

NHS

**South Central
Ambulance Service**
NHS Foundation Trust



2022/23

Annual Report & Accounts

**SOUTH CENTRAL AMBULANCE SERVICE NHS FOUNDATION TRUST
ANNUAL REPORT AND ACCOUNTS 2022/23**

*Presented to Parliament pursuant to Schedule 7, paragraph 25 (4) (a) of the
National Health Service Act 2006.*

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WELCOME FROM CHAIR, PROFESSOR SIR KEITH WILLETT

I am pleased to introduce this 2022/23 Annual Report for the South Central Ambulance Service NHS Foundation Trust. This has been my first year with SCAS as Trust Chair and I have been delighted to meet many members of our staff who share the pride, can-do attitude, innovation and great caring that I came here expecting. That is all notwithstanding the very difficult times that all individuals in the organisation have lived and worked through as the pandemic stubbornly persisted, the reality of its lag impacts, and the demands of the recovery have become apparent.

The tremendous response and re-energisation by staff that we have witnessed I know does not betray the psychosocial consequences and exhaustion that will take longer to fade. The Board and the community we service pay tribute to all those in the SCAS family for that enduring commitment.

As I joined SCAS in April 2022, so began a difficult and important period of awakening and listening for all levels in the organisation as the Care Quality Commission began their inspection visits and reporting. The positives, and critically important, included the undeniable caring approach to our patients demonstrated by staff.

But we were found wanting, falling short in areas on safety, culture and leadership. Although the pandemic and the stretch to providing all eight national Covid, vaccine booking and pass services over the previous two years may have compounded the findings, it was important they were called out so that we could recognise and address those failings.

Much has happened since and, as this business year ends, I hope staff, patients and stakeholders will start to feel the changes that so many people are now working to secure. Some changes are straightforward like increased investment and larger teams in Safeguarding and Freedom to Speak Up; and better processes are already rectifying issues. But the important culture

change we must strive for will need to be owned by everyone, in every role, from Board through corporate to support and frontline staff; that is the collective priority for the coming year.

As a result of the CQC grading the Trust as inadequate overall we are now receiving support, from our host Integrated Care Board (Hampshire and the Isle of Wight) and the NHS England South East Region team, as part of the NHS Oversight Framework.

Maintaining high performance has been challenging across all NHS organisations and especially ambulance services this winter. We have been particularly impacted by delays in handing over patients to Emergency Departments as acute hospitals across our counties have struggled with available bed capacity and social care support packages; something well-covered in the national media.

Although not reaching our goal of the national ambulance response time standards, we have fared better than the majority throughout the years, a testament to our operational and support staff. Performance will be an NHS priority in 2023/24 but as a Trust, given the pressures on staff, we must give primacy to consider in our plans and decisions any impact on, or benefits gained for, SCAS staff and our valued volunteers across Patient Transport Service, NHS111, and 999 services.

A tremendous 3-year long achievement and success for which SCAS has been commended has been the national Covid Response Services, taken on as a national commission at the start of the pandemic. Thousands of additional call handlers and three and half thousand clinicians handled three million Covid-symptom calls on the front-end on NHS 111; at its peak managing 114,000 calls a day.

For the national vaccine services we dealt with 17.4 million calls, made 6.2 million vaccination bookings and handled 350,000 vaccine data resolution. As we close 2022/23, the last of these services pass to UK Health Security Agency, along with all the SCAS learning as a valuable national legacy for any future pandemic.

2022/23 has seen another substantial change in the NHS and local government architecture with the creation of Integrated Care Boards and Systems. We can expect a period of adjustment, but SCAS is recognised as their navigator for urgent and emergency care, and we look forward to working most constructively to secure our mission of the 'right care, first time, every time' for our patients and to share our values of 'caring, professionalism, innovation and teamwork'.

Finally, this year of change has included some notable retirements and others stepping back in many parts of the organisation including volunteers, staff, governors, Non-Executive and Executive Board members; I thank them all on behalf of SCAS for their enormous contributions over many years. Of those I must of course individually recognise the 17 years of outstanding commitment by Will Hancock in that most challenging role as our Chief Executive Officer. Will was charged with merging the four county ambulance services of Hampshire,

Buckinghamshire, Berkshire and Oxfordshire back in 2006, secured that sought-after Foundation NHS Trust status in 2012, was named in the top 50 NHS CEOs in 2016 and has driven many sector-leading innovations and collaborations throughout his tenure. Thank you, Will, on behalf of the whole SCAS family.

As we look forward to the next year we recognise the present challenges, the opportunity to embed the lessons and changes already emerging from our improvement programme and the need to support the enduring commitment and pride of our staff in SCAS.

We welcome our new Chief Executive David Eltringham, joining us from The George Elliot Hospital, and his obvious passion and energy. Much has changed this last year, so a refresh of the SCAS Strategy is timely and we look forward to developing that with staff, our communities and aligning with our key stakeholders and the new Integrated Care Boards' plans.



Professor Sir Keith Willett CBE
Chair



PERFORMANCE REPORT

2.1 OVERVIEW OF PERFORMANCE

This section includes the reflections of the Trust's Chief Executive for the period this report covers, a brief overview of the Trust and the core services it provides, its mission, vision and areas of focus and how it aims to achieve them, and the risks that could affect the Trust delivering its objectives.

Chief Executive's Foreword

In 2022 Will Hancock announced that he would be stepping down as Chief Executive on 31 March 2023, after almost 17 years in the role. I would like to formally acknowledge the tremendous leadership of the Trust that Will provided over this period, which include the formation of SCAS from the amalgamation of four separate ambulance Trusts and the successful achievement of Foundation Trust status.

I am delighted to have joined the organisation as CEO and have been made very welcome. I have particularly enjoyed meeting SCAS staff and stakeholders and gaining a clear understanding of their issues and priorities.

We are in very challenging times and my focus will be on making sure we offer the best possible care to our patients, look after our staff, get the basics right with our Ten Point Plan and lift our heads to deliver our strategy in partnership with the local systems that we work with.

The pressures on the ambulance service, the NHS and the country showed no sign of letting up in the past year. I need to start by paying tribute to the people who work for and support SCAS; for their dedication and commitment to providing excellent services to our patients and colleagues.

During 2022/23 our services in 999, NHS 111, Patient Transport Services (PTS) and Clinical Coordination Centres (CCCs) have faced unprecedented challenges from high demand and the ongoing impacts of the pandemic on both patients and our staff. We have continued to do everything we can to maintain the best level of service possible in the circumstances we have faced.

The incredible dedication of staff and volunteers from right across SCAS to provide services to our patients in these circumstances has again been tremendous.

CQC inspection and recovery plan

In April 2022 a CQC inspection took place at SCAS covering the well-led domain and the Emergency Operations Centre and Urgent and Emergency Care services. Patient Transport Services and 111 were not inspected. The domains for *effective*, *caring* and *productive use of resources* retained their rating of good. *Responsiveness* was rated as requires improvement. The *Safety* and *Well-led* domains were rated inadequate. The Trust's overall rating moved from good to inadequate.

This rating was a huge disappointment to everyone at SCAS, and there was an immediate commitment to work with colleagues across the Trust and our partners to put things right as a matter of urgency.

The key areas the CQC said must be improved urgently included:

- Safeguarding – resourcing, levels of training and how we report and deal with safeguarding concerns
- Acting on staff concerns – taking concerns seriously and acting to address them
- Serious incident management – reporting and sharing learning from incidents. Spotting trends and acting to reduce future risks.
- Risk management – making sure the Board and others are fully sighted on risks and properly managing them.
- Improving policies and procedures on Duty of Candour, the Mental Health Capacity Act, and medicines management are also highlighted as must dos.

SCAS implemented an extensive improvement plan which is delivering improvements across all the areas. We are committed to making things better and will keep focused on putting things right until we and the CQC are confident all the concerns have been fixed.

Supporting our people

This year those who work for us and with us have again needed our support both in terms of their physical and mental wellbeing. The pressure the service has been under inevitably impacts on our staff and we have a responsibility to look after their wellbeing.

SCAS continued to support staff via our Health and Wellbeing portal, and successfully trialled 'Health and Wellbeing Conversation' training with course dates planned for 2023/24.

Over 400 of our leaders have attended Essential Skills for People Managers training, which serves as an introduction to a restorative Just and Learning Culture.

Towards the end of the year, SCAS launched our People Strategy for the next three years, which is linked to NHS People Plan. It covers four key areas: looking after our people, belonging in the NHS, new ways of working, and growing for the future. Going forward the Trust will bring it to life with enabling plans around recruitment, retention, education, and health and wellbeing.

The annual NHS Staff Survey results were published at the end of March 2023 and, once again, re-iterate the extraordinary dedication, determination, and resilience of our workforce. It is with considerable pride, gratitude and humility that we see SCAS continuing to be at the top of the ambulance sector for critical measures such as compassionate leadership, inclusion, and teamwork. Unsurprisingly the results show that many of our staff are suffering from burn out and pressures of work, and these are areas that the Trust will continue to focus on.

In 2022/23 we also supported our staff during periods of industrial action: both those at work and those exercising their right to strike. Our staff and unions worked closely with us to ensure the impact on our patients was managed and limited, and I thank everyone for their efforts in this area.

Modernisation and improvements

The Trust always looks for ways to improve its services, to modernise and innovate, and in 2022/23 we introduced many significant developments.

Our Patient Transport Service took delivery of 60 hybrid Wheelchair Accessible Vehicles (WAV's) as part of its fleet replacement strategy. We continue to engage with NHS England to develop the ambulance sector capability for net zero and reduced emission vehicles, including the development of zero emission vehicles for mental health practitioners.

We have also increased the number of staff that are now able to undertake roles, such as call answer, vehicle dispatch and remote clinical triage from their own homes. This has required changes in our telephony and critical systems infrastructure but has enabled greater flexibility for our people and offered an improved work / life balance.

Conclusion

As I have mentioned we are operating in very challenging times, but I have every confidence that we at South Central Ambulance Service will rise to those challenges and do the best that we can to deliver the highest level of service possible for the patients and populations we serve.



D. Eltringham

David Eltringham

Chief Executive Officer

14 July 2023

About Us

South Central Ambulance Service NHS Foundation Trust was formed on 1 July 2006 following the merger of Hampshire, Oxfordshire, Royal Berkshire and Two Shires Ambulance Services; and became an NHS Foundation Trust in 2012.

We employ 4,600 staff who, together with over 1,000 volunteers, enable us to operate 24 hours a day, seven days a week.

What we do:

→ Receive and respond to 999 calls using resources including: community first and co-responders, rapid response vehicles, ambulances, and air ambulances.

→ Provide non-emergency Patient Transport Services across six counties including Surrey and Sussex.

→ Provide the NHS 111 services for the Thames Valley and for Hampshire.

→ Provide a logistics service for NHS partners across Oxfordshire.

→ Provide a range of national Covid Response Services (ended on 31 March 2023).

SCAS is the monopoly provider of 999 emergency ambulance services within the South Central region (as are all English ambulance trusts in their defined geographical areas). All other services the Trust delivers are tendered for on a competitive basis.

With the expansion into non-emergency patient transport services in Surrey and Sussex, we serve a population of over seven million people across six Integrated Care Systems:

- Buckinghamshire, Oxfordshire & West Berkshire
- Hampshire & Isle of Wight
- Frimley
- Bedfordshire, Luton & Milton Keynes
- Surrey Heartlands
- Sussex

Our vision

To be an outstanding team, delivering world leading outcomes through innovation and partnership

Our mission

We deliver the right care, first time, every time.

Our core values



Teamwork

delivering high performance through an inclusive and collaborative approach which values diversity



Innovation

continuous improvement through empowerment of our people.



Professionalism

setting high standards and delivering what we promise



Caring

for our patients and each other

Working with system partners

There have been significant changes in health and care, with the introduction of Integrated Care Systems and Integrated Care Boards (ICBs) replacing Clinical Commissioning Groups. SCAS, like all ambulance services, has a pivotal role in local care systems, especially with the increasing focus on delivering care remotely or in patients' homes.

SCAS is adapting to these changes and working with partners to achieve the NHS triple aims of:

- better health and wellbeing for everyone
- better quality of health services for all
- sustainable use of NHS resources

Our goals are to simplify access to care, to save lives, to support more people at home and to integrate care. Working with partners, we also aim to identify and address inequity of access or unwarranted variation in outcomes.

We work across six integrated care systems, with the Hampshire and Isle of Wight Integrated Care Board acting as our lead commissioner. We engage with partners in commissioning and provider organisations across all systems on a range of strategic and operational forums. We work to ensure our plans are aligned to our integrated care systems' forward plans and that the needs of emergency and urgent care are appropriately considered within system plans. We work with the Hampshire and Isle of Wight Integrated Care Board on a system level joint capital plan and all our capital expenditure is accounted for within that plan.

SCAS has contributed to the forward plans of all the ICBs that we partner with: Buckinghamshire, Oxfordshire and Berkshire West (BOB), Bedfordshire, Luton and Milton Keynes (BLMK), Frimley, and Hampshire & Isle of Wight (HIOW). These plans will be endorsed by the SCAS Board in 2023.

Going Concern Disclosure

After making enquiries, the directors have a reasonable expectation that the services provided by the NHS foundation trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

CQC rating and improvement programme

The Care Quality Commission (CQC) published its latest report on South Central Ambulance Service NHS Foundation Trust (SCAS) on 25 August 2022. The report reduced our overall rating from good to inadequate.

We recognise the issues highlighted in the CQC's report and we are determined to put right everything that has gone wrong; and make SCAS an organisation we can all be proud of.

We want everyone who works and volunteers for us to feel they can provide the best care for patients or support for their colleagues. And we want our partners and regulators to be confident in how we run the organisation and the quality of care we provide.

What the CQC inspected

The August 2022 report relates to a full inspection against the CQC's well-led domain and of our 999 call centres and frontline services. The report also takes account of a November 2021 inspection specific to safeguarding concerns.

Non-emergency patient transport and 111 services were not inspected in 2022. They retain their ratings of good from inspections in 2020 and 2018 respectively.

What the CQC found

The report identified 11 must do and 20 should do actions. The key areas the CQC said must be improved urgently include:

- Safeguarding – resourcing, levels of training and how we report and deal with safeguarding concerns
- Acting on staff concerns – taking concerns seriously and acting to address them
- Serious incident management – reporting and sharing learning from incidents. Spotting trends and acting to reduce future risks
- Risk management – making sure the Board and others are fully sighted on risks and properly managing them
- Improving policies and procedures on Duty of Candour, the Mental Health Capacity Act, and medicines management are also highlighted as must dos

The CQC did also highlighted areas of outstanding practice delivered by our committed and dedicated staff. They said:

“Frontline staff were working hard to deliver compassionate care to people with whom they had contact. They were proud of their work and how they had managed throughout the pandemic.”

“We saw and heard about examples where staff had been particularly kind and ‘gone the extra mile’ to meet the needs of patients and their families.”

“There were numerous examples of innovative practice that supported people getting the right care, in the right place.”

The full report from the CQC is available on their website: www.cqc.org.uk/provider/RYE

Our improvement programme

To respond to the CQC findings we have established a comprehensive improvement programme covering four workstreams:

- Patient safety
- Culture and wellbeing
- Governance and well-led
- Performance improvement

Delivery groups for each workstream co-ordinate progress and report up to an oversight board including our Chair and non-executive directors.

Progress in 2022/23

We have made significant progress through the second half of 2022/23 on the immediate improvements needed. The tables below summarise improvement actions that were completed between September 2022 and March 2023. We know there are long-term changes needed and the improvement programme is continuing through 2023/24 and beyond.

Patient safety workstream

Safeguarding:

- Twenty-one recommendations from independent review adopted in full
- Safeguarding team capacity increased by 8 whole time equivalents with permanent recruitment completed. Permanent Associate Director now leading the team
- Updated seven policies related to safeguarding
- Level 3 training programme capacity extended with weekly sessions running to ensure all relevant staff trained. Bi-monthly reporting of safeguarding training performance to the Safeguarding Committee, with further scrutiny by Quality and Safety Committee
- Increased system partnership working

Mental Capacity Act:

- Policy has now been implemented
- Recruitment of two new roles; Learning Disability specialist and Mental Capacity Act & Liberty Protection Safeguard specialist
- Introduced mental health capacity assessment training for all patient facing roles aligned with safeguarding training

Incidents – reporting and investigation:

- Full review of incident identification, reporting and investigating with new policy and process implemented
- ICS partners now included on incident review panel
- Retrospective review of all serious incidents completed with system partners, including Duty of Candour reporting
- Improved existing electronic incident reporting system (Datix) to make logging and investigating incidents better, following staff feedback
- New incident reporting processes embraced by staff with examples of rapid reporting and investigation leading to action
- Recruited two new patient safety managers and one admin support role

Incidents – Board oversight:

- Full review of patient safety information being submitted to Board via Quality and Safety Committee; including best practice review from system partners
- Serious incidents now a standing item on Quality and Safety Committee; reporting numbers, themes and learning
- Board now updated on serious incidents and learning from experience through Quality and Safety committee upward report

Duty of Candour:

- Policy updated
- Improvements made to template letters
- Incident investigation templates updated to include Duty of Candour element
- Regular review of Duty of Candour with reporting to Patient Safety Group and Quality and Safety Committee

Controlled drugs:

- Policy and related guidance updated
- Assurance audit on safes for storing controlled drugs completed
- Identified and replaced drug storage cabinets at five locations
- Fault reporting information updated so any future faults get fixed fast

Infection prevention and control:

- Carried out infection prevention and control assurance visits on all our stations and improved process for reporting and managing any infestation
- Infection Prevention and Control committee re-established
- An ICS quality visit in December 2022 confirmed the issue at a specific station raised by CQC has been dealt with

Medical devices:

- Responding to a concern about defibrillators noted in the CQC report we ran a complete audit of all medical devices in the Trust
- The work has improved systems and processes for tracking the location of items and monitoring their maintenance schedules
- Over 10,000 items of kit were checked between August and December 2022

Culture and wellbeing workstream

Speaking up – FTSU capacity and awareness:

- Recruited additional deputy guardian roles to Freedom to Speak Up team. Identified more FTSU team champions
- Reviewed and updated all policies around raising concerns
- Speak-up month roadshow across the Trust (October 2022) and improved information on FTSU team through intranet and internal webinars
- Regular schedule of site visits and publicity through internal communications channels
- FTSU training available to all through e-learning modules and mandated for all managers

Speaking up – systems and processes:

- People and Culture Committee established to strengthen oversight and assurance of addressing staff concerns; leading on monitoring concerns raised and progress of actions taken
- Strengthening system of monitoring and reporting on staff concerns, the People Voice programme is establishing a process to collate and analyse staff feedback from multiple sources, including FTSU cases, staff pulse survey, joiners and leavers surveys, leadership visits and wider sources

Bullying and harassment:

- Civility training made mandatory for all senior leaders and all completed.
- Continued rollout of our Just and Learning Culture programme; supporting an open and fair approach to learning from mistakes.

Sexual safety:

- Equality and sexual safety issues raised through roadshows linked to national speak up month October 2022
- Internal co-design of sexual safety strategy and charter; with charter launched in Feb 2023
- Women's staff network refreshed and relaunch set for international women's day March 2023
- Annual campaign plan developed to raise and maintain awareness
- Estate reviews conducted for staff safety issues e.g. parking and exterior lighting

Training and development:

- Appraisal rates increased from 71% in August 2022 to 89% in January 2023
- Increased levels of compliance against mandatory training – equality and diversity, infection control, level 1 safeguarding, health and safety, and manual handling above 95% target in January 2023

Governance and well-led workstream

Corporate governance:

- External independent governance review commissioned and recommendations accepted
- New Corporate Governance Strategic Plan approved by Board with two-year action plan
- New Finance and Performance committee established
- Initial Board development plan agreed and wider senior leadership development plan in progress
- Trust-wide policy review and new processes for managing policy updates

Risk management:

- Board Assurance Framework (BAF) and Corporate Risk Register reviewed and updated; including all patient safety risks
- New risk management policy and framework drafted from best practice review across other Trusts
- Local risk registers reviewed and gaps discussed with teams
- Scoping work for adopting a digital system for risk management

Leadership visibility:

- Increased frequency of leadership visits with new process to capture feedback
- Autumn listening events with 25 sessions across the Trust
- Increased frequency of SCAS Leaders meetings and changed format to improve engagement
- Monthly schedule for open staff webinars

Internal communications:

- Listening events and team specific meetings to capture improvement ideas
- Changes to regular email bulletins and intranet content and function review
- Monthly team brief introduced to improve cascade and feedback from teams
- Internal communications survey completed and improvement actions identified

Performance improvement workstream

Increasing capacity:

- Increased capacity in our 999 call centres through a partnership with Isle of Wight ambulance service
- 30-minute immediate hospital handover protocol across the SCAS footprint
- Refreshed guidance on dispatching multiple units to calls and ensuring rapid response vehicles clear from scene promptly
- Extensive rota review across 999 crews and contact centres to improve scheduling
- GPS system upgrades to prevent delays arriving on scene

Skill mix and clinical support:

- Updated the training & mentorship model to ensure sufficient levels of competence and training for new starters
- Implemented new model for greater use of single crewed rapid response vehicles
- Approval to embed use of twin emergency care assistant crewed ambulances for appropriate calls
- Specialist practitioners deployed to Clinical Support Desk
- Increased number of clinical pathways to support hear and treat / see and treat so only patients who really need to go to hospital are taken

Retention:

- Additional welfare support to provide staff psychological support
- Occupational Health referral support video updated and return to work planning as part of OH referrals
- Piloted home working option for 111 call handlers and extended other flexible working options
- Extended Recruitment and Retention Premium payments for call handlers through to Feb 2023
- Refurbishment completed on rest area at Northern House. Commenced rota reviews to improve shift patterns
- Redesigned coaching process for new recruits using “graduation pods”

Recruitment:

- 111 and 999 recruitment processes reviewed. International recruitment programme expanded
- Specialist call-centre recruitment agencies now sourcing candidates for 111 and 999
- Recruitment and training of more community first responders, over 100 recruited in 2022/23 and CFRs trained to work in dispatch roles
- Increased training capacity and improved training model to allow faster deployment of new emergency call takers
- International nurses recruited for Clinical Support Desk, starting in March 2023
- Relocation expenses initiative implemented for frontline and control centre clinical roles



Integrated Care System visit recognises our progress on patient safety

In December 2022, a quality team from our integrated care systems visited SCAS to test some of our improvement work.

The team came to our Otterbourne headquarters to speak with members of the patient safety workstream and visited North Harbour ambulance station for an infection prevention and control review.

Feedback was positive and gives added assurance about our progress. The result was to reduce some of the additional external scrutiny put in place after the CQC report.

Professor Helen Young, SCAS Chief Nurse and Executive Director for Patient Care and Service Transformation, said: **“Having partners in to test what we’re doing is essential and it’s great that our hard work has been recognised.”**

Some highlights noted by the visiting team include:

- Seeing a demonstration our new online tracking process for medical devices, to manage maintenance schedules and equipment location
- Our expanding safeguarding team and a new traffic light system for referrals to aid prioritisation and mitigate risk. Good working relationships with Integrated Care Board safeguarding teams were also noted
- Increased involvement from operational staff in serious incident reports and action plans to strengthen frontline ownership. Our commitment to a just and learning culture as part of incident investigation
- Our expanding Freedom to Speak Up team and their good relationship with the executive team. Our move to host the Freedom to Speak up team within Organisation Development was noted as novel and progressive
- The infection prevention and control station visit confirmed; pigeon infestations had been fully resolved, cleaning processes are in place and all staff knew how to report issues if needed

The significant evidence presented at two oversight groups and tested by the visit means the Integrated Care Board assurance arrangements have been reviewed and reduced. Recommendations from the team were:

- Safeguarding Oversight Group reduces its frequency from fortnightly to monthly
- Section29A Oversight Group is stood down from January 2023
- Hampshire and Isle of Wight System Quality Group to review and reduce SCAS oversight arrangements
- Monthly tri-partite assurance meetings to become the single oversight arrangement for the improvement progress
- Operational pressures and performance are monitored separately from CQC improvement progress

Continuing our improvement journey

The Board is enormously grateful to everyone involved in the improvement programme for what they have achieved so far; whether they have been part of designing new ways of working or the teams embracing them. We are looking forward to taking the next steps of the journey with our staff and partners.

SCAS is a great organisation. Everyday we support people through the most challenging times in their lives. Everyday our people help to save lives.

We know there are improvements we can make. Every good organisation strives for continuous improvement, and we've shown we can embrace challenges, find solutions and make things better for our patients and our colleagues.

Education services inspection

The Trust's Emergency Care Assistant apprenticeship provision was inspected by Ofsted in November 2022 and received a final report in February 2023. The assessment ratings were:

- Quality of education – requires improvement
- Behaviour and attitudes – good
- Personal development – good
- Leadership and management – requires improvement
- Apprenticeships – requires improvement

The report highlighted good evidence of apprentices enjoying their experience at the Trust working within well-resourced facilities. It was noted that apprentices benefit from an inclusive and caring culture. The Trust is committed to improving the quality of the delivery of functional skills to its apprentices. Safeguarding arrangements were reported as effective.

Three key themes we need to improve, they are:

- Leaders and managers should ensure apprentices are appropriately informed and supported to complete their programmes within their planned end date and to achieve well, including those requiring qualifications in English and mathematics
- Leaders and managers should ensure that education staff are quickly informed about learners with identified learning difficulties and disabilities, to ensure they receive the support they need
- Leaders and managers should ensure that apprentices receive sufficient time to complete their written work within their planned study time

Key issues and risks

In accordance with governance best practice and legislative requirements the Trust formally assesses and records all significant risks in a Corporate Risk Register (operational risks) and in the Board Assurance Framework (strategic risks). Risks are reviewed through the Risk, Assurance and Compliance Committee, Finance & Performance Committee (established March 2023), Audit Committee, Quality and Safety Committee, People and Culture Committee, and provided to the Board for oversight to enable the Trust to have an organisation-wide view of the risks it is exposed to and how they are managed.

The Trust recognises that the existing identified risks as well as any emerging risks identified through the year need to be understood and managed to an acceptable level in order for the Trust to meet both its operational and strategic objectives. Should these risks not be managed effectively then the Trust may not be able to deliver on its responsibilities to the public through the 999, 111 and NEPTS services by achieving the national response times, in both attendance and call answer and deliver safe and effective care to those patients using our services. There may also be impacts to the Trusts ability to achieve its financial plans for both the short and long-term.

The Trust's principal risks listed on the Board Assurance Framework are shown below. Further detail on how each risk and how it is managed is provided in the Risk and control framework section of the [Annual Governance Statement \(p86\)](#):

- **SR1: Failing to provide safe and effective care**
- **SR2: Not being able to meet demand**
- **SR3: Failing to engage with systems**
- **SR4: Failing to engage with stakeholders**
- **SR5: Increasing financial costs**
- **SR6: Insufficient skills and resources**
- **SR7: Failing to foster an inclusive and compassionate culture**
- **SR8: Insufficient capacity and capability to deliver the digital strategy**

High rated risks on the Corporate Risk Register relate to the following areas:

- **Demand across all service lines**

These risks are being managed through the performance recovery programme and through the demand forecasting processes. These risks have impacted the Trusts ability to meet the national ambulance response time targets for both responding to incidents as well as answering emergency and non-emergency calls. The Trust's demand risks have remained high during the period however the outlook is that they are improving with both the impact and likelihood reducing due to the successful actions taking place as part of the performance recovery programme.

→ Staff capacity

These risks are being managed through apprenticeship schemes, recruitment programmes including international recruitment, staff retention programmes and staff development. The likelihood of staff capacity risks have increased throughout the year with the overall risk moving to a high rated risk for the 999 and 111 services. The Trust identified an additional resource and capacity risk during the year which has been rated high impact the ICT department. These risks have increased through the year as the likelihood of the risk has materialised due to the ongoing cost of living and energy crises.

→ Industrial action within the wider healthcare community

These risks are being managed via an industrial action group and through contingency planning within the systems we are part of. The risk increased throughout the year due to the successful industrial action ballots of the NHS unions. The outlook has been on an improving trend due to the successful agreement of the Agenda for Change pay review and the outcome of the Royal College of Nurses re-ballot which did not vote for additional action. The risk remains heavily influenced by the ongoing Junior Doctor action and impacts the Trusts ability to deliver patients to the most suitable treatment location as they may be closed or have limited capacity due to a reduction in staffing levels.

→ Treatment delays

These risks are being managed through both proactive and reactive processes, including long wait reviews and learning from death reviews as well as the performance recovery programme aimed at improving the Trust's response times. These risks have remained high through the year due to the pressures on the Trusts services and relate to the Trusts ability to respond to patients and transfer them to hospital in good time. Handover delays are the highest rated risk for the Trust with significant delays being experienced at key hospitals. The operational teams continue to work in conjunction with systems and hospitals to reduce the wait times and improve patient experience and outcomes however the risk remains rated high due to the impact on the Trusts performance. The handover risk is expected to remain a key risk to the Trust due to ongoing pressures across the wider healthcare system.

→ Regulatory compliance

These risks are being managed via the Trust's improvement programmes as well as through the Health & Safety, Information Governance and HR processes. The Trust's regulatory compliance risk increased due to the CQC rating and is also influenced via the ICO investigation into a Advance following the cyberattack in the summer of 2022. The risk impacts the Trusts ability to provide services to the public as well as the publics view of how the Trust manages their data. The risk will continue to impact the Trusts strategic and operational plans to both improve services and to improve the CQC rating.

→ Trust finances

These risks are being managed through the cost improvement and stability plan and the financial planning process. The Trusts financial risks increased in likelihood during the mid-part of the year and remain high due to the financial pressures on the NHS at a national, regional and local level.

These risks cover all aspects of the Trust, impairing its ability to fund additional staff (both clinical and non-clinical), performing essential maintenance and upgrades of estates and technology as well as improving services and meet financial obligations to the system.

→ **ICT software and infrastructure**

These risks are being managed via the digital strategy and include a comprehensive infrastructure upgrade programme covering our data centres. Work is also taking place to upgrade and improve applications used by the Trust to improve stability and performance. A re-evaluation of the Trusts ICT risks identified that there were several high rated risks relating to the software and hardware used by the Trust. The impact of the risks on the Trust includes interruption of software services to staff, hindering their ability to answer calls, provide corporate services and plan workloads for PTS staff. The successful delivery of the upgrade programme is expected to bring the risk down to an acceptable level.

→ **Safeguarding**

These risks are being managed through the Safeguarding improvement workstream and include additional resources for the Safeguarding team, further training for staff and updated policies and procedures. Safeguarding risks remain high, however work being undertaken by the improvement workstream has lowered the likelihood of it materialising with the further work expected to improve the outlook in the medium and long-term. The risk impacts the Trusts ability to provide safe care to patients, provide safe environments for staff as well as adhering to its regulatory duties in regards to safeguarding the public.

→ **Medical devices and drugs**

These risks are being managed through the Medical Devices improvement workstream and the Medicines Management improvement workstream and include the development and move to a new central logistics hub. Two new risks were identified relating to medical devices and drugs during the period. These relate to controlled drugs and the quality of some medical devices. These risks have been assessed and mitigations are in place with the controlled drugs risk remaining high due to the longer-term nature of the mitigation plan. The risk relating to medical devices has subsequently reduced with further reductions anticipated in the short terms as additional controls are implemented and embedded.

The Board Assurance Framework is presented to the Board at each meeting in public, papers for which are published on our website: www.scas.nhs.uk/about-scas/our-board/board-meetings/



PERFORMANCE ANALYSIS

The following section provides a summary of performance across our key services.

999 Operations

Throughout 2022/23 we experienced high levels of demand alongside capacity challenges related to both internal issues such as vacancies and sickness, and external challenges such as extended handover times at hospital emergency departments.

For the majority of the year our services were running at their higher escalation levels – meaning we scaled back non-essential activities to maximise frontline capacity. Only in January 2023 were we able to reduce to ‘moderate pressure’ for the first time since May 2021.

Like all ambulance trusts across the UK, we struggled to reach patients as quickly as national targets demand. However, in accordance with the national ambulance response programme, we continued to ensure that:

- We prioritise those patients with the highest need to get them the fastest response that their medical needs require
- We prioritise our responses on the clinical need and acuity of the patient
- We monitor and address the needs of patients with a lower acuity to ensure that they also get the appropriate care they require

In the face of increasing demands of our 999 services we continue to co-ordinate our services through strategic leadership, and a focus on local delivery through partnership working. This approach enables us to focus delivery on the needs of our patients across our geography.

Performance against national ambulance service response targets 2022/23

Standard	Demand	Measure	Target	SCAS 2022/23	England 2022/23	SCAS 2021/22
Category 1	41,317	Mean average	7 mins	0:09:23	0:09:13	0:08:13
		90 th percentile	15 mins	0:17:01	0:16:23	0:15:16
Category 2	308,667	Mean average	18 mins	0:34:30	0:49:09	0:28:04
		90 th percentile	40 mins	1:11:35	1:49:45	0:57:42
Category 3	149,746	90 th percentile	120 mins	5:14:02	6:14:40	4:11:57
Category 4	7,344	90 th percentile	180 mins	6:16:32	7:30:53	5:13:05
Hear and Treat	73,327	999 calls managed over the phone with no resource sent to scene.				
Total	508,401					

We have an extensive performance improvement programme for our operational services, which from August 2022, was integrated into the Trust-wide improvement programme responding to the CQC concerns. A summary of actions taken by the Performance Improvement workstream, covering 999 and 111 services, is provided in the CQC section above.

The 999 operational team have maintained a focus on patient care and as such has worked to improve the use of Clinical Care Pathways as well as actively seeking how they can source alternate options for patients other than to attend an Emergency Department.

Of a total 508,401 incidents which 999 crews attended; 210,065 were treated at the scene. A further 24,611 were conveyed to services other than emergency departments.

Clinical Pathway Development

The Urgent Care Pathway Programme established in 2019 transitioned into the Clinical Pathway Team in May 2022. It sees ambulance service clinicians take a leading role in assessing and treating patients in their homes when handling NHS 111 or 999 calls and determining their next destination for ongoing care.

The Team have created more than 120 different pathways for our clinicians to refer patients to directly. This has resulted in 50,000 patients a year receiving the right treatment more quickly. Patients who benefit from direct access referrals to either specialist hospital services or community based services include:

- Urgent low acuity medically unwell patients
- Older patients who are frail, have chronic medical conditions or who are at risk of falls
- People with Chronic and Acute Respiratory Conditions, including COPD and Asthma
- Patients requiring urgent surgical assessment
- People with Mental Health needs
- Children who require review by a Paediatric Assessment Team, Urgent Care Service or GP

The team will continue to establish, develop, streamline and integrate other referral pathways directly into a wide range of services, as new opportunities present themselves. They will also consider opportunities to develop ways of working and new research to support patients and staff. Some examples of these may include:

- The management of Health Care Professional (HCP) referrals conveyed by SCAS - empowering staff to assess and manage appropriate patients into the right care if the HCP hasn't visited and reviewed them
- Face-to-face SCAS clinicians booking through 'NHS 111 First' into Emergency Departments for assessment

- Face-to-face SCAS clinicians direct booking of patients into appropriate referral pathway services
- Low Risk Chest Pain - Point of Care testing in community
- Diabetic Pathways - Ketone Point of Care testing in community

Resilience and Specialist Operations (RSO)

Our RSO department has this year enhanced our specialist and interoperable capabilities. This has been in areas such as a response to terrorist events; collapsed structures through the provision of 24/7 cover with our specialist assets such as Hazardous Area Response Team (HART); and Marauding Terrorist Attack (MTA) teams.

The team have continued to train and develop our workforce in the use and implementation of the Joint Emergency Services Interoperability Programme (JESIP) principles as well as training and exercising for our Commanders to enable them to lead in challenging circumstances. The team have also worked through the recommendations of the Manchester Arena Inquiry (MAI) to enable us as a Trust to learn and develop.

The specialist training facility in Berkshire is now fully active and allows us to consistently deliver specialist training in a cohesive and joined up style.

The Resilience Department continues to ensure that SCAS has appropriate plans, training and equipment in place to respond to major, critical and business continuity incidents.

999 Call Centres

In 2022/23 there were 766,599 calls to our public and healthcare professional lines, down from 808,364 in 2021/22 (a 5.2% decrease). We answered 705,126 calls, with an abandonment rate of 8.0% (up from 6.3% in 2020/21).

Our mean call answer time was 58 seconds, with a 95th percentile of 4 minutes 32 seconds.

	2022/23	2021/22	Change
Calls Made	766,599	808,364	-5.2%
Calls Answered	705,126	757,208	-6.9%
Abandonment Rate	8.00%	6.3%	

NHS 111

In 2022/23 SCAS continued to deliver the NHS 111 service to Hampshire, Oxfordshire, Berkshire, Buckinghamshire, and Surrey Heath. Emerging from the pandemic the service has continued to face several challenges.

Public awareness of NHS 111 has continued to grow with national campaigns promoting the service as the point of contact for the NHS, particularly in periods of high demand such as the winter and periods of industrial action. Demand across the year was up 23% on the pre-Covid year 2019/20.

There are also notable changes to the demand pattern, for example increases in calls offered across weekdays.

Key performance information:

→ **1,330,423**
calls
answered

→ **43% answered**
in 120 seconds,
against a target
of 95%

→ **17% abandoned**
after 30 seconds,
against a target
of 3%

Demand continues to outstrip capacity impacting on performance and from January 2023 we received support via NHS England national contingency service, which means around 10% of SCAS area calls are being triaged by another NHS 111 provider.

In 2022/23 we continued to work closely with partners providing Clinical Assessment Services (CAS) and utilising a range of clinicians to enhance the telephone support for patients. Expertise is provided from doctors, registered nurses (general and paediatrics), advanced nurse practitioners and specialist paramedics, mental health practitioners, paramedics, and pharmacists. The team support onward referrals for patients following a clinical assessment.

Clinical reporting was impacted by the national AdastrA outage, so yearly figures are not available. Figures for quarter four of 2022/23 were:

- 135,947 patients spoke to a clinician
- 66,821 patients were provided with self-care advice either by a clinician or health advisor
- 66% of health advisor emergency department dispositions validated by a clinician (target 50%)
- 86% of health advisor Category 3 or 4 ambulance dispositions validated by a clinician (target 50%)

We continue to work to improve the patient journey, seeking seamless transfer of care to other providers and working closely with Urgent Community Response (UCR) and Same Day Emergency Care (SDEC) teams to increase referrals into these services.

Two mental health teams (Southern Health and Oxford Health) are co-located with the NHS 111 team and continued to see demand increase. Taking calls from both 999 and NHS 111 call handlers, the teams support high rates (40%) of self-care with no further action needed.

The dental service covering Hampshire and Dorset also continues to see high demand with around 10,000 cases per month booked into appointments.

Throughout the year the team worked with provider and commissioner colleagues across the South East Region on the development of a single virtual contact centre. We await the readiness of the technical platform but understand that NHS England have made changes to the mandated requirements, which may change the progression of this project.

Key challenges in 2022/23

In August 2022 the 111 service was impacted by the national Adastra outage (which affected other NHS111 services and healthcare providers across the country). The Adastra system, which is used to process and maintain patient records, was taken down by the product owner following a cyberattack. We declared a business continuity incident and ran on contingency processes. All our partners bar one were also affected and we worked together to maintain pathways for patients with urgent care needs. During the outage the team, to their credit, processed over 60,000 records using fallback procedures.

There was a negative impact on NHS 111 service levels as a result of the outage. There was also an impact on available data which meant that SCAS didn't have access to clinical outcome reporting between August and December 2022. There was some additional spend on overtime during the incident, but the cost of this will be covered by compensation from the supplier.

There was no direct impact on the revenue SCAS receives for delivering the NHS 111 service, although there was an increase in overtime payments of around £10k. SCAS will receive a credit in the region of £40k from the supplier as compensation for the loss of service.

In December 2022 the service saw an unprecedented spike in demand due to Strep A, making it our busiest month on record. There were 237,000 calls in December; exceeding the first month of the pandemic (March 2020) by 58,000.

Industrial action across the NHS increased calls to 111 and was managed by bolstering clinical numbers. Our own services were not significantly impacted by staff taking action.

Looking forward

To improve performance, we are prioritising work on recruitment and retention. Improvement projects underway include:

- Developing a new call centre in Milton Keynes
- Piloting home working for health advisors
- Developing career progression pathway for health advisors
- Leadership and management training for team leaders and clinical shift managers
- Utilising new telephony reporting with a re-focus on call centre metrics

Patient Transport Service

Our non-emergency Patient Transport Service (PTS) operates across Buckinghamshire, Berkshire, Hampshire, Oxfordshire, Surrey and Sussex.

The service takes patients to and from essential hospital appointments for radiotherapy, chemotherapy, renal dialysis, as well as transfers, discharges and other outpatient appointments.

PTS has over 850 team members operating approximately 500 vehicles and five contact centres hosting our call handling, planning and dispatch functions for both PTS and logistics service. The team operates 24/7 answering half a million calls a year and dispatching 500 vehicles daily.

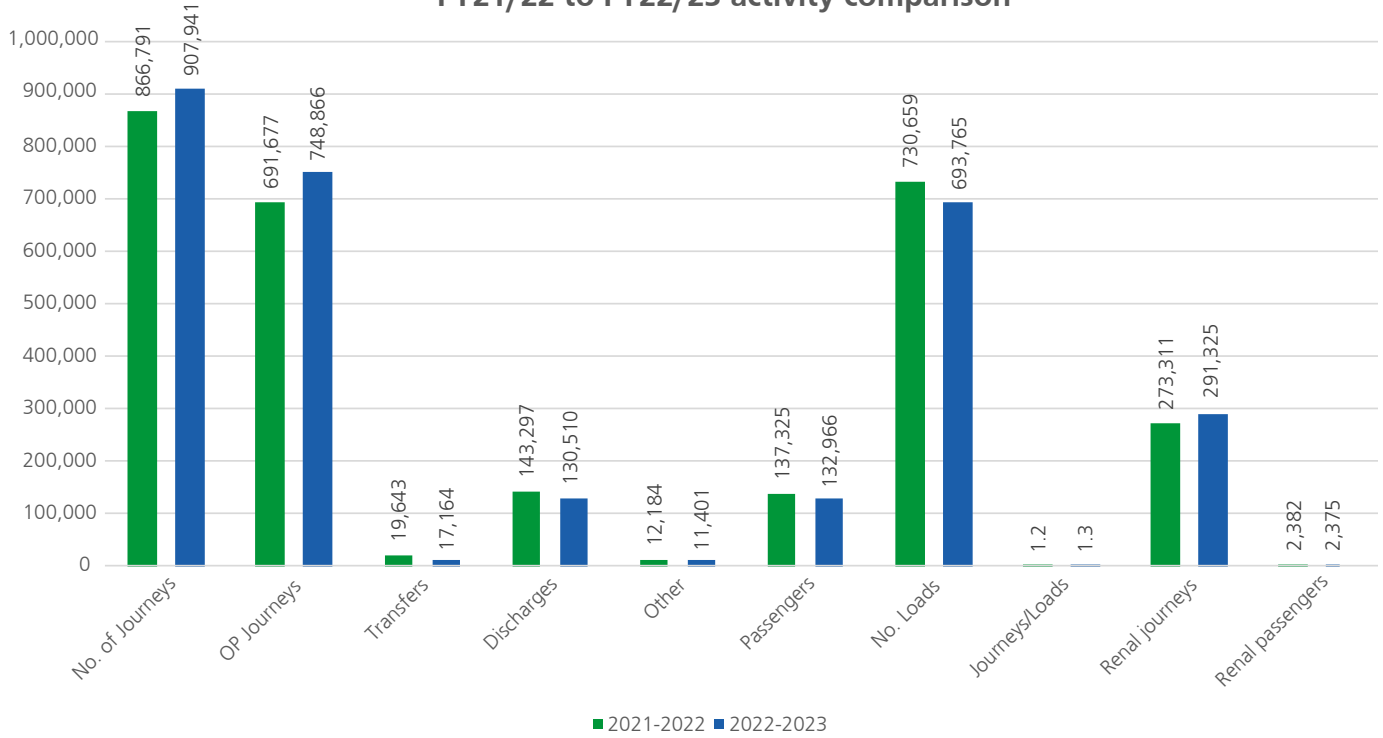
Covid-19 precautions

From the start of the pandemic SCAS has complied with national guidance regarding operations and over 2022/23 national guidance changed several times. At the end of the year we were continuing to run PTS with separate pathways for people with confirmed respiratory infection e.g. Flu, Covid. This has continued to mean a reduction in patients per vehicle, increased journey times due to the wearing and removal of PPE and increased cleaning regimes of vehicles.

PTS case mix summary

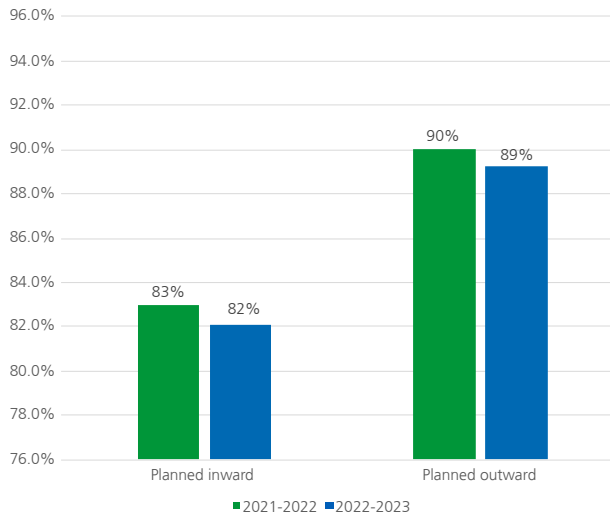
Demand continued to rise over 2022/23 and the PTS service is now back at pre-Covid demand at aggregated levels. The main challenge experienced was an 8% increase in outpatient journey demand in 2022/23 compared to the previous year and an increase in renal journeys. Although discharges dropped slightly, we are seeing an impact with patients being discharged earlier to step down facilities with higher acuity requirements.

FY21/22 to FY22/23 activity comparison



Despite the increase in demand, the timeliness of planned inward and outward journeys was within 1% of the previous year. Efficiency as measured by passengers carried per load was up 10% compared to the previous year.

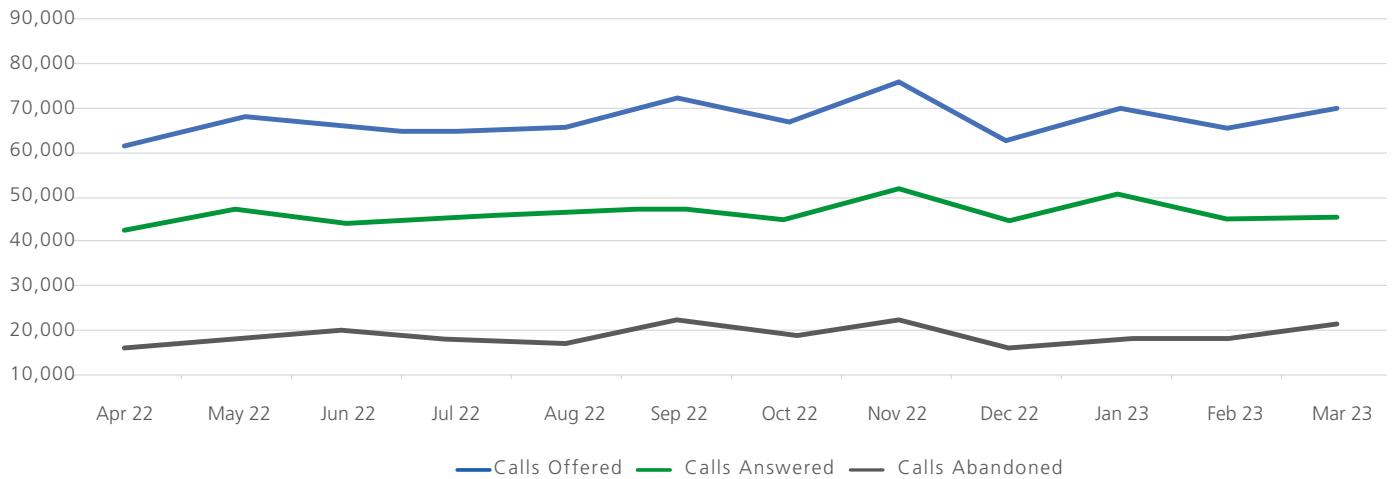
FY21/22 to FY22/23 planned journey performance comparison



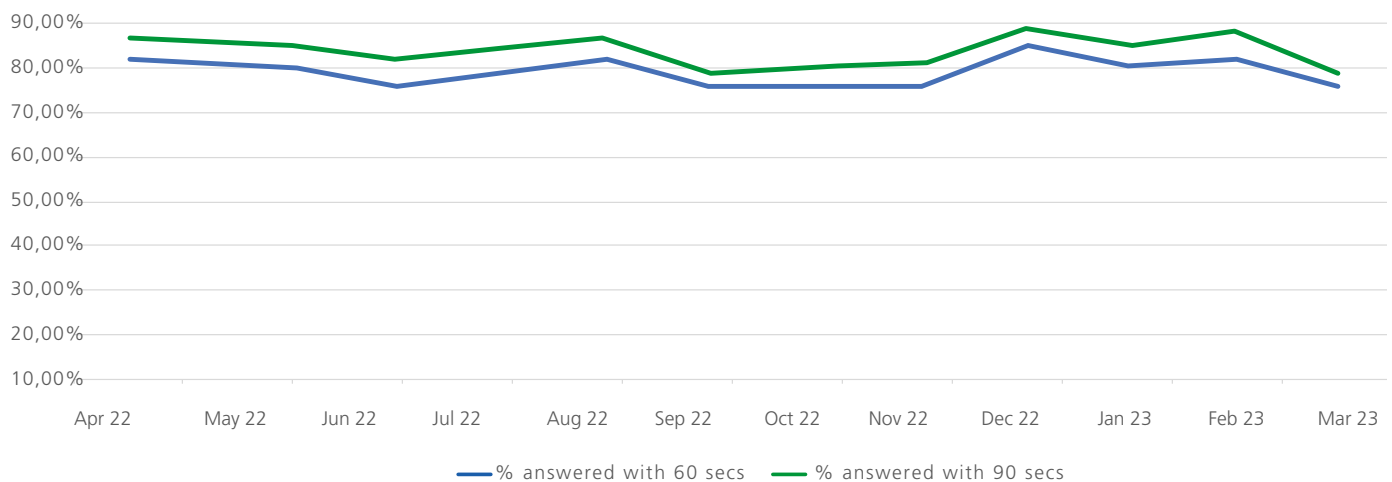
Our contact centres continued to provide a high quality service despite periods of high absences, particularly with Covid outbreaks, which impacted on performance.

Incoming booking calls peaked in 2022/23 at 79,000, compared to 75,000 in 2021/22. The contact centres also handle additional calls for estimated arrival times, journey confirmations and calls to clinics and units discussing patient needs. PTS continues to promote online booking as the preferable option to manage call demand; and we host weekly online training sessions for service users.

SCAS NEPTS call demand



SCAS NEPTS call answer performance



During 2022/23 we developed a long-term strategy for PTS, laying the foundations for the service as we move into 2023/24 when all current contracts are expected to be competitively tendered.

Over 2022/23 we also:

- Introduced more than 50 hybrid vehicles to support the Trust’s green plan
- Piloted an initiative in Surrey, where green stickers are worn by all PTS patients who attend outpatient clinics to highlight to staff and volunteer drivers that they are a

priority patient, travelling via PTS. The aim is to provide a better patient experience, reduce aborted journeys and minimise journey waiting times. Patient feedback on the scheme has been excellent

- Continuous Improvement - introduced a colleague feedback/suggestions scheme encouraging suggestions and ideas for how we can improve, we feedback bi-weekly to all team members on received suggestions and progress
- Introduced a bi-weekly update sent to all colleagues; sharing a range of updates
- Hosted colleague forums across all areas
- Introduced a regulated accredited Ambulance Care Assistance (ACA) course, comprising of two level-3 qualifications in Non-Emergency Patient Transport and first aid
 - This course is awarded by Qualsafe, one of the largest Ofqual recognised awarding organisations in the UK
 - SCAS worked alongside Qualsafe and the East Midlands Ambulance Service to develop the course
 - SCAS was the first Trust to deliver the course and since April 2022, 21 courses have been delivered to 140 ACAs

Logistics services

Our logistics business covers two contracts, Oxford University Hospitals NHS Foundation Trust and Oxford Health NHS Foundation Trust. We run day-to-day delivery and collection to acute hospitals, community hospitals, mental health sites, GP surgeries, county councils, dentists, opticians, and pharmacies. The services cover:

- pathology specimens
- pharmacy items
- patient medical records
- internal mail
- laundry
- bulky items
- ICT equipment
- transfer of staff across hospital sites
- ad hoc requirements

Activity continues to rise year-on-year and we continually review how we can improve the service.

National Covid Response services

The Trust has run a range of national Covid Response Services during the pandemic. Most services stopped as pandemic restrictions eased and on 31 March 2023, we transferred all remaining services to the UK Health Security Agency.

The SCAS team were a critical part of the country's response to Covid, helping millions of people manage symptoms, book vaccinations, and arrange Covid passes and medical exemptions.

At the height of the pandemic, it was one of the largest call centre operations in the country; and larger than all other parts of SCAS combined.

- The Covid Clinical Assessment Service recruited 3,500 clinicians to help over 600,000 patients with Covid symptoms. Dental and pharmacy clinical assessment services were also provided
- The Vaccination Booking Service answered over 17.4 million calls and made 6.2 million vaccination bookings. On their busiest day in September 2022, they took over 113,000 calls
- The Vaccination Data Resolution Service helped 350,000 people fix their Covid vaccination records so they could get their next dose or secure a Covid Pass for travelling overseas and to enter certain venues
- The Covid Pass service provided a telephone route for people who could not use the online system and the Medical Exemption service took nearly 250,000 calls and arranged 50,000 medical exemptions for people who could not have the vaccine

Our Chief Nurse, Professor Helen Young, led the Covid Response Services. Bidding farewell to the remaining services, she said: **"From the very bottom of my heavy heart, I want to thank the team for all they have done, with such steadfast commitment and professionalism. It has been an absolute honour and privilege to lead this critical unit.**

"We were tested every step of the way. But the common goal of delivery united us so powerfully, and we have produced a body of work that will help inform future patient care during times of a national emergency."

Charity and volunteer services

We are committed to investing in the local areas we serve, to help build a better, more resilient society. Our volunteer services are a key part of how we achieve this. We invest in our communities through recruiting, training, and developing a diverse team of community-based volunteers who work side by side with our frontline staff to deliver care in medical emergencies.

This year our Volunteer Manager began working to bring together the various volunteer departments across the organisation and supported the centralised recruitment process of volunteers. Volunteers continued to join as Community First Responders and in addition we successfully on-boarded new

volunteer car drivers for Patient Transport Services, volunteers to run welfare vehicles providing refreshments for staff waiting to handover patients at hospitals, and volunteers working in the Clinical Coordination Centre deploying CFRs to incidents.

We have 766 active Community First Responders (CFRs) and Co-Responders from the police, fire and rescue, and military. Together they attended 27,890 emergency incidents for the Trust in 2022/23.

Community First Responders	20,444
Fire Co-Responders	3,625
Military and Police Co-Responders	3,821
Total Incidents	27,890*

*** The total figure includes incidents where multiple responders were on scene to the same incident.**

Our CFRs and Co-Responders are trained to respond to specific life-threatening emergencies where patients may be suffering from a cardiac arrest, chest pains, breathing difficulties or a stroke. The ability of our CFRs and Co-Responders to be at a patient's side to commence life-saving treatment, often within a few minutes and prior to our first ambulance response arriving, makes a positive impact on patient outcomes as well as the overall performance of the Trust.

On joining the Trust, responders undertake a Level 3 Award in Ambulance First Responder on Scene: a five-day course covering key modules to ensure they are both competent and confident in responding to patients.

We continue to train our experienced responders to enable them to attend non-injury falls and 'concern for welfare' incidents. This group of responders are sent to calls which have been clinically assessed by paramedics or nurses within our Clinical Coordination Centres and identified as patients who are non-injured and only have a requirement for moving and handling. They will also be deployed to silent alarm calls from care lines, where we need to respond but not necessarily with an emergency ambulance.

In 2022/23, those trained, attended 869 non-injury falls incidents and 1,095 'concern for welfare' incidents. This is particularly beneficial because:

- The proven detrimental effect increases every hour a frail / elderly patient is left on the floor without medical intervention
- It ensures more clinically crewed ambulances and rapid response cars are available for patients suffering life-threatening emergencies

Our Community Engagement Team works with the SCAS charity on fundraising to supply first responders with the equipment they need. Their other work includes:

- Supporting local communities with growing the numbers of publicly accessible defibrillators (PADs). SCAS now has 4,326 PADs in Berkshire, Buckinghamshire, Hampshire, and Oxfordshire
- Promoting and providing familiarisation training to the public on how to perform cardiopulmonary resuscitation (CPR) and to use a defibrillator. During World Restart a Heart week in October 2022 the team delivered virtual events across various social platforms and several face-to-face sessions
- Work on “The Circuit” which is the national defibrillator network sponsored by the British Heart Foundation (BHF) that connects defibrillators that are registered by members of the public to NHS ambulance services across the UK

We were delighted that two members of the Community Engagement & Training (CET) department were nominated in the national Helpforce Awards:

- Jack Ansell, Operations Manager, was nominated in the Volunteer to Career category and deservedly won this award
- Nic Dunbar, Head of CET was Highly Commended in the Health Leader Champion for Volunteering category for her work and the commitment she has given to volunteers over the past 14 years

South Central Ambulance Charity

The Charity had a challenging year, with fundraising harder than in previous years. Fundraising has however continued and we are grateful to all those who continue to support us and take part in events.

The charity's priority during the year was to continue funding the CFR and Co-Responder programme and implementing the projects funded last year by the NHS Charities Together grants.

CFRs and Co-Responders have been supported with additional equipment to support the safe lifting of patients who have fallen. Lifting cushions and chairs were rolled out widely across our area to enable more responders to be trained and equipped to support lower acuity calls.

Additional funding helped train and support staff in residential homes, giving them the knowledge and tools needed to understand when calling 999 was a necessity and when other options such as NHS 111 or community care would be more appropriate.

The charity was also able to support SCAS staff and volunteers with mental health and wellbeing through four programmes: Long Covid Rehabilitation for staff seriously impacted by Covid; Sustaining Resilience at Work to support staff in managing stress in the workplace; Bereavement support; and Mental Health First Aid.

Research and trials

SCAS offers patients and staff the opportunity to participate in research projects of local, national and global significance. Details of research we are involved in is published on our website <https://www.scas.nhs.uk/about-scas/research/> We also publish an annual report on research and development and our research strategy.

Sustainability

Our Sustainable Development Management Plan was approved by the Board in February 2020. This sets out how we will deliver on targets to reduce emissions. Progress is tracked through a dedicated committee. The 'Delivering a Net Zero National Health Service' report, published in July 2022, requires an updated Green Plan, which is under preparation.

The Greener NHS Carbon Footprint Methodology has revised the baseline year from 2018/19 to 2019/20. To meet carbon reduction targets, our emissions must be reduced by 47% by 2028-32.

Based on available data, our carbon dioxide emissions in 2022/23 were 18,353 tonnes. This is a reduction of 13% over three years, from 20,996 tonnes in 2019/20. This is attributable to reductions in business mileage, improvements in fleet efficiency and reduction in emissions from electricity due to national grid decarbonisation.

Emissions from our fleet account for 85% of the Trust's carbon footprint. Therefore, switching to ultra-low or zero emission vehicles will be essential to meet our carbon reduction targets. The Trust is a member of the National Strategic Vehicle Group, which is working across all UK ambulance trusts. It has agreed a common specification for ambulance vehicles, in part to minimise carbon output.

We have invested heavily in new vehicles over the last three years and are purchasing lighter and more efficient models. All new vehicles will be fitted with telematics to monitor and improve driving habits to reduce fuel consumption.

SCAS is one of only four Trusts to go live with the NHS Zero Emissions Electric Vehicle Pathfinder programme. We have received two electric Mercedes E Vito Mental Health Rapid Response vehicles, which entered service after extensive field testing, with one on loan to Yorkshire Ambulance Service.

Other key achievements in moving to electric vehicles include:

- Six LEVC electric taxi-style ambulances for Patient Transport Service
- 60 hybrid Ford Tourneo wheelchair access vehicles for Patient Transport Service entered service
- Fiat E-Ducato ambulance for Patient Transport Service being trialled
- Three Kia Niro all-electric vehicles piloting different uses within 999 services, alongside three MG 5 all-electric vehicles for the Clinical Education service

- Nine Kia EV6 electric vehicles ordered for 999 services
- Ten Tesla Model Y electric vehicles being trialled

In addition to the ongoing electrification of vehicles, we achieved the following in 2022/23:

- Purchase zero-carbon electricity
- Initial phase of electric vehicle charging infrastructure programme completed, with nine new 7kW and 11kW chargers installed across the estate
- Business related travel minimised by video conferencing. Business miles were 35% lower than our 2019/20 baseline period, with over ¾ million fewer miles, saving 236 tonnes of CO₂ emissions

Ongoing and planned initiatives include:

- Expansion of electric vehicle charging infrastructure – evaluating the most efficient way of installing as many 11kW charging points as possible
- Evaluating electrical load requirements of future heat decarbonisation plans
- Exploring low carbon fuel alternatives, such as HVO (hydrotreated vegetable oil) fuel, for use in existing ambulances
- Investigating solar panels as a means of offsetting the increased electrical demands arising from fleet electrification
- Investigating rainwater harvesting to reduce water use from washing ambulances
- Travel survey to assess requirements for bike rack provision

Equality and diversity

We are committed to demonstrating our due regard to the Public Sector Equality Duty (general duty) to eliminate unlawful discrimination, harassment, and victimisation; advance equality of opportunity; and foster good relations between different groups. There are various ways we meet our statutory, NHS and organisational obligations.

We provide 'due regard' to the impact of our policies/services or functions (including service delivery) by ensuring that we carry out Equality Impact Analysis, a tool that helps us meet requirements the Equality Act 2010, section 149 set out below:

Public sector equality duty

1. A public authority must, in the exercise of its functions, have due regard to the need to:
 - a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.

- b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.
- c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

We have published our Equality Strategy 2022-2026 which includes four equality objectives:

- Inclusive leadership
- Improved patient experience
- Our people (including Governors and Volunteers) are broadly representative of the communities we serve and are supported and engaged
- Better health outcomes and improved patient access

The strategy is available on our website along with other information to meet our specific duty under the Equality Act 2010 to publish the information: www.scas.nhs.uk/about-scas/publications/

Our Patient Experience team captures data which allows us to produce reports analysing results by protected characteristics if required.

More detail of Equality and Diversity policies used within the Trust can be found as part of the Staff Report section below.

Health inequalities

Through the Trust's community engagement work on raising awareness of how to use emergency services effectively and use of community defibrillators and resuscitation techniques we actively seek to tackle health inequalities. We actively use demographic data to target our resources in areas of highest need and traditionally hard to reach communities.

Quality Account

The Trust publishes a Quality Account each year at the end of June, providing more information about progress against a set of quality priorities. The document is available on the Trust website: www.scas.nhs.uk/about-scas/publications/

Financial performance

The Trust's full accounts are attached to this report, providing the detail of our financial performance in 2022/23 with a summary in the Operational and Financial Review (section 3.10). Overall the Group delivered a reportable surplus of £43,000, with a total operating expenditure of £354m.

Performance report sign-off

I sign-off this performance report in my capacity as Accounting Officer.



A handwritten signature in black ink that reads "D. Eltringham".

David Eltringham
Chief Executive Officer

14 July 2023



ACCOUNTABILITY REPORT

3.1 DIRECTORS' REPORT

Background

The Trust's Board of Directors (the Board) held six meetings 'in public' between 1 April 2022 and 31 March 2023. Meetings were held virtually, due to the Covid-19 pandemic, until January 2023 when in-person meetings resumed.

The agendas, papers and minutes of Board meetings are available on the Trust's website: www.scas.nhs.uk/about-scas/our-board/board-meetings/

Covid-19

The Trust continued to maintain appropriate and effective governance during Covid-19 pandemic. Governance arrangements were kept under continuous review by the Trust's Chair, Chief Executive and Company Secretary.

The key aspects of our Covid-19 governance arrangements during 2022/23 were:

- We have, at all times, applied the governance requirements and guidance set by NHS England; for example, in relation to the delivery of Board business
- Our aim has been to continue to maintain robust Board and Corporate Governance arrangements whilst taking a pragmatic and flexible approach in order to maximise the resources available to respond to Covid-19 and the wider operational challenges, and support our patients and staff

Further details of our governance arrangements are disclosed in the 2022/23 Annual Governance Statement in section 3.8 below.

CQC Inspection

The Care Quality Commission (CQC) published its latest report on the Trust in August 2022 following a full inspection focused on the well-led domain, 999 call centres and frontline services. The report also took account of the November 2021 CQC inspection specific to safeguarding concerns.

The report reduced the Trust's overall rating from good to inadequate. Non-emergency patient transport and 111 services were not inspected in 2022 and retain their ratings of good from earlier inspections. CQC highlighted areas of outstanding practice within the Trust, particularly in relation to frontline staff and their dedication to patient care.

The Trust recognises the important issues highlighted in the CQC report and is fully committed to addressing all these matters as part of a comprehensive improvement programme. The improvement programme includes actions to improve against the NHS England well-led framework, and covers Board and wider leadership development plans. Information on progress made in 2022/23 is provided in the Performance Report section of this report.

Better payment Practice Code

The Trust has fully complied with the requirements of the Better Payment Practice Code in 2022/23. The full details of our performance are disclosed in Note 25.3 of the annual accounts.

Decisions taken by the Board and delegated to management

The Board has overall and collective responsibility for the exercising of the powers and the performance of the Trust, and its duties include to:

- Provide effective and proactive leadership of the Trust
- Ensure compliance with the provider license, constitution, mandatory guidance issued by NHS England, and other relevant statutory obligations
- Set the Trust's strategic aims at least annually, taking into consideration the views of the Council of Governors, ensuring that the necessary resources are in place for the Trust to meet its main priorities and objectives
- Ensure the quality and safety of healthcare services for patients, education, training and research delivered by the Trust, applying the relevant principles and standards of clinical governance
- Ensure that the Trust exercises its functions effectively, efficiently and economically, including in relation to service delivery
- Set the Trust's visions, values and standards of conduct and ensure that its obligations to patients and other key stakeholders are delivered

All Board members (executive and non-executive) have joint responsibility for decisions of the Board and share the same liability. All members also have responsibility to constructively challenge the decisions of the Board and help develop proposals on priorities, risk mitigation, values, standards and strategy.

The Board delegates certain powers to its sub-committees (not including executive powers unless expressly authorised). The executive team is responsible for the day-to-day running of the organisation and implementing decisions taken at a strategic level by the Board.

Board of Directors balance

The Board regularly reviews its composition to ensure that it has the skills and competencies required to enable the Trust to fulfil its obligations.

During the year, the Board had eight non-executive directors (NEDs), including the Chair, and seven executive directors, including the Chief Executive. Two new non-executive directors joined the Board: Michael McEnaney and Dr Dhammika Perera in January and February 2023, respectively – replacing Michael Hawker and Dr Henrietta Hughes.

All Fifteen executive and non-executive Board members have voting rights. During 2022/23 the Digital Director role moved to report directly to the Chief Executive and attends the Board as a non-voting member.

Board of Directors performance evaluation and review

The Board reviews its functioning and performance on an on-going basis throughout the year. The Trust, as with all other NHS providers, is assessed on an on-going basis by NHS England as part of its regulatory approach. In August 2022 the CQC rated the Trust as inadequate in the well-led and safe domains and moved the overall Trust rating to inadequate. As a result, in October 2022, the Trust was assigned to Segment 4 of the NHS Oversight Framework.

The Trust has developed a detailed improvement plan with the support of the NHS England intensive support team. Information on our implementation in 2022/23 is provided in the Performance Overview section of this report. An Improvement Programme Oversight Board was established with executive and non-executive members and progress is reported on at the full Board and assurance committees.

The Council of Governors' Nominations Committee, supported by the Chair, Company Secretary and Chief People Officer continues to review the NED element of the Board as part of a formal succession planning process. Relevant decisions in this respect during 2022/23 included the appointment of two new Non-Executive Directors: Michael McEnaney (Chair of the Audit Committee) and Dr Dhammika Perera.

The Board also has further approaches to assess its collective performance, including through the performance appraisal system. As an example, the 2022/23 appraisals of the Chair and NEDs included comprehensive feedback from the Trust's Governors and Board members through a survey approach.

Reviews of the effectiveness of the key Board committees (e.g. Audit, Quality and Safety, Charitable Funds, and Remuneration) are also undertaken annually and presented to the Board.

Governance

The Board uses the *NHS Foundation Trust Code of Governance* as best practice advice to improve governance practices across the Trust. Furthermore, the effectiveness of the Trust's governance arrangements is regularly assessed, including through internal audit. The Trust was compliant with all aspects of the Code of Governance during 2022/23.

An external NHS England review of governance was published in October 2022 which made a series of recommendations. All recommendations have been accepted by the Trust as part of the overall improvement plan, including the establishment of a Finance & Performance Committee and a review of the over-arching corporate governance framework.

The Trust was compliant with its Constitution at all times during 2022/23.

The Board operates within a comprehensive governance structure with robust reporting arrangements, which facilitate good information flows between the Board of Directors, its assurance committees, and the Council of Governors.

The Trust maintains a register of Board members' interests, gifts and hospitality, and this is presented on an annual basis at one of the Trust's Board meetings in public. Board members are also asked to declare any new interests at each meeting of the Board, or highlight any existing interest that might be relevant to the discussions at that meeting.

The Board members register of interests can be found on our website at: www.scas.nhs.uk/about-scas/our-board/scas-board-members

The Board continues to apply the Fit and Proper Person Requirement regulations, satisfying itself that all current and newly appointed Board members fulfil the requirements. At each Board meeting in public, Board members are asked to declare whether there are any new factors which may impact on their ability to be regarded as 'fit and proper'.

Non-Executive Directors

Non-executive directors (NEDs) are members of the Board of Directors. They are not involved in the day-to-day operational management of the organisation, but are instead guardians of the governance process and monitor executive activity as well as contributing to the development of strategy. They have four specific areas of responsibility – strategy, performance, risk and people – and should provide independent views on resources, appointments and standards of conduct.

NEDs have a particular duty to ensure appropriate challenge is made, and that the Board acts in the best interests of the public. They should:

- Bring independence, external skills and perspectives, and challenge to strategy development
- Scrutinise the performance of, and hold to account, the executive management in meeting agreed objectives, receive adequate information, and monitor the reporting of performance
- Satisfy themselves as to the integrity of financial, clinical and other information, and that financial and clinical quality controls and systems of risk management and governance are robust and implemented
- Be responsible for determining appropriate levels of remuneration of executive directors and have a prime role in appointing, and where necessary removing, executive directors, and in succession planning

The Chair is one of the non-executive directors and is personally responsible for the leadership of the Board of Directors and the Council of Governors, ensuring their effectiveness on all aspects of their role and setting their agenda. During 2022/23 the Trust had eight serving and voting non-executive directors, all of whom are independent:

NED	Date appointed to FT Board	Current term of office	Term
Prof Sir Keith Willett (Chair)	1 April 2022	31 March 2025	First
Sumit Biswas	1 July 2016	30 June 2025	Third
Les Broude	1 February 2018	31 January 2024	Second
Nigel Chapman	1 March 2022	28 February 2025	Third
Ian Green	1 July 2020	30 June 2023	First
Mike Hawker	1 January 2014	30 December 2022	Third
Dr Henrietta Hughes	1 February 2022	30 September 2022	First/resigned
Dr Anne Stebbing	1 April 2018	31 March 2024	Second
Mike McEnaney	1 January 2023	19 December 2025	First
Dr Dhammika Perera	1 February 2023	28 February 2026	First

Details of each non-executive director Board member, including the register of declared interests, can be seen on the Trust's website at www.scas.nhs.uk/about-scas/our-board/scas-board-members/

Executive Directors

The executive directors are responsible for the day-to-day running of the organisation, and the Chief Executive, as Accounting Officer, is responsible for ensuring that the organisation works in accordance with national policy and public service values, and maintains proper financial stewardship. The Chief Executive is directly accountable to the Board for ensuring that its decisions are implemented.

At the end of the 2022/23 financial year there were seven voting executive directors on the Trust Board. David Eltringham took on formal responsibilities as Chief Executive / Accounting Officer from 1 April 2023.

Executive Director	Position
Will Hancock	Chief Executive (until 31 March 2023)
David Eltringham	Chief Executive (from 1 April 2023)
Dr John Black	Medical Director
Paul Kempster	Chief Operating Officer
Jill Lanham*	Director of Digital
Mike Murphy	Director of Strategy and Business Development
Aneel Pattni	Chief Finance Officer
Melanie Saunders	Chief People Officer
Prof Helen Young	Director of Patient Care & Service Transformation (Chief Nurse)
<i>*non-voting</i>	

Professor Helen Young remained in her interim role as Senior Responsible Officer for NHS Covid Response Services during the year.

Details of each executive director Board member, and the register of interests for all members, can be seen on the Trust's website at www.scas.nhs.uk/about-scas/our-board/scas-board-members/

Board assurance committees

The Board has six committees: Audit, Quality and Safety, Finance & Performance, People & Culture, Remuneration, and Charitable Funds. The assurance committees continued to hold meetings during the year, mainly virtually.

The Audit and Quality and Safety Committees jointly oversee governance, quality and risk within the organisation and provide assurance to the Board.

The **Audit Committee** also seeks assurance that financial reporting and internal control principles are applied. Its members at the end of 2022/23 were Michael McEnaney (Chair), Dr Dhammika Perera and Les Broude and four meetings were held during 2022/23.

The main focus of the **Quality and Safety Committee** is to enhance Board oversight of quality performance, and probe quality and care issues. During the pandemic, the Committee also oversaw the governance of the national Covid Response services. Its members at the end of 2022/23 were Dr Anne Stebbing (Chair), Sumit Biswas and Dr Dhammika Perera. Six meetings were held during 2022/23.

The **People & Culture Committee** (which met on six occasions during the year), provides the Board with assurance on all aspects of people, culture, organisational development and education, supporting the provision of safe, high quality, patient-centered care. Its members were Ian Green (Chair), Sumit Biswas and Dr Anne Stebbing.

The **Finance & Performance Committee** (established in March 2023) provides assurance to the Board in scrutinising the financial, business infrastructure and operational performance of the Trust. Its members were Les Broude (Chair), Nigel Chapman and Ian Green. Overall responsibility for the Trust's finances is vested in the Board of Directors.

The **Remuneration Committee** is responsible for ensuring that a policy and process for the appointment, remuneration and terms of service, and performance review and appraisal, of the Chief Executive, executive directors and senior managers are in place. Its members at the end of 2022/23 were Sumit Biswas (Chair), Ian Green, Dr Anne Stebbing and Professor Sir Keith Willett. Four meetings were held during 2022/23.

The **Charitable Funds Committee** acts with delegated authority from the Board (the corporate trustee) to ensure that the South Central Ambulance Charity operates with appropriate governance. Its members at the end of 2022/23 were Nigel Chapman (Chair), Michael McEnaney and Dr Dhammika Perera. Four meetings were held during 2022/23.

Board member attendance at meetings

The attendance at meetings during 2022/23 of those who have served on the Board, and reflecting their membership of the various committees, is as follows:

	Trust Board	Audit Committee	Quality and Safety Committee	People and Culture Committee	Finance and Performance Committee	Remuneration Committee	Charitable Funds Committee
Total meetings	6	6	6	6	1 <small>(established 03/2023)</small>	5	4
Non-Executive Directors							
Prof Sir Keith Willett (Chair)	6/6	NA	NA	NA	NA	5/5	NA
Sumit Biswas	5/6	6/6	6/6	6/6	NA	5/5	NA
Les Broude	6/6	5/6	NA	NA	1/1	NA	3/4
Nigel Chapman	6/6	NA	5/6	NA	1/1	NA	4/4
Ian Green	6/6	NA	NA	6/6	1/1	4/4	4/4
Mike Hawker	4/4	5/5	NA	NA	NA	NA	3/3
Henrietta Hughes	3/3	2/3	NA	1/1	NA	NA	NA
Dr Anne Stebbing	6/6	NA	5/6	6/6	NA	4/5	NA
Mike McEnaney	2/2	1/1	NA	NA	NA	NA	NA
Dr Dhammika Perera	1/1	NA	NA	NA	NA	NA	NA
Executive Directors							
Will Hancock	6/6	NA	NA	NA	NA	5/5	NA
Dr John Black	6/6	NA	4/4	NA	NA	NA	NA
Paul Kempster	6/6	NA	NA	NA	1/1	NA	NA
Mike Murphy	5/6	NA	NA	NA	1/1	NA	5/5
Charles Porter	2/2	2/2	NA	NA	NA	NA	NA
Aneel Pattni	3/3	3/3	NA	NA	1/1	NA	NA
Melanie Saunders	6/6	NA	NA	6/6	1/1	5/5	NA
Prof Helen Young	6/6	NA	6/6	NA	NA	NA	NA

3.2 COUNCIL OF GOVERNORS

The Council of Governors (CoG) plays an essential role in the governance of the Trust, providing a forum through which the Board of Directors is accountable to the local community.

The Trust's Constitution, reflecting relevant legislation, sets out the key requirements in respect of the functioning of Council, whose general functions are to:

- hold Non-Executive Directors (NEDs) individually and collectively to account for the performance of the Board of Directors; and
- represent the interests of the members of the Trust as a whole and the interests of the wider public

SCAS became a Foundation Trust on 1 March 2012; the period 1 April 2022 to 31 March 2023 therefore represented the eleventh full year of working for the Council of Governors.

The Covid-19 pandemic continued to impact on the manner in which the Council carried out its business during 2022/23, with all meetings continuing to be held virtually. A key focus centred on member and public engagement which continued largely via virtual and digital platforms, although some 'roadshow' events were undertaken in person in early 2023. Throughout the year, Council has continued to deliver its statutory duties and to retain its focus on strong governance and accountability.

Membership of the Council

The Council is chaired by the Trust Chair, in accordance with the Foundation Trust Code of Governance, and has a full composition of twenty-eight Governors, as follows:

- fifteen elected Public Governors across four constituencies (Hampshire, Berkshire, Oxfordshire and Buckinghamshire)
- six elected Staff Governors
- three appointed Local Authority Partner Governors
- two appointed Clinical Commissioning Group Partner Governors
- one appointed Partner Governor representing the Air Ambulance Charities
- one elected Community First Responder (CFR) Governor

During the year, elections for both Lead and Deputy Lead Governor were held with Helen Ramsay succeeding Barry Wood as Lead Governor. Mark Davis was re-elected to continue to serve for a further two-year term from 1 March 2023. The review period ended with twenty-four Governors in place four vacancies. Further elections to Council will be held in Autumn 2023.

During the year the Council approved a constitutional amendment to increase the number of Public Governor constituencies from four to five. The new constituency covers the 'Rest of England and Wales' and took effect from 1 March 2023.

Details about each Governor, including biographies and declared interests, can be seen on the Trust's website at: www.scas.nhs.uk/about-scas/council-of-governors/

Formal meetings of the Council

Six formal meetings of Council were held during 2022/23, including two Extraordinary meetings in November and December 2022, which included approving the appointment of two new NEDs. All meetings were 'held in public' (virtually due to Covid-19), and in accordance with the Trust's Constitution (i.e. were fully quorate). Each meeting was chaired by the Trust Chair, and was well attended by Board members, including NEDs.

Details of all Council meetings in public can be found at: www.scas.nhs.uk/about-scas/council-of-governors/council-of-governor-meetings/

In addition to the formal meetings, additional working meetings were held, including:

- in May 2022, a Council briefing was held on the CQC inspection and related warning notice and the Trust's proposed improvement programme
- the first in-person meeting of Council, in the form of a workshop, was held in October 2022
- annual strategy meeting with the Board



Attendance at meetings for all Governors who served in 2022/23

Governor	Constituency	Current term of office	Formal Council meetings	Workshops with Board of Directors
Andy Bartlett	Public – Hampshire	1/3/2021 – 29/2/2024	3/6	1/1
Loren Bennett	Staff - PTS	1/3/2021 – 29/2/2024	4/6	1/1
Stephen Bromhall	Public – Bucks	1/3/2021 – 29/2/2024	5/6	1/1
Laurence Chacksfield	Public – Berkshire	1/3/2021 – 29/2/2024	1/6	0/1
Sabrina Chetcuti	Partner – CCG	1/7/2019 – 30/6/2022	0/6	0/1
Mathew Clark	Public – Bucks	1/3/2021 – 29/2/2024	0/6	0/1
Rachael Cook	Staff – 999 EOC	1/3/2021 – 29/2/2024	5/6	1/1
Anne Crampton	Partner – LA	1/4/2021 – 31/3/2024	6/6	1/1
Mark Davis	Public – Berkshire / Deputy Lead Governor	1/3/2020 – 28/2/2023	5/6	1/1
Claire Dobbs	Partner – Charity	1/10/2020 – 30/9/2023	4/6	0/1
Frank Epstein	Public – Berkshire	1/3/2020 – 28/2/2023	6/6	1/1
Hilary Foley	Public – Hampshire	1/3/2020 – 28/2/2023	4/6	0/1
Sherri Green	Staff – NHS111	1/3/2021 – 29/2/2024	0/6	0/1
Graeme Hoskin	Partner - LA	1/3/2021 – 29/2/2024	1/6	0/1
Loretta Light	Public – Oxfordshire	1/3/2021 – 29/2/2024	6/6	1/1
David Lockett	Public – Hampshire	1/3/2021 – 29/2/2024	5/6	1/1
Charles McGill	Public – Hampshire	1/3/2021 – 29/2/2024	6/6	1/1
Tony Nicholson	Public – Hampshire	1/3/2021 – 29/2/2024	3/6	0/1
MayBeth Pardey	Staff – 999 South	1/3/2021 – 29/2/2024	0/6	0/1
Mark Perryman	Public – Hampshire	1/3/2021 – 29/2/2024	0/6	0/1
Helen Ramsay	Public – Oxfordshire	1/3/2020 – 28/2/2023	5/6	1/1
Ken Roberts	Public – Bucks	1/3/2020 – 28/2/2023	0/6	0/1
David Ross	CFR Governor	1/3/2020 – 28/2/2023	3/6	1/1
Ian Sayer	Staff – 999 North	1/3/2021 – 29/2/2024	3/6	0/1
David Wesson	Public – Oxfordshire	1/3/2021 – 29/2/2024	2/6	0/1
Barry Wood	Partner – LA	1/7/2019 – 30/6/2022	4/6	0/1

Duties and functions

Delivery of specific statutory duties

The Governors have a range of specific statutory duties, and all of the statutory duties relevant to 2022/23 were satisfactorily discharged.

Duty		Comments
Receive annual accounts, auditor's report and annual report	✓	The annual accounts and reports were received at the Council meeting in public held in July 2022.
Appoint and, if appropriate, remove the external auditor	✓	The Council approved a new external auditor (Azets) for an initial three-year period at the meeting in January 2022. This was supported by a task and finish group consisting of three Governors who were involved with the recruitment and selection process in its entirety.
Directors must have regard to Governors' views when preparing the forward plan	✓	The Council and Board have held strategy sessions, including the annual joint strategy workshop at which the Trust's future plans were discussed.
Appoint and, if appropriate, remove the other Non-Executive Directors (NEDs)	✓	In 2022/23, two new NEDs appointments were made in respect of Michael McEnaney (Chair of the Audit Committee) and Dr Dhammika Perera. In addition, Governors were extensively involved in the appraisal of the NEDs.
Decide remuneration and terms of conditions for Chair and other NEDs	N/A	No changes to the terms and conditions for the Chair and other NEDs were made in 2022/23.
Constitution	✓	The Constitution was amended to include a 'Rest of England and Wales' constituency
Approve appointment of Chief Executive	N/A	A new Chief Executive, David Eltringham, was appointed effective from 1 March 2023 (Accountable Officer from 1 April 2023).
Approve significant transactions	N/A	No significant transactions required approval in 2022/23.
Approve an application by the Trust to enter into a merger, acquisition, separation or dissolution	N/A	No such applications occurred in 2022/23.
Decide whether the Trust's non-NHS work would significantly interfere with its 'principal purpose'	N/A	This was not required during 2022/23.

Delivery of other duties and functions of the Council

There are general duties for Governors in relation to holding the Board of Directors to account for the performance of the Trust via the NEDs, and in representing the interests of the members and the public.

A range of mechanisms are in place to support the Governors with their holding to account role, including (but not exclusive to):

- All formal meetings of Council include an update from the Chief Executive on key strategic issues and operational performance, with an opportunity for Governors to ask questions. The format of Council meetings allows Governors to receive direct feedback from NEDs on how they seek assurance in holding Executive Directors to account for improving the performance of the Trust, and to ask questions in this regard
- Six Board meetings in public are held each year, and Governor attendance at these has been strongly promoted. Governors are able to ask questions at meetings, with responses recorded in detail in the Board minutes
- The Trust ensures that Governors normally receive papers for Board meetings one week in advance of scheduled meetings
- Governors are invited to attend and observe meetings of Board assurance committees: Audit, Charitable Funds, Quality & Safety and People & Culture
- Governors have an assigned NED 'buddy' to help develop their understanding of how the NEDs seek assurance over the day-to-day running of the organisation
- Governors have a detailed involvement in the appraisal of the Chair and NEDs
- Information is regularly circulated by the Company Secretariat to keep Governors up-to-date on key Trust issues, developments, and performance, with any questions and comments being responded to as appropriate

During 2022/23, most Governors attended at least one of the Board meetings in public (meetings continued to be held virtually due to the Covid-19 pandemic).

The work of the Membership and Engagement Committee has been key to the Governors' other general duty of representing the interests of the members and the public. Engaging with the public had been particularly challenging during the Covid-19 pandemic, with technology being utilised to increase opportunities for engagement with Trust members and members of the public in order to ascertain their views on the Trust. However, several public events were held in person in early 2023 to encourage engagement and interest in the work of the Trust.

Council sub-committees

Council has two formal sub-committees: Nominations Committee and the Membership and Engagement Committee. Details of their meetings and work programmes are explained below.

Nominations Committee

One of two formal sub-committees, the Nominations Committee is chaired by the Trust Chair and has five other members from amongst the Governors (the Lead Governor and one Governor each from the categories of Public, Staff, CFR and Appointed Partner).

The Nominations Committee met on two occasions during 2022/23 and considered:

- The appointment of two new NEDs: Michael McEnaney and Dr Dhammika Perera
- Arrangements for the 2022/23 Chair and NED appraisal process, which were subsequently approved by the full Council
- The process for the recruitment and appointment of a new Chief Executive

Membership and Engagement Committee

The Membership and Engagement Committee's primary role is to recommend strategies to the Council for the recruitment of, and engagement with, Trust members. The Committee ended the year with nine members, comprising six Public Governors, one Community First Responder Governor, one Staff Governor and one appointed Partner Governor.

The Committee met on three occasions during 2022/23 and continued a) to review the approach for engaging with Trust members (including through social media and Governor-led films on key topics); and b) considered the future strategy for SCAS membership engagement, in particular, those groups that are under-represented.

Governor support, training and development

The Trust has a formal duty to ensure that Governors are equipped with the skills and knowledge they require to undertake their role; during the course of the year the Trust has supported Governors in this regard. In addition to the mechanisms outlined to support the general duties of Governors, the Trust has:

- Provided opportunities for Governors to develop their understanding of the work of the Trust and its NEDs, including attendance at Board committee meetings
- Provided access to relevant external training: a facilitated, in-person development session was organised in January 2023 at which the core duties and functions of Council were considered, including changes in respect of wider engagement under the Health & Care Act (2022)
- Arranged four briefing sessions to enhance Governors understanding of certain aspects of the Trust, these sessions focused on the CQC improvement programme and strategic planning
- Issued regular briefings and bulletins on SCAS, Covid-19 and the wider NHS

Arising out of a survey issued to Governors and NEDs in 2022, a development action plan was developed designed to further develop and enhance the functioning of Council. It will be a priority for this action plan to be re-visited during 2023/24.

Conclusions and priorities for 2023/2024

Council continues to play an important part in contributing to the overall success of the Trust. It has effectively delivered all of the relevant statutory duties for the year, including holding the NEDs to account for the performance of the Trust and appointing new Non-Executive Directors, and being involved as a key stakeholder in the appointment of a new Chief Executive.

Governors continue to have a good working relationship with the Board of Directors, and Directors regularly attend Council meetings to answer questions, participate in discussions, and help the Governors deliver their statutory duties. In turn, the Trust has benefitted from the perspectives brought by a diverse group of Governors.

Being fully cognisant of CQC recommendations, the Council of Governors approved the following priorities in respect of the Quality Accounts:

- 1. Engagement** - developing arrangements further for engaging in a meaningful way with the Trust's membership (public and staff) and ensuring that the interests of both members and the public are suitably represented and their views brought to the attention of the Trust. This will include:
 - Continuing to focus on engaging more effectively with younger people and 'seldom heard' groups, as part of in-person events
 - Ensuring that the Trust's representation and engagement work continues to take account of the changing NHS landscape and effectively conveys the strategic themes and ambitions of the Trust over the coming year
 - Creating a proactive campaign to raise awareness of the public, staff and CFR elections being held in autumn 2023
- 2. Holding to Account** - as part of an Integrated Care System, ensuring that Governors are kept informed of progress over the delivery of system-wide priorities, and the Trust's contribution to this. This will enable Governors to maintain a strong focus on holding the Board to account, via the NEDs, for the performance of the Trust.
- 3. Working Effectively** – implementing the Development Action Plan, based on Governor survey feedback. This will focus on enhancing the performance of Council, the effectiveness of meetings and the continued development of Governors and their relationship with the Board.

3.3 MEMBERSHIP AND PUBLIC ENGAGEMENT

SCAS was established as a Foundation Trust in March 2012 and our membership continues to be an asset for the organisation in ensuring that the voices of local communities are heard and reflected in how SCAS is run and services are delivered.

Trust membership

Constituency	2022/23
Berkshire	872
Buckinghamshire	740
Hampshire	1716
Oxfordshire	858
Rest of England and Wales / out of Trust area	283
Total public members	4469
Staff members	4556
Total	9025

Engagement with Trust membership and public

The Trust is committed to engaging with public and staff members, providing opportunities for Governors to communicate with members and the public, and to understand their views and improve diversity in membership representation.

We work to ensure that our membership is as representative as possible of the communities we serve. We use a customer relationship management system which holds membership data and allows us to analyse and monitor membership demographics.

We continue to build partnerships with healthcare partners in our region, including integrated care systems, and encourage collaboration and joined up working. We run a series of talks called “Your Health Matters” for our members and the public at large. In September 2022, we held our first talk in person after the Covid pandemic, in collaboration with Oxford University Hospitals NHS Foundation Trust (OUH). Mark Ainsworth-Smith MBE, Consultant Pre-Hospital Care Practitioner, joined Dr Sam Dawkins, Consultant Interventional Cardiologist, Oxford University Hospitals, to give a talk on heart health. Community First Responders (CFRs) gave demonstrations on CPR and how to use a defibrillator alongside Here for Health from OUH. The talk was well attended with over 60 members from SCAS and OUH present alongside members of the public.

In March, 2023, we held our first online event in collaboration with University Hospitals Southampton (UHS). Mark Ainsworth-Smith MBE from SCAS talked about the signs and symptoms of heart attack and cardiac arrest, including guidance on what you can do to improve survival rates. This was followed by Richard Jabbour, Consultant Interventional Cardiologist at UHS, who gave an introduction to interventional cardiology. 357 people registered and the live audience peak was 111 (the highest audience for a UHS public event). Those who could not attend were able to watch a recording.

An e-bulletin is sent to members once a month with the latest news, and as part of the Trust's ongoing stakeholder engagement work, we created a new stakeholder bulletin in February 2023, which is now sent out bi-monthly. We have also set up a group to oversee the management and delivery of stakeholder engagement across the Trust.

Public and Staff Governor elections ran from September 2022 with a campaign to our membership launched earlier in the year to promote nominations. The campaign used social media and other channels, promoted diversity, and focused on the qualities needed to become a governor.

We ran several events over the year, including visits to pre-schools, schools and colleges, community groups and third sector organisations and coordinated larger emergency service days. From January to March 2023 the engagement and recruitment teams collaborated to deliver a road show across the south-central area to drive recruitment and raise awareness of SCAS.

We conducted a survey of public and staff members to get feedback on the efficacy of our communications and engagement. Whilst the response rate was low, feedback has been reviewed and considered. Most public members reported that the SCAS website and member bulletin is either useful or very useful; whilst there was a mixed response to the usefulness of social media. A series of short films about SCAS were considered useful. When asked what people wanted to hear more about the response was varied, including information on health topics and performance updates. We now include a regular performance update in the member bulletin.

There is still more work to be done to raise awareness of the value of a Foundation Trust amongst staff but support for SCAS was strong. Staff asked for more information on what it means to be a Foundation Trust. Most staff reported that they don't have capacity for getting involved however throughout the year staff have shown interest and support in attending events when possible.

As part of our work to focus on reducing health inequalities, we established relationships and engaged with learning disability communities across the south-central area to help us review information on access to emergency services, including a dedicated page on the SCAS website which is currently under development.

Our Business Information team is correlating data on demand and areas of deprivation to help us to understand which communities are most profoundly affected by health inequalities so that we can engage with them for feedback and share information on access to services.

Contacting a SCAS Governor or Board Director

If a Foundation Trust Member or member of the public wishes to contact one of the governors or directors at SCAS, please contact the Membership Office in the following ways:

By email: getinvolved@scas.nhs.uk
By telephone: 01869 365000
By post: FREEPOST Communications – Membership
South Central Ambulance Service NHS Foundation Trust
Freepost RSJY-USUX-GKBE
7-8 Talisman Business Centre
Talisman Road
Bicester
Oxfordshire
OX26 6HR

3.4 STAFF REPORT

Our workforce

2022/23 was a challenging year for SCAS, as the country came out of the pandemic. Increased cost of living, a competitive labour market and continued high demand within the ambulance sector has had a negative impact on both the recruitment and the retention of our workforce. SCAS employed more than 1,200 new employees in 2022/23. However, high attrition levels meant that there was little movement in the overall workforce growth (120 FTE increase which equates to 189 people) and vacancy rates stayed at 21% throughout the year.

SCAS continued to invest in our existing workforce, helping advance 150 employees into new positions within the Trust as part of our internal development programmes, whilst we were also able to expand our apprentice workforce. The Trust will continue to improve overall recruitment in 2023/24, whilst adopting new staff retention and staff attendance strategies to increase our workforce.

New People Strategy

At the end of 2022/23 the Board approved a new three-year People Strategy that defines our plans for 2023-2026 with a range of short, medium and long-term objectives.

It is crucial that we look after and support all of our people to be the best version of themselves and, to that end, the four golden threads running through our strategy are Civility and Respect; Diversity and Inclusion; Health and Wellbeing; and Continuous Improvement.

Our ambition is to create a work environment in which our people feel happy, safe and have a sense of belonging. We aim to develop our offer as an employer of choice, attracting and welcoming new people who share our values of Caring, Professional, Innovative and Teamwork.

The strategy is published on our website: www.scas.nhs.uk/about-scas/publications/

Workforces statistics for key services:

999 Front-Line

The ongoing development of our workforce and the recruitment of additional people to our 999 front-line services continued to be a key challenge in 2022/23. Over the year, we welcomed 380 new 999 frontline recruits. Attrition amongst 999 frontline services at 31 March 2023 was 18% (15% 31 March 2022); the vacancy rate was 22% (12% 31 March 2022). However, a significant part of the vacancy increase was due to increases in our overall establishment.

Emergency Operations Centre (EOC)

Maintaining an effective emergency contact centre environment and the expansion of our overall establishment within the EOC were our key challenges in 2022/23. Over the year, we welcomed 200 new EOC recruits, including international Clinical Support Desk practitioners to help improve our 'hear-and-treat' rate and call takers from the Isle of Wight providing additional resource. Attrition in EOC at 31 March 2023 was 61% (50% 31 March 2022); the vacancy rate was 5% (17% 31 March 2022).

NHS 111

High demand on the NHS 111 service continued throughout 2022/23. Over the year we welcomed 330 new recruits to 111. Attrition in 111 at 31 March 2023 was 78% (70% 31 March 2022); the vacancy rate was 21% (5% 31 March 2022). This increase in vacancy rates is a mixture of increasing establishment and challenges with retention and recruitment.

Patient Transport Service (PTS)

In 2022/23 we welcomed 180 new PTS recruits. Attrition in PTS at 31 March 2023 was 31% (30% 31 March 2022); the vacancy rate was 22% (16% 31 March 2021).

Service	Headcount	
	31/03/2022	31/03/2023
999 Frontline	1999	2086
EOC	367	362
NHS 111	581	544
Operational Support Services	118	168
Patient Transport Services	829	821
Commercial Logistics	49	46
Corporate Support Services	469	574
Total	4,412	4,601

Further data on the NHS workforce, including data by Trusts, can be found at: <https://digital.nhs.uk/data-and-information/publications/statistical/nhs-workforce-statistics>



Average Number of Employees (WTE basis) (Audited)

Staff group	2021/22		2022/23	
	Permanent WTE	Other WTE	Permanent WTE	Other WTE
Medical and dental	0	0	1	0
Ambulance staff	2,805	0	2,810	0
Administration and estates	1,357	29	1,140	24
Healthcare assistants and other support staff	155	4	10	0
Nursing, midwifery and health visiting staff	116	5	115	5
Nursing, midwifery and health visiting learners	0	0	0	0
Scientific, therapeutic and technical staff	15	0	14	0
Healthcare science staff	0	0	0	0
Social care staff	0	0	0	0
Other	0	0	0	0
Total average numbers	4,448	38	4,090	29

Average staff numbers for the Trust's subsidiary, South Central Fleet Services Limited, as at 31 March 2023 are 41 (40 in 21/22). Of which 37 were permanent employees (36 in 21/22) and 4 other (4 in 21/22).

Sickness absence

Sickness absence in 2022/23 saw a significant reduction in Covid-19. Sickness absence has been split into 'Standard' and 'Covid-19' sickness. To benchmark against the 2021/22 annual report, the following statements exclude Covid-19 sickness. Covid-19 sickness is identified in the table below.

The overall standard sickness rate for 2022/23 was 8.9% (9.6% in 2021/22), which equated to 19 days lost per person (23 days lost in 2021/22).

The long-term sickness rate for 2022/23 was 4.0% (4.7% in 2021/22), with the short-term rate being 3.7% (4.8% in 2021/22). The highest reason for sickness is illness due to mental health (which includes both work and personal-related mental ill health), followed by musculoskeletal problems. Improving attendance at work will remain a focus for the coming year.

Service	% Sickness Rate		
	Standard	Covid-19	Total
999 Frontline	8.00%	2.06%	10.06%
EOC	7.67%	1.05%	8.72%
NHS 111	10.31%	1.06%	11.37%
Operational Support Services	4.72%	0.44%	5.16%
Patient Transport Services	9.11%	1.44%	10.55%
Commercial Logistics	6.02%	0.06%	6.08%
Corporate Support Services	2.38%	0.65%	3.03%
Trust Total	7.54%	1.45%	8.99%

Workforce diversity and inclusion profile

As of 31 March 2023, the Trust employed 4601 staff, of which:

- 55% are women
- 5.4% are from Black, Asian, or Ethnic and mixed heritage backgrounds
- 2% are aged under 20 and 6% are over 60 years old
- 6.4% declare a disability at the point of recruitment
- 7.2% are lesbian, gay, bisexual, transsexual (LGBT+)
- 80.4% follow a religion/belief (including atheism)

Gender (male/female)

It is worth noting that the proportion of female workforce has gradually increased over the last 5 years and overtook the male staff population in 2020.

Gender	Headcount	%	Headcount	%
	31/03/2022		31/03/2023	
Female	2376	54%	2516	55%
Male	2036	46%	2085	45%
Total	4,412		4,601	

The gender split of Non-Executive Directors at end of 2022/23 was:



Female:
1 (12%)



Male:
7 (88%)

The gender split of Executive Directors at end of 2022/23 was:



Female:
2 (29%)



Male:
5 (71%)

SCAS defines senior managers as members of the Board, comprising Non-Executive and Executive Directors. The gender split for the Board at end of 2022/23 was:



Female:
3 (20%)



Male:
9 (80%)

Gender pay analysis

The pay analysis is provided at from the start of 2022/23, when there were 46% (2173) male and 54% (2517) female employees.

Mean & Median pay gap (hourly rate):

	Male	Female	% Gap
Mean Gender Pay Gap (hourly rate)	£16.02	£15.64	2.41%
Median Gender Pay Gap (hourly rate)	£13.46	£13.36	0.70%

The table above shows that men have a greater mean hourly pay rate than women by a gap of 2.41%. This is a shift from the previous year when for the first time there was a negative mean hourly rate for men at -9.70% (a change of 12.11%).

The median hourly pay is also slightly greater for men by a gap of 0.70%. Again, this is a shift from the previous year when for the first time there was a negative median hourly rate for men at -2.19% (a change of 1.49%).

The negative pay gap figure in 2021 resulted from a temporary significant increase in female GPs on higher pay points working within the national covid response services; meaning, as an average, women were paid more than men in that year. These national services were stood down as the pandemic eased so the 2022 figure has returned to a positive gap between male and female pay.

Mean and median pay gap over 5-year period:

	2018	2019	2020	2021	2022
Mean	3.98	2.7	0.74	-9.7	2.41
Median	1.43	0.72	0.22	-2.19	0.7

More detail is available in our gender pay analysis report 2022/23, published on our website: www.scas.nhs.uk/about-scas/publications/

Ethnicity

There has been an increase in staff from Black, Asian & Minority Ethnic (BAME) backgrounds from 4.8% 2021/22 to 5.4% in 2022/23 (0.6% increase).

Ethnic Group	Headcount	%	Headcount	%
	31/03/2022		31/03/2023	
A White - British	3762	85.3 %	3829	83.2 %
B White - Irish	215	4.9 %	239	5.2 %
C White - Any other White background				
D Mixed - White & Black Caribbean				
E Mixed - White & Black African	62	1.4 %	75	1.6 %
F Mixed - White & Asian				
G Mixed - Any other mixed background				
H Asian or Asian British - Indian				
J Asian or Asian British - Pakistani	76	1.7 %	78	1.7 %
K Asian or Asian British - Bangladeshi				
L Asian or Asian British - Any other Asian background				
M Black or Black British - Caribbean				
N Black or Black British - African	59	1.3 %	75	1.6 %
P Black or Black British - Any other Black background				
R Chinese	15	0.3 %	19	0.4 %
S Any Other Ethnic Group				
Z Not Stated	223	5.1 %	286	6.2 %
Total	4,412		4,601	

Age

The majority of our staff are aged between 20 – 60, with a relatively even split across four age groups of people in their 20s, 30s, 40s and 50s.

Age Profile	Headcount	%	Headcount	%
	31/03/2022		31/03/2023	
<20	62	1%	86	2%
20-30	1093	25%	1148	25%
31-40	1035	23%	1089	24%
41-50	994	23%	980	21%
51-60	932	21%	993	22%
61-70	282	6%	292	6%
71+	14	0%	13	0%
Total	4,412		4,601	

Disability

The declaration rate for disability has increased by 1% from 2021/22. However, the number of staff not declaring whether they have a disability or not has also increased by 0.6%.

Disability	Headcount	%	Headcount	%
	31/03/2022		31/03/2023	
Yes	240	5.4%	295	6.4%
No	3668	83.1%	3751	82%
Not declared	504	11.4%	555	12%
Total	4,412		4,601	

Sexual orientation

The majority of staff are heterosexual/straight (79.4%) but a 1% drop from 2021/22. The number of LGBT+ staff has gone up by 0.5% to 7.2% although an increasing number of people have not stated their sexual orientation, 13.2 % in 2022/23 compared with 12.9% in 2021/22.

Sexual Orientation	Total	% Staff
Heterosexual or straight	3653	79.4%
Gay or lesbian	208	4.5%
Bisexual	115	2.5%
Other sexual orientation not listed	10	0.2%
Undecided	9	0.2%
Not stated	606	13.2%
Grand Total	4,601	

Religion & Belief

Over 80% of staff declared a religious or philosophical belief, including atheism.

Religious Belief	Total	% Staff
Christianity	1929	41.9%
Atheism	1217	26.5%
Islam	37	0.8%
Hinduism	21	0.5%
Buddhism	14	0.3%
Sikhism	8	0.2%
Judaism	7	0.2%
Other	458	10.0%
Not declared	910	19.8%
Grand Total	4,601	

Staff costs

Staff costs (Audited)

	2022/23	2021/2022
	Total	Total
	£000	£000
Salaries and wages	159,491	149,569
Social security costs	18,050	15,515
Apprenticeship levy	835	769
Employer's contributions to NHS pensions	<u>28,217</u>	<u>27,037</u>
Temporary staff (including agency)	<u>12,756</u>	<u>10,800</u>
Total gross staff costs	<u>219,349</u>	<u>203,690</u>
Recoveries in respect of seconded staff	<u>-</u>	<u>-</u>
Total staff costs	219,349	203,690
Of Which		
Costs capitalised as part of assets	-	-

Expenditure on consultancy was £459k (2021/22 £252k) (see Note 5.1 in the Accounts section).

Reporting of compensation schemes

The Group had 3 compensation packages in 2022/23 (2021/22: nil)

The Group had nil other non-compulsory departure costs in 2022/23 (2021/22: nil).

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000			
£10,000-£25,000	3		3
£25,001-£50,000			
>£50,001			
Total number of exit packages by type	3	0	3
Total resource cost (£'000s)	41	0	41

Payments to past senior managers

The Group had nil payments to past senior managers in 2022/23 (2021/22: nil)

Payments for loss of office

The Group had nil payments for loss of office in 2022/23 (2021/22: nil)

Staff policies and actions

Policies relating to disabled persons

No new policies were implemented in this financial year. All HR policies are mindful of the importance of people with disabilities applying for roles within the Trust and this continues throughout their employment. See section below on diversity and inclusion for more information.

Informing staff on matters of concern to them

Our internal communications processes include a range of ways to inform staff about significant issues. Core channels include:

- a weekly all staff bulletin
- the staff intranet accessible to all staff from remote devices and in offices
- ad hoc Hot News email bulletins
- a monthly all-staff webinar led by the executive team
- weekly video messages from the executive team
- a monthly online meeting for 500 line managers/leaders
- a new monthly Team Brief cascaded through line managers (from October 2022)

Departments and teams also manage their own local meetings and discussions on key issues affecting their staff.

Consultation with staff and their representatives

We value the positive contribution a constructive and genuine partnership approach to providing services can bring, and the Trust and our recognised Trade Unions share a common objective in ensuring the effective delivery of health services.

To assist in achieving our goals staff representatives are engaged in the operation and decision making within SCAS and are active participants in a numerous committees and sub committees including:

- Joint Consultative Committee
- Operations Partnership Forum
- PTS Partnership forum
- NHS 111 Partnership Forum
- Operations Policy Review Group
- HR Policy Review Group
- Health & Safety Committee
- Health and Wellbeing Forum
- People Policies Refresh Group
- Operations Policy Review Group
- Recognition Review Group
- Commercial Services Partnership Forum

In addition to the standing committees and ad hoc committees established to respond to business needs; staff representatives have worked in successful partnership on the implementation of national, sector and local initiatives and issues in 2022/23, including:

- Planning for industrial action, both within the Trust and the impact on our services from action in other providers
- Developing a sexual safety charter
- The culture and staff wellbeing workstream of our improvement programme

Throughout the year we updated a range of policies, and as part of our standard procedures there was a staff consultation period on each policy. Drafts were circulated for comment by email. Since October 2022 we introduced a monthly Team Brief cascaded through line managers, which also highlights policies out for consultation.

Culture and leadership development

Following the pandemic hiatus, our leadership development programme for all line managers, *SCAS Leader*, was fully re-established as a virtual 6-day, modular programme with a strong emphasis on interactive, experiential learning. Feedback is consistently good with participants regularly expressing surprise at how well virtual delivery works in this context. In 2022/23 we committed to deliver the programme despite high operational demand, the only exception being the postponement of one module due to industrial action.

SCAS Leader was developed as the first piece in a comprehensive leadership portfolio for all levels from aspiring through to senior and executive leaders. The pandemic paused this work but over the past year, other pieces have started to be developed including the establishment of a strategic leadership forum and a regular online meeting for all leaders and line managers.

An Essential Skills for People Managers (ESPM) suite of courses has also started with a first module focussing on a Just and Learning Culture (JLC) and civility and a second on Collation of Facts. More details on this are covered below. Further modules are also being developed and trialled under the ESPM umbrella relating to health and wellbeing conversations; and personal development and appraisal training. These are all virtual offers to suit the SCAS geography and delivered in an interactive, experiential way that complements SCAS Leader. Effective virtual delivery is highly skilled and very intense, so facilitators for both programmes are carefully recruited and trained to ensure delivery remains consistently high quality and sustainable for every cohort. The JLC module is now a prerequisite for a place on SCAS Leader.

At a senior leader level, some skills-based courses have been made available around writing for assurance and effective chairing of meetings. We have also refreshed the plan for a Talent and Succession programme for business-critical roles at executive level which is part of the planned work for 2023/24. This is a key part of the leadership development pathway as senior leadership is less likely to involve attended programmes and should be based on individual performance, potential, aspiration and readiness.

In 2022/23, we commissioned our third cohort of Institute of Leadership and Management Level 5 coaches and are now able to offer internal and external coaching to the SCAS workforce. We now also have a well-established cohort of internal mediators which, in conjunction with the coaching offer, provide good options for resolving conflict and moving individual and group relationships forward in line with the principles of a Just and Learning Culture. These skills are being increasingly sought by leaders and managers with some good outcomes.

Health and Safety

SCAS recognises its duty to comply with the Health and Safety at Work Act (HSWA) 1974 and all its subordinate regulations. The Trust is committed to ensuring, so far as is reasonably practicable, the health, safety and welfare of all its employees, including those who work on behalf of the Trust.

The Trust has 18 health and safety policies which have been reviewed and consulted on; and can be accessed via the staff intranet or public website.

In October 2022, the Trust started a programme of joint health and safety inspections, where all Trust premises are being inspected by a member of the risk team and a Trade Union colleague. These joint

inspections are being carried out over 18 months; and the plan and programme will be shared with the Trust's Health, Safety and Risk Group. Between October 2022 and 31 March 2023, 27 inspections were carried out; including nine Operational Resource Centres; 11 Social Stand-by points; two PTS premises; and five corporate sites.

In 2022/23, managers and team leaders continued to review the 'Safe workplaces; preventing staff from contracting COVID-19 risk assessment' for their respective areas.

In 2022/23, the risk team reviewed 26 individual risk assessments on specific items of personal protective equipment (PPE) that are issued to and worn by frontline 999 and Patient Transport Service staff.

In 2022/23, a total of 999 display screen equipment (DSE) risk assessments were completed in the Trust. This consisted of 416 office-based assessments and 583 homeworking assessments.

In 2022/23, the risk team continued to review all the generic Control of Substances Hazardous to Health (COSHH) risk assessments and devise specific COSHH risk assessments for Trust premises in operations and the Patient Transport Service. In 2022/23, specific COSHH assessments were completed in seven frontline 999 Operational Resource Centres, 11 Social Stand-by Points and nine PTS premises.

In 2022/23, the Head of Risk and Security delivered:

- Eight training sessions (44 managers and staff) on 'How to carry out a 'task' based risk assessment'
- Eight training sessions (38 managers and staff) on 'How to carry out a stress risk assessment'
- Seven training sessions (48 managers and staff) on 'How to carry out a display screen equipment risk assessment'

All staff are encouraged to report every incident, near miss or issue of concern on our electronic reporting system (Datix). In 2022/23 there were 8,090 incidents reported on Datix. Previous years' reporting is shown below. As such, the Trust continues to have a healthy reporting culture with appropriate investigative and remedial action taken to prevent reoccurrence.

2021/22	2020/21	2019/20	2018/19	2017/18
7,257	7,203	6,750	6,244	6,300

In 2022/23, the Trust continued the body worn camera pilot. This is a three-year pilot which started in May 2021 and all Ambulance Trusts in England are taking part. The Trust has issued 931 body worn cameras to frontline 999 staff; and there are cameras based in each of the Resource Centres.

Trade Union Facility Time Disclosures

The total number of SCAS employees who were relevant union officials during the 2022/23 period was 72 (Full-time equivalent 67.8).

Percentage of time spent on facility time:

Percentage of time	Number of employees
0%	31
1-50%	38
51%-99%	3
100%	0

Percentage of pay bill spent on facility time:

total cost of facility time	£193,244
total pay bill	£197,013,968
percentage of total pay bill spent on facility time (total cost of facility time ÷ total pay bill) x 100	0.098%

Paid trade union activities

The hours spent by relevant union officials during 2022/23 on paid trade union activities, as a percentage of total paid facility time hours, was 20%.

Countering fraud

The Trust has a responsibility to ensure that public money is spent appropriately. SCAS has policies in place to counter fraud and corruption; these include Standing Financial Instructions, Standards of Business Conduct and an Anti-fraud and Bribery Policy.

The Trust receives its anti-fraud service from RSM. An annual work plan is developed to meet the requirements of the NHS Counter Fraud Authority's Anti-Fraud Strategy in line with the requirements of the Government Functional Standards and this is shared with the Trust's Audit Committee along with the Annual Report on counter fraud activities.

There have been no significant fraud issues or threats in the year affecting the Trust. The Trust's Local Counter Fraud Specialist continues to work closely with the Trust in making them aware of risk areas to the Trust so that the Trust can make arrangements to reduce that risk.

Staff engagement and annual NHS Staff Survey

A summary of results from the annual staff survey is provided below. In addition to the annual survey, we also run a monthly People Pulse survey and have a range of other feedback channels, that make up our overarching People Voice portfolio.

We ran a range of listening events in the autumn of 2022 linked to our improvement programme. These collected views on what gets in the way of people doing their best work and ideas to resolve these. Over 500 staff took part across a range of face to face and online sessions. The results were presented to a Board seminar in December 2022 and are helping to shape the next stages of our improvement programme.

In the 2022 annual staff survey, (conducted in Oct/Nov 2022) SCAS mirrored the national trend towards a lower response rate (50%) than we have previously achieved (Figure 1).

However, the spread of responses across service areas remained proportional such that the results can still be considered representative of an organisational view. Where 2021 saw a significant drop in morale and engagement and most other parameters, 2022 demonstrates a plateau in most areas (Figure 3) and the beginnings of recovery on issues related to burnout ('we are safe and healthy').

Figure 1: Summary of results profile

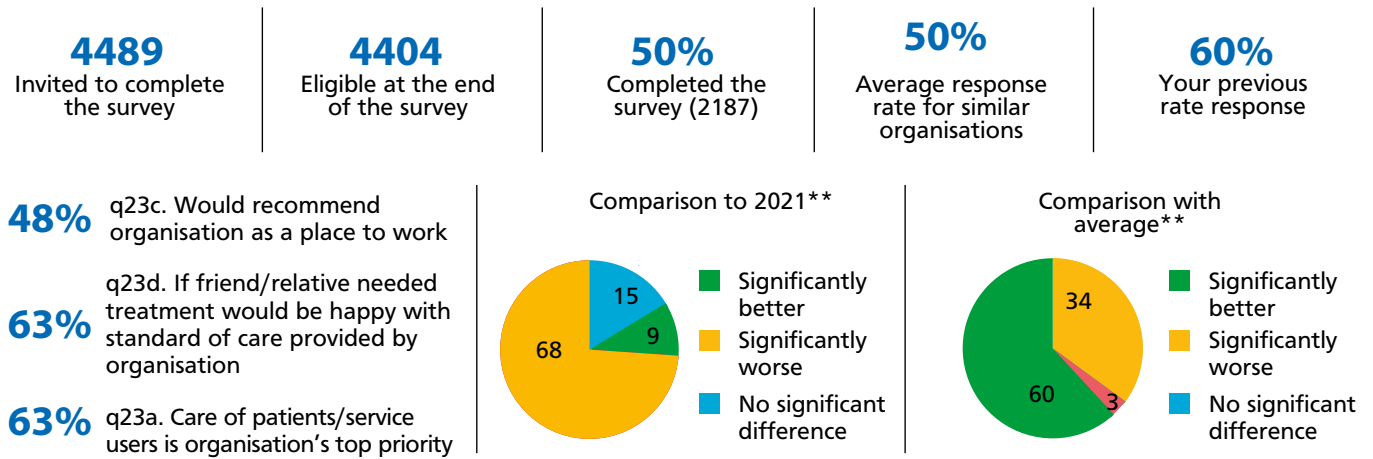


Figure 2 gives an overview of SCAS performance against the seven national NHS People Promises, and the two themes of staff engagement and morale.

We remain comparatively strong in compassion and teamwork within the sector, with further focus required on speaking up ('we each have a voice that counts') and flexible working. Both are key elements of our newly published People Strategy 2023-26.

The Freedom to Speak Up and Safeguarding teams were highlighted as a concern in the 2022 CQC report which is reflected in the staff survey in terms of reduced confidence in speaking up. Since the survey period (Oct/Nov 2022), significant investment has been made in these two teams and we hope to see a recovery in workforce confidence in the 2023 results.

Figure 2: Comparison of SCAS to ambulance sector averages

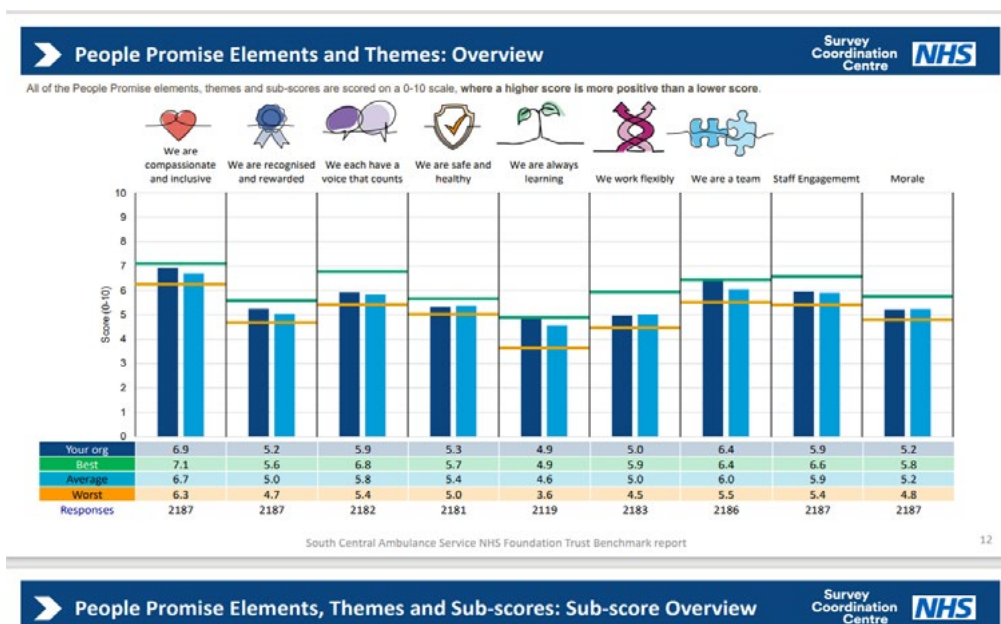


Figure 3: Comparison of SCAS results in previous year

Appendix B: Significance testing – 2021 vs 2022

The table below presents the results of significance testing conducted on the theme scores calculated in both 2021 and 2022*.

People Promise elements	2021 score	2021 respondents	2022 score	2022 respondents	Statistically significant change?
We are compassionate and inclusive	7.1	2544	6.9	2187	Significantly lower
We are recognised and rewarded	5.4	2584	5.2	2187	Significantly lower
We each have a voice that counts	6.1	2520	5.9	2182	Significantly lower
We are safe and healthy	5.2	2535	5.3	2181	Significantly higher
We are always learning	4.8	2382	4.9	2119	Not significant
We work flexibly	5.0	2571	5.0	2183	Not significant
We are a team	6.4	2552	6.4	2186	Not significant
Themes					
Staff Engagement	6.0	2586	5.9	2187	Not significant
Morale	5.2	2583	5.2	2187	Not significant

* Statistical significance is tested using a two-tailed t-test with a 95% level of confidence. For more details please see the [technical document](#).

Areas of focus for 2023/24

In summary, arising from the 2022 staff survey data and other People Voice sources, there are four key areas of focus for 2023/24 around which workstreams are already underway. They are:

- **People Voice** – continue to build and publicise improvements to re-establish confidence and increase the number of people feeding back their experiences
- **Burnout/stress** – understand and target factors for different areas of the organisation
- **Appraisals** – moving from quantity to quality
- **Staff with disabilities** – a significant proportion of our workforce (30% of respondents) who identify as having a disability are reporting markedly lower scores

Diversity and inclusion

We are committed to demonstrating our 'due regard' to the Public Sector Equality Duty (general duty). There are various ways we meet our statutory, NHS and organisational obligations. This Annual Report provides a summary, and more detail can be found on our website to meet our specific duty under the Equality Act 2010 to publish the information.

Overview of the requirements of the PSED and the General Duty

The Equality Act 2010 defines the Public Sector Equality Duty (PSED) which has two parts: General Duty and Specific Duty. The *General Duty* has three aims:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct
- Advance equality of opportunity
- Foster good relations

The Specific Duty places a requirement on the Trust to publish:

- Equality objectives, at least every four years
- Information to demonstrate compliance with the equality duty, annually

Key Achievements

- We have published our [ED&I Strategy \(2022-2026\)](#) that includes our equality objectives
- We have published our [Annual Workforce Race Equality Standard \(WRES\)](#) and [Workforce Disability standard reports \(WDES\)](#)
- We have published our [Gender Pay Analysis Report](#), and further information is available on the Cabinet Office website at: <https://gender-pay-gap.service.gov.uk>
- Recruitment skills training course for managers updated to include ED&I is being rolled out
- Inclusive recruitment checklist developed with BOB Integrated Care System
- Implemented Trac recruitment system and understanding how to use it effectively for monitoring performance at each stage of the recruitment process
- Train the trainer on ED&I & Bias delivered by Head of ED&I to HR staff
- Quarterly Board reports on Disciplinary & Capability with data on protected characteristics

- Specific questions on Personal Development Review document on “Our culture – equality, diversity, and inclusion” including the need for any reasonable adjustments to be considered and to encourage declaration on Electronic Staff Record
- Incident reporting system improvements to record each time one of the protected characteristics is chosen from the Aggravating Factors field and a report to detail the issues
- Presented to regional external partners the work and collaboration with the police service on Operation Cavell
- Specific Disability Awareness Training being developed and piloted for Emergency Operations Centre
- Sexual Safety Charter developed in consultation with staff and agreed by the Board
- Sexual safety campaign launched with dedicated content on our intranet. The campaign has been presented to regional external partners
- Harassment and sexual safety disclosure checklist for managers developed and can be applied to any discrimination disclosure
- Working group convened and flowchart for reasonable adjustments produced to develop the ‘Disability in Employment’ policy
- Equal Opportunities and Diversity Policy updated
- Launch of the SCAS Women’s Network

Staff Networks

The main aims of our staff networks are to provide a safe space for discussion of issues, to help raise awareness of issues within the wider organisation, and provide a source of support for individual staff who may be facing challenges at work.

Anyone can join the networks as an ally even if they do not share that (protected) characteristic. We have five active staff networks with the addition of the Women’s Network in 2022/23:

1. LGBT Network
2. Disability Inclusion Network
3. Multi-Faith Network
4. BME Network
5. Women’s Network

Diversity and inclusion next steps

In 2023/24 we will:

- Monitor BAME in the disciplinary process and deep dive into data to assess any patterns
- Undertake analysis to better understand the data particularly access to learning and development by BAME staff
- Further embed the Sexual Safety campaign
- Push out Operation Cavell to publicise zero tolerance of bullying and harassment and abuse from patients and the public
- Implement an Active Bystander Programme to address inappropriate and unacceptable behaviours and support an inclusive culture
- Embed the Just & Learning culture and the culture of civility to enhance the Trust's approach to reporting of bullying, harassment and abuse (including sexual harassment), ensuring that processes are transparent
- Work with Freedom to Speak Up Guardians and the Safeguarding team to publicise the key routes to reporting incidents particularly around sexual safety
- Create Board/Executive champions that are aligned to the protected characteristic and be ambassadors for the staff networks
- Work towards obtaining level 3 Disability Confident leader status
- Improve disability (and other protected characteristics) declaration rates on the Electronic Staff Record
- Publish a 'Disability in Employment' policy to define a pathway/flowchart and provide specific guidance on reasonable adjustments
- Refresh our Equality Impact Assessment template with additional guidance
- Continue training staff as mental health first aiders and on REACT Mental Health

3.5 NHS OVERSIGHT FRAMEWORK

NHS England's NHS Oversight Framework provides the framework for overseeing systems including providers and identifying potential support needs. NHS organisations are allocated to one of four 'segments'.

A segmentation decision indicates the scale and general nature of support needs, from no specific support needs (segment 1) to a requirement for mandated intensive support (segment 4). A segment does not determine specific support requirements. By default, all NHS organisations are allocated to segment 2 unless the criteria for moving into another segment are met. These criteria have two components:

- a) objective and measurable eligibility criteria based on performance against the six oversight themes using the relevant oversight metrics (the themes are: quality of care, access and outcomes; people; preventing ill-health and reducing inequalities; leadership and capability; finance and use of resources; local strategic priorities)
- b) additional considerations focused on the assessment of system leadership and behaviours, and improvement capability and capacity.

An NHS foundation trust will be in segment 3 or 4 only where it has been found to be in breach or suspected breach of its licence conditions.

Segmentation

South Central Ambulance NHS Foundation Trust was moved into segment 4 in March 2023 because of the inadequate rating by the Care Quality Commission.

The Trust has a comprehensive improvement plan in place and has agreed a set of 'exit criteria' with NHS England and local commissioners to move out of segment 4. The Trust is now receiving intensive support including the appointment of an NHS England Improvement Director who attends meetings of the executive team and the Board, and supports our improvement programme. The Trust meets regularly with NHS England and local commissioners to review progress. More detail on improvement programme activity in 2022/23 is provided in the performance overview section.

This segmentation information is the Trust's position on 31 March 2023. Current segmentation information for NHS trusts and foundation trusts is published on the NHS England website: www.england.nhs.uk/publication/nhs-oversight-framework-segmentation/

3.6 DISCLOSURES SET OUT IN THE NHS FOUNDATION TRUST CODE OF GOVERNANCE

Requirements under the code for disclosure

The Trust discloses compliance with the Code of Governance where annual disclosure in the Annual Report is required. Those marked 'additional' are not in the Code but are added by the Annual Reporting Manual to supplement the requirements. Additional information has also been included as appropriate, to provide further detail on the Trust's compliance with the Code.

Reference	Summary of requirement	Disclosure / Additional Information
A.1.1	How Board and Council operate, and which decisions they take; and what decisions are delegated to management.	The Trust's Constitution, standing orders, standing financial instructions and a scheme of delegation outline how the Board and Council of Governors operate and make decisions. The Board and Council of Governors have a Policy for Engagement between the Trust Board and the Council of Governors which outlines the approach for joint working between the two bodies. This has been effectively implemented and is regularly reviewed by the Trust Board and Council of Governors.
A.1.2	Details of the Board of Directors and their attendance at Board and committee meetings.	Included in the Directors' Report.
A.5.3	Details of the Council of Governors, constituencies and nominated Lead Governor.	Included in the Council of Governors section and on the Trust website.
Additional	Attendance at Council of Governors meetings.	Included in the Council of Governors section.
B.1.1	Independence of Non-Executive Directors.	Included in the Directors' Report.
B.1.4	Description of each Director's skills, expertise and experience. Statement as to Board's balance, completeness and appropriateness for the FT.	Included in the Directors' Report and on the Trust website.

Additional	Brief description of length of NED appointments, and how they may be terminated.	<p>NED appointments are made for an initial period of three years, at which point they are subject to re-appointment by the Council of Governors. The SCAS Council of Governors has agreed that a NED would serve for a maximum nine years, with two terms of three years being seen as the norm (subject to re-appointment by the Council of Governors at the end of each approved term).</p> <p>The terms of office of the Trust's current NEDs are outlined in the Directors' Report.</p> <p>It is outlined in the Trust's Constitution that NEDs (including the Chair) may be appointed or removed with the agreement of three quarters of the Council of Governors.</p>
B.2.10	Separate section to describe work of Nominations Committee.	Included in the Council of Governors section.
B.3.1	Other significant commitments of the Chairman.	A register of interests for Board members, including the Chair, is available on the Trust website, as outlined in the Directors' Report.
B.5.6	Council of Governors involvement in the Trust's Forward Plan and Strategy.	Governors were involved in the review of the Trust's Strategy and were updated on the Forward Plan.
Additional	Council of Governors and whether they have formally requested attendance of directors at governor meeting in relation to Trust performance.	Governors have not exercised this power during the year. The Chief Executive and members of the Executive team attend all meetings of the Council of Governors to provide an update on performance and other key matters.
B.6.1	Evaluation