		0	1,208	(1,208)	0
Transfers between asset categories		0	0	1,208	1,208
<b>At 31st March 2018</b>		<b>1,377</b>	<b>9,594</b>	<b>0</b>	<b>10,971</b>
<b>Amortisation</b>					
As at 1st April 2017		696	7,916	0	8,612
Provided during the year	2a	201	154	0	355
<b>At 31st March 2018</b>		<b>897</b>	<b>8,070</b>	<b>0</b>	<b>8,967</b>
<b>Net Book Value at 1st April 2017</b>		<b>659</b>	<b>403</b>	<b>0</b>	<b>1,062</b>
<b>Net Book Value at 31 March 2018</b>	SoFP	<b>480</b>	<b>1,524</b>	<b>0</b>	<b>2,004</b>

## Prior Year

	Note	Software Licences £'000	IT - software £'000	Assets Under Development £'000	Total £'000
<b>Cost or Valuation:</b>					
As at 1st April 2016		1,208	8,249	38	9,495
Additions		147	32	0	179
Completions		0	38	(38)	0
<b>At 31st March 2017</b>		<b>1,355</b>	<b>8,319</b>	<b>0</b>	<b>9,674</b>
<b>Amortisation</b>					
As at 1st April 2016		513	7,689	0	8,202
Provided during the year	2a	183	227	0	410
<b>At 31st March 2017</b>		<b>696</b>	<b>7,916</b>	<b>0</b>	<b>8,612</b>
<b>Net Book Value at 1st April 2016</b>		<b>695</b>	<b>560</b>	<b>38</b>	<b>1,293</b>
<b>Net Book Value at 31 March 2017</b>	SoFP	<b>659</b>	<b>403</b>	<b>0</b>	<b>1,062</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
<b>Cost or Valuation:</b>									
At 1 April 2017		4,826	22,772	79,668	13,348	14,628	2,222	13,224	150,688
Additions - purchased		0	130	551	155	203	109	20,275	21,423
Additions - donated		0	0	0	50	0	0	0	50
Completions		0	0	18,631	330	297	935	(20,193)	0
Transfers between asset categories		0	(3,776)	(134)	181	0	3,729	(1,208)	(1,208)
Transfers between asset categories		(48)	(67)	0	0	0	0	0	(115)
Revaluations		9	13	0	78	0	0	0	100
Impairment charges		0	(130)	(293)	0	0	0	0	(423)
Impairment reversals		3	38	0	0	0	0	0	41
Disposals - purchased		0	0	(16,526)	(256)	(6)	(84)	0	(16,872)
<b>At 31 March 2018</b>		<b>4,790</b>	<b>18,980</b>	<b>81,897</b>	<b>13,886</b>	<b>15,122</b>	<b>6,911</b>	<b>12,098</b>	<b>153,684</b>
<b>Depreciation</b>									
At 1 April 2017		0	228	48,092	9,657	10,666	1,193	0	69,836
Provided during the year - purchased		0	2,046	9,232	1,220	950	196	0	13,644
Provided during the year - donated		0	0	46	29	0	0	0	75
Transfers between asset categories		0	(1,579)	0	1	0	1,578	0	0
Transfers (to) / from non-current assets held for sale		0	(2)	0	0	0	0	0	(2)
Revaluations		0	(174)	0	78	0	0	0	(96)
Impairment charges		0	0	885	214	0	0	0	1,099
Impairment reversals		0	(519)	0	0	0	0	0	(519)
Disposals - purchased		0	0	(16,419)	(256)	(2)	(84)	0	(16,761)
<b>At 31 March 2018</b>		<b>0</b>	<b>0</b>	<b>41,836</b>	<b>10,943</b>	<b>11,614</b>	<b>2,883</b>	<b>0</b>	<b>67,276</b>
<b>Net book value at 1 April 2017</b>		<b>4,826</b>	<b>22,544</b>	<b>31,576</b>	<b>3,691</b>	<b>3,962</b>	<b>1,029</b>	<b>13,224</b>	<b>80,852</b>
<b>Net book value at 31 March 2018</b>	<b>SoFP</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>
Open Market Value of Land Included Above		0							
<b>Asset financing:</b>									
Owned - purchased		4,790	18,980	39,944	2,724	3,508	4,028	12,098	86,072
Owned - donated		0	0	117	219	0	0	0	336
<b>Net Book Value at 31 March 2018</b>	<b>SoFP</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>86,409</b>

## Prior Year

		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
<b>Cost or Valuation:</b>									
At 1 April 2018		4,794	22,993	72,771	13,373	13,103	2,356	4,688	134,078
Additions - purchased		0	0	9,483	587	292	96	12,402	22,860
Additions - donated		0	0	0	0	0	0	50	50
Completions		0	0	2,631	15	1,270	0	(3,916)	0
Transfers between asset categories		0	0	(67)	67	0	0	0	0
Transfers between asset categories		0	0	0	0	0	0	0	0
Revaluations		51	(127)	0	0	0	0	0	(76)
Impairment charges		0	(449)	(340)	(51)	(6)	0	0	(846)
Impairment reversals		6	355	0	0	0	0	0	361
Disposals - purchased		(25)	0	(4,810)	(643)	(31)	(230)	0	(5,739)
Disposals - donated		0	0	0	0	0	0	0	0
<b>At 31 March 2017</b>		<b>4,826</b>	<b>22,772</b>	<b>79,668</b>	<b>13,348</b>	<b>14,628</b>	<b>2,222</b>	<b>13,224</b>	<b>150,688</b>
<b>Depreciation</b>									
At 1 April 2016		0	525	42,909	8,978	9,670	1,267	0	63,349
Provided during the year - purchased		0	814	9,282	1,311	1,027	156	0	12,590
Provided during the year - donated		0	0	46	23	0	0	0	69
Asset Transfers (to) / from other SG Consolidation Entities		0	0	0	0	0	0	0	0
Transfers between asset categories		0	0	(36)	36	0	0	0	0
Transfers (to) / from non-current assets held for sale		0	0	0	0	0	0	0	0
Revaluations		0	(366)	0	0	0	0	0	(366)
Impairment charges		0	(276)	651	(48)	0	0	0	327
Impairment reversals		0	(469)	0	0	0	0	0	(469)
Disposals - purchased		0	0	(4,760)	(643)	(31)	(230)	0	(5,664)
Disposals - donated		0	0	0	0	0	0	0	0
<b>At 31 March 2017</b>		<b>0</b>	<b>228</b>	<b>48,092</b>	<b>9,657</b>	<b>10,666</b>	<b>1,193</b>	<b>0</b>	<b>69,836</b>
<b>Net book value at 1 April 2016</b>		<b>4,794</b>	<b>22,468</b>	<b>29,862</b>	<b>4,395</b>	<b>3,433</b>	<b>1,089</b>	<b>4,688</b>	<b>70,729</b>
<b>Net book value at 31 March 2017</b>	SoFP	<b>4,826</b>	<b>22,544</b>	<b>31,576</b>	<b>3,691</b>	<b>3,962</b>	<b>1,029</b>	<b>13,224</b>	<b>80,852</b>
Open Market Value of Land Included Above		0							
<b>Asset financing:</b>									
Owned - purchased		4,826	22,544	31,413	3,543	3,962	1,029	13,174	80,491
Owned - donated		0	0	163	148	0	0	50	361
<b>Net Book Value at 31 March 2017</b>	SoFP	<b>4,826</b>	<b>22,544</b>	<b>31,576</b>	<b>3,691</b>	<b>3,962</b>	<b>1,029</b>	<b>13,224</b>	<b>80,852</b>

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

The asset held for sale at 1 April 2017 was the former Falkirk Ambulance Station, which was sold on 4 December 2017. The asset held for sale at 31 March 2018 is the Dunfermline Ambulance Station.

	Note	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2017</b>		<b>85</b>	<b>85</b>
Transfers from property, plant and equipment		113	113
Gain or losses recognised on re-measurement of non-current assets held for sale	2a	2	2
Disposals of non-current assets held for sale		(85)	(85)
<b>At 31st March 2018</b>	SoFP	<b>115</b>	<b>115</b>

## Prior Year

	Note	Property, Plant & Equipment £'000	Total £'000
<b>At 1 April 2016</b>		<b>85</b>	<b>85</b>
Disposals of non-current assets held for sale			0
<b>At 31st March 2017</b>	SoFP	<b>85</b>	<b>85</b>

## 7c. Property, Plant And Equipment Disclosures

Consolidated 2017 £'000	Board 2017 £'000		Note	Consolidated 2018 £'000	Board 2018 £'000
		<b>Net book value of property, plant and equipment at 31 March</b>			
80,491	80,491	Purchased		86,072	86,072
361	361	Donated		336	336
<b>80,852</b>	<b>80,852</b>	<b>Total</b>	SoFP	<b>86,408</b>	<b>86,408</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 2017 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 of £756k (2016-17: an increase of £947k) of which £196k (2016/17 £290k) was credited to the revaluation reserve and £560k (2016/17 £657k) credited to the Statement of Comprehensive Net Expenditure. The net credit of £560k (£657k 2016/17) to the Statement of Comprehensive Net Expenditure was comprised reversal of impairment losses. (2016/17: £173k charged for impairment losses and £830k credited for reversal of impairment losses).

## 7d. Analysis Of Capital Expenditure - Summary Of Capital Resource Outturn

Consolidated 2017 £'000	Board 2017 £'000		Note	Consolidated 2018 £'000	Board 2018 £'000
<b>Expenditure</b>					
179	179	Acquisition of intangible assets	6	89	89
22,860	22,860	Acquisition of property, plant and equipment	7a	21,423	21,423
50	50	Donated asset additions	7a	50	50
		HUB			
<b>23,089</b>	<b>23,089</b>	<b>Gross Capital Expenditure</b>		<b>21,562</b>	<b>21,562</b>
<b>Income</b>					
0	0	Net book value of disposal of intangible assets	6	0	0
75	75	Net book value of disposal of property, plant and equipment	7a	111	111
0	0	Net book value of disposal of donated assets	7a	0	0
0	0	Value of disposal of non-current assets held for sale	7b	85	85
		HUB - repayment of investment			
50	50	Donated asset income		50	50
<b>125</b>	<b>125</b>	<b>Capital Income</b>		<b>246</b>	<b>246</b>
<b>22,964</b>	<b>22,964</b>	<b>Net Capital Expenditure</b>		<b>21,316</b>	<b>21,316</b>
22,964	22,964	Core capital expenditure included above		21,316	21,316
22,965	22,965	Core Capital Resource Limit		21,320	21,320
<b>1</b>	<b>1</b>	<b>Saving / (excess) against Core Capital Resource Limit</b>		<b>4</b>	<b>4</b>
0	0	Non core capital expenditure included above		0	0
0	0	Non core Capital Resource Limit		0	0
<b>0</b>	<b>0</b>	<b>Saving / (excess) against Non Core Capital Resource Limit</b>		<b>0</b>	<b>0</b>
22,964	22,964	Total capital expenditure		21,316	21,316
22,965	22,965	Total Capital Resource Limit		21,320	21,320
<b>1</b>	<b>1</b>	<b>Saving / (excess) against Total Capital Resource Limit</b>		<b>4</b>	<b>4</b>

## 8. Inventories – Consolidated And Board

2017 £'000		Note	Board 2018 £'000
157	Consumables		126
<b>157</b>	<b>Total</b>	SoFP	<b>126</b>



## 9. Trade And Other Receivables

Consolidated 2017 £'000	Board 2017 £'000		Note	Consolidated 2018 £'000	Board 2018 £'000
		<b>Receivables due within one year</b>			
		<b>NHS Scotland</b>			
4,540	4,540	Boards		6,487	6,487
<b>4,540</b>	<b>4,540</b>	<b>Total NHS Scotland Receivables</b>		<b>6,487</b>	<b>6,487</b>
19	19	NHS Non-Scottish Bodies		10	10
1,629	1,629	VAT recoverable		1,877	1,877
10,321	10,321	Prepayments		11,779	11,779
637	576	Accrued income		432	432
468	468	Other Receivables		563	563
400	400	Reimbursement of provisions		650	650
67	67	Other public sector bodies		210	210
52	52	Reimbursement of Accruals and Payments			
<b>18,133</b>	<b>18,072</b>	<b>Total Receivables due within one year</b>	SoFP	<b>22,008</b>	<b>22,008</b>
		<b>Receivables due after more than one year</b>			
702	702	Accrued income		734	734
(161)	(161)	Other receivables		(168)	(168)
2,975	2,975	Reimbursement of provisions		3,040	3,040
<b>3,516</b>	<b>3,516</b>	<b>Total Receivables due after more than one year</b>	SoFP	<b>3,606</b>	<b>3,606</b>
<b>21,649</b>	<b>21,588</b>	<b>TOTAL RECEIVABLES</b>		<b>25,614</b>	<b>25,614</b>
335	335	The total receivables figure above includes a provision for impairments of :		319	319
		<b>WGA Classification</b>			
4,540	4,540	NHS Scotland		6,487	6,487
1,688	1,688	Central Government Bodies		67	67
8	8	Whole of Government Bodies		7	7
19	19	Balances with NHS Bodies in England and Wales		10	10
15,394	15,333	Balances with bodies external to Government		19,043	19,043
<b>21,649</b>	<b>21,588</b>	<b>Total</b>		<b>25,614</b>	<b>25,614</b>
		Movements on the provision for impairment of receivables are as follows:			
272	272	At 1 April		335	335
170	170	Provision for impairment		116	116
(6)	(6)	Receivables written off during the year as uncollectible		(11)	(11)
(101)	(101)	Unused amounts reversed		(121)	(121)
335	335	At 31 March		319	319
		As of 31 March 2018, receivables with a carrying value of £319k (2017: £335k) were impaired and provided for. The ageing of these receivables is as follows:			
27	27	3 to 6 months past due		4	4
308	308	Over 6 months past due		315	315
<b>335</b>	<b>335</b>			<b>319</b>	<b>319</b>

		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 2018, receivables with a carrying value of £3,943 k (2017: £2,520k) were past their due date but not impaired. The ageing of receivables which are past due but not impaired is as follows:		
14	14	Up to 3 months past due	20	20
648	648	3 to 6 months past due	514	514
1,858	1,858	Over 6 months past due	3,409	3,409
<b>2,520</b>	<b>2,520</b>		<b>3,943</b>	<b>3,943</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		
16,713	16,713	Existing customers with no defaults in the past	18,809	18,809
<b>16,713</b>	<b>16,713</b>	<b>Total neither past due or impaired</b>	<b>18,809</b>	<b>18,809</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:		
21,649	21,588	Pounds	25,614	25,614
<b>21,649</b>	<b>21,588</b>		<b>25,614</b>	<b>25,614</b>
		All non-current receivables are due within 6 years (2016-17: 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 (2016-17: £Nil).		

## 10. Cash And Cash Equivalents

	Note	2018 £'000	2017 £'000
<b>At 1 April</b>		696	657
Net change in cash and cash equivalent balances	CFS	91	39
<b>At 31st March</b>	SoFP	<b>787</b>	<b>696</b>
<b>Total Cash - Cash Flow Statement</b>		<b>787</b>	<b>696</b>
The following balances at 31 March were held at:			
Government Banking Service		58	58
Commercial Banks and Cash in Hand		2	2
Endowment Cash		727	636
<b>At 31st March</b>		<b>787</b>	<b>696</b>

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## 12a. Provisions – Consolidated And Board

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2018 Total
	Note	£'000	£'000	£'000	£'000	£'000
At 1 April 2017		9,016	3,679	3,769	460	16,924
Arising during the year		203	667	1,353	306	2,529
Utilised during the year		(410)	(91)	(275)		(776)
Unwinding of discount	2b	22	(41)	(24)	(203)	(246)
Reversed unutilised		150	(86)	(518)	(206)	(660)
<b>At 31 March 2018</b>		<b>8,981</b>	<b>4,128</b>	<b>4,305</b>	<b>357</b>	<b>17,771</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 2018

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2018 Total
	Note	£'000	£'000	£'000	£'000	£'000
Payable in one year		413	1,038	995	357	2,803
Payable between 2 - 5 years		1,648	3,090	3,155		7,893
Payable between 6 - 10 years		2,050		132		2,182
Thereafter		4,870	0	23	0	4,893
<b>At 31 March 2018</b>		<b>8,981</b>	<b>4,128</b>	<b>4,305</b>	<b>357</b>	<b>17,771</b>

### Prior Year

		Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2018 Total
	Note	£'000	£'000	£'000	£'000	£'000
At 1 April 2016		8,041	3,132	1,492	337	13,002
Arising during the year		207	1,744	3,015	411	5,377
Utilised during the year		(402)	(85)	(232)	(163)	(882)
Unwinding of discount		1,269	(39)	(3)		1,227
Reversed unutilised		(99)	(1,073)	(503)	(125)	(1,800)
<b>At 31 March 2018</b>		<b>9,016</b>	<b>3,679</b>	<b>3,769</b>	<b>460</b>	<b>16,924</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 2017

Note	Pensions and similar obligations	Clinical & Medical Legal Claims against NHS Board	Participation in CNORIS	Other (non-endowment)	2018 Total
	£'000	£'000	£'000	£'000	£'000
Payable in one year	409	604	1,298	460	2,771
Payable between 2 - 5 years	1,627	3,075	2,321		7,023
Payable between 6 - 10 years	2,010		128		2,138
Thereafter	4,970	0	22	0	4,992
<b>At 31 March 2017</b>	<b>9,016</b>	<b>3,679</b>	<b>3,769</b>	<b>460</b>	<b>16,924</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 0.10% as at the balance sheet date. As at the balance sheet date the life expectancy varied between ten years and thirty-nine 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 are not discounted as they have all been estimated as likely to settle within twelve months of the balance sheet date.

### Other (non-endowment)

Provision has been made for insurance reserve 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)

2017			2018
£'000		Note	£'000
3,679	Provision recognising individual claims against the NHS Board as at 31 March	13a	4,128
(3,375)	Associated CNORIS receivable at 31 March	9	(3,690)
3,769	Provision recognising the NHS Board's liability from participating in the scheme at 31 March	12a	4,305
<b>4,073</b>	<b>Net Total Provision relating to CNORIS at 31 March</b>		<b>4,743</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

2017 £'000		2018 £'000
	<b>Nature</b>	
3,460	Clinical and medical compensation payments	3,545
900	Employer's liability	993
<b>4,360</b>	<b>Total contingent liabilities</b>	<b>4,538</b>
<p>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 2018 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 £3.55m and Employer's Liability claims with an estimated value of £0.99m, which have not been provided for as they have been judged unlikely to result in any settlement.</p>		

### 13b. Contingent Assets

2017 £'000		2018 £'000
3,375	Clinical and medical compensation payments	3,500
385	Employer's liability	348
<b>3,760</b>	<b>Total contingent liabilities</b>	<b>3,848</b>
<p>A contingent asset consisting of amounts recoverable from the CNORIS scheme associated with the contingent liability disclosed above, £3.5m for Clinical and Medical Negligence and £0.39m for Employer's Liability compensation payments would be receivable if these claims were to be settled at their current estimated value.</p>		

### 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

2017 £'000		Property, plant and equipment £'000	2018 Total £'000
<b>Capital Commitments</b>			
The Board has the following Capital Commitments which have not been included for in the accounts			
<b>Contracted</b>			
11,407	Vehicles	7,938	7,938
75	Building works	33	33
20	Vehicle charging points	10	10
394	Dunfermline	0	0
<b>11,896</b>	<b>Total</b>	<b>7,981</b>	<b>7,981</b>
<b>Authorised but not Contracted</b>			
46,518	Vehicles	31,880	31,880
0	Property	30	30
0	Information Technology	29	29
<b>46,518</b>	<b>Total</b>	<b>31,939</b>	<b>31,939</b>

## 16. Commitments Under Leases

2017 £'000		2018 £'000
<b>Operating Leases</b>		
Total future minimum lease payments under operating leases are given in the table below for the each of the following periods:		
<b>Obligations under operating leases comprise: Land</b>		
218	Not later than one year	204
137	Later than one year, not later than 2 years	160
378	Later than two years, not later than five years	454
947	Later than five years	810
<b>Buildings</b>		
1,060	Not later than one year	1,028
864	Later than one year, not later than 2 years	884
2,461	Later than two years, not later than five years	2,519
6,078	Later than five years	5,143
<b>Other</b>		
3,925	Not later than one year	3,838
3,740	Later than one year, not later than 2 years	3,756
3,788	Later than two years, not later than five years	179
<b>Amounts charged to Operating Costs in the year were:</b>		
3,888	Hire of equipment (including vehicles)	4,006
1,604	Other operating leases	1,537
<b>5,492</b>	<b>Total</b>	<b>5,543</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 new NHS Pension Scheme (Scotland) 2015

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

### The existing NHS Superannuation Scheme (Scotland)

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

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

Further information is available on the Scottish Public Pensions Agency (SPPA) web site at [www.sppa.gov.uk](http://www.sppa.gov.uk)

### 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 £5,876 up to £45,000, 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 2018	3%	2%	5%
1st October 2019	5%	3%	8%

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

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

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

	2018 £'000	2017 £'000
Pension cost charge for the year	17,443	17,970
Provisions / liabilities / prepayments included in the Statement of Financial Position	2	3

## 18. Presentation Of The Statement Of Consolidated Net Expenditure

The presentation of the Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which is more reliable and better reflects the activities of the Scottish Ambulance Service. The comparative information in respect of 2016-17 has been presented in the new format in the SoCNE. The comparative information in respect of 2016-17 has been restated. Details of the restatement can be found in Note 21.

Changes to the presentation of the SoCNE affect expenditure and income categories. Staff costs and expenditure on drugs and medical supplies have been removed from previous expenditure categories and are now shown on the face of the SoCNE. This provides greater transparency over the nature of the Scottish Ambulance Service's expenditure. Further information on the composition of expenditure categories is disclosed in Note 3.

Income is now shown as a single figure. Further details are disclosed in Note 4.

<b>2016-17 expenditure as published</b>	<b>2017</b>
Hospital and Community	240,888
Family Health	
Administration Costs	1,936
Other Non-Clinical Services	6,990
<b>Gross expenditure for the year</b>	<b>249,814</b>
<b>2016-17 expenditure conforming to the new presentation</b>	<b>2017</b>
Staff Costs	178,431
Other expenditure	
Vehicle Running Costs	11,678
Air Ambulance Costs	13,647
Property Running Costs	7,310
Medical Costs	4,030
Other health care expenditure	34,718
<b>Gross expenditure for the year</b>	<b>249,814</b>
<b>Movement in gross expenditure for the year</b>	<b>0</b>
<b>2016-17 income as published</b>	<b>2017</b>
Hospital and Community	6,586
Family Health	
Administration Costs	
Other Non-Clinical Services	2,094
<b>Gross expenditure for the year</b>	<b>8,680</b>
<b>2016-17 expenditure conforming to the new presentation</b>	<b>2017</b>
Operating income	8,680
<b>Gross expenditure for the year</b>	<b>8,680</b>
<b>Movement in gross expenditure for the year</b>	<b>0</b>

## 19. Financial Instruments

### 19a. Financial Instruments By Category

#### Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2018</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,781	1,781
Cash and cash equivalents	10	787	787
		<u>2,568</u>	<u>2,568</u>

#### Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2018</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,781	1,781
Cash and cash equivalents	10	60	60
		<u>1,841</u>	<u>1,841</u>

### Prior Year

#### Financial Assets - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2017</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,784	1,784
Cash and cash equivalents	10	696	696
		<u>2,480</u>	<u>2,480</u>

#### Financial Assets - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2017</b>			
<b>Assets per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	9	1,723	1,723
Cash and cash equivalents	10	60	60
		<u>1,783</u>	<u>1,783</u>

## Financial Liabilities - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2018</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	17,756	17,756
		<hr/>	<hr/>
		<b>17,756</b>	<b>17,756</b>
		<hr/>	<hr/>

## Financial Liabilities - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2018</b>			
<b>Liabilities per balance sheet</b>			
Trade and other receivables excluding prepayments, reimbursements of provisions and VAT recoverable.	11	17,716	17,716
		<hr/>	<hr/>
		<b>17,716</b>	<b>17,716</b>
		<hr/>	<hr/>

## Prior Year

## Financial Liabilities - Consolidated

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2017</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	19,352	19,352
		<hr/>	<hr/>
		<b>19,352</b>	<b>19,352</b>
		<hr/>	<hr/>

## Financial Liabilities - Board

	Note	Loans and Receivables £'000	Total £'000
<b>At 31 March 2017</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security) and superannuation	11	19,276	19,276
		<hr/>	<hr/>
		<b>19,276</b>	<b>19,276</b>
		<hr/>	<hr/>



## 19b. Financial Risk Factors

### Exposure to Risk

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

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

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

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

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

#### i) Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

#### ii) Liquidity Risk

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

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

	Less than 1 year £'000
<b>As At 31 March 2018</b>	
Trade and other payables excluding statutory liabilities	17,716
<b>Total</b>	<b>17,716</b>

	Less than 1 year £'000
<b>At 31 March 2017</b>	
Trade and other payables excluding statutory liabilities	19,276
<b>Total</b>	<b>19,276</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.

### 19c. Fair Value Estimation

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

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

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

### 20. Related Party Transactions

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

### 21a. Consolidated Statement Of Comprehensive Net Expenditure

Group 2017 £'000		Note	Board 2018 £'000	Endowments 2018 £'000	Consolidated 2018 £'000
	<b>Total income and expenditure</b>				
178,431	Staff costs	3a	188,681		188,681
	Other operating expenditure	3b			
11,678	Vehicle Running Costs		11,624		11,624
13,647	Air Ambulance Costs		14,727		14,727
7,310	Property Running Co		7,583		7,583
4,030	Medical Costs		4,714		4,714
34,718	Other health care expendit		31,728	313	32,041
249,814	Gross expenditure for the year		259,057	313	259,370
(8,680)	Less: operating income	4	(8,102)	(390)	(8,492)
<b>241,134</b>	<b>Net Expenditure</b>		<b>250,955</b>	<b>(77)</b>	<b>250,878</b>

## 21b. Consolidated Statement Of Financial Position

Group 2017 £'000		Note	Board 2018 £'000	Endowment 2018 £'000	Consolidated 2018 £'000
<b>Non-current assets</b>					
80,852	Property, plant and equipment	SoFP	86,408	0	86,408
1,062	Intangible assets	SoFP	2,004	0	2,004
3,516	Trade and other receivables	SoFP	3,606	0	3,606
<b>85,430</b>	<b>Total non-current assets</b>		<b>92,018</b>	<b>0</b>	<b>92,018</b>
<b>Current Assets</b>					
157	Inventories	SoFP	126	0	126
18,133	Trade and other receivables	SoFP	22,008	0	22,008
696	Cash and cash equivalents	SoFP	60	727	787
85	Assets classified as held for sale	SoFP	115	0	115
<b>19,071</b>	<b>Total current assets</b>		<b>22,309</b>	<b>727</b>	<b>23,036</b>
<b>104,501</b>	<b>TOTAL ASSETS</b>		<b>114,327</b>	<b>727</b>	<b>115,054</b>
<b>Current Liabilities</b>					
(2,771)	Provisions	SoFP	(2,803)	0	(2,803)
	Financial liabilities:				
(20,489)	Trade and other payables	SoFP	(19,454)	(40)	(19,494)
<b>(23,260)</b>	<b>Total Current Liabilities</b>		<b>(22,257)</b>	<b>(40)</b>	<b>(22,297)</b>
<b>Non-Current Assets Plus/Less Net Current Assets/Liabilities</b>					
<b>81,241</b>	<b>Assets/Liabilities</b>		<b>92,070</b>	<b>687</b>	<b>92,757</b>
<b>Non-current liabilities</b>					
(14,153)	Provisions	SoFP	(14,968)	0	(14,968)
<b>(14,153)</b>	<b>Total non-current liabilities</b>		<b>(14,968)</b>	<b>0</b>	<b>(14,968)</b>
<b>67,088</b>	<b>Assets less liabilities</b>		<b>77,102</b>	<b>687</b>	<b>77,789</b>
<b>Taxpayers' Equity</b>					
61,988	General Fund	SoFP	72,976	0	72,976
4,490	Revaluation Reserve	SoFP	4,126	0	4,126
610	Funds Held on Trust	SoFP	0	687	687
<b>67,088</b>	<b>Total taxpayers' equity</b>		<b>77,102</b>	<b>687</b>	<b>77,789</b>

## 21c. Consolidated Statement Of Cashflows

Consolidated 2017 £'000	Board 2018 £'000	Endowment 2018 £'000	Consolidated 2018 £'000
<b>Cash flows from operating activities</b>			
(241,134) Net operating expenditure	(250,955)	77	(250,878)
13,173 Adjustments for non-cash transactions	14,538		14,538
71 Add back: interest payable recognised in net operating expenditure	(246)		(246)
(1) Deduct: interest receivable recognised in net operating expenditure	0	(1)	(1)
(2,108) Movements in working capital	636	14	650
<b>(229,999) Net cash outflow from operating activities</b>	<b>(236,027)</b>	<b>90</b>	<b>(235,937)</b>
<b>Cash flows from investing activities</b>			
(14,472) Purchase of property, plant and equipment	(26,155)	0	(26,155)
(179) Purchase of intangible assets	(89)	0	(89)
264 Proceeds of disposal of property, plant and equipment	642	0	642
1 Interest received	0	1	1
<b>(14,386) Net cash outflow from investing activities</b>	<b>(25,602)</b>	<b>1</b>	<b>(25,601)</b>
<b>Cash flows from financing activities</b>			
244,495 Funding	261,383	0	261,383
244,495 Cash drawn down	261,383	0	261,383
(71) Interest paid	246	0	246
<b>244,424 Net Financing</b>	<b>261,629</b>	<b>0</b>	<b>261,629</b>
<b>39 Net Increase / (decrease) in cash and cash equivalents in the period</b>	<b>0</b>	<b>91</b>	<b>91</b>
657 <b>Cash and cash equivalents at the beginning of the period</b>	<b>60</b>	<b>636</b>	<b>696</b>
<b>696 Cash and cash equivalents at the end of the period</b>	<b>60</b>	<b>727</b>	<b>787</b>
<b>Reconciliation of net cash flow to movement in net cash</b>			
39 Increase in cash in year	0	91	91
657 Net cash at 1 April	60	636	696
<b>696 Net cash at 31 March</b>	<b>60</b>	<b>727</b>	<b>787</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 30 December 2002 is hereby revoked.



Signed by the authority of the Scottish Ministers

Dated 10/2/2006

# Acronyms

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ACC – Ambulance Control Centre  
BASICS – British Association for Immediate Care  
BCIS – Building Cost Information Service  
CARE – Career Average Re-valued Earnings  
CNORIS – Clinical Negligence and Other Risks Indemnity Scheme  
CPI – Consumer Prices Index  
DRC – Depreciated Replacement Cost  
EMRS – Emergency Medical Retrieval Service  
EU – European Union  
EUV – Existing Use Value  
FReM – Government Financial Reporting Manual  
IFRIC – International Financial Reporting Interpretations Committee  
IFRS – International Financial Reporting Standards  
IAS – International Accounting Standards  
IJB – Integrated Joint Board  
ISA – International Standards on Auditing  
NCRM – New Clinical Response Model  
NEST – National Employment Savings Trust  
NPA – Normal Pension Age  
OSCR – Office of the Charity Regulator of Scotland  
PAO – Principal Accountable Officer  
PFI – Public Finance Initiative  
PRINCE – Projects in Controlled Environments  
RICS – Royal Institution of Chartered Surveyors  
ROSC – Return of Spontaneous Circulation  
SCOTSTAR - Scottish Specialist Transport and Retrieval  
SGHSCD – Scottish Government Health and Social Care Directorate  
SoCNE – Statement of Consolidated Net Expenditure  
SORT – Specialist Operations Response Teams  
SPFM – Scottish Public Finance Manual  
SPPA – Scottish Public Pensions Agency  
WGA – Whole of Government Accounts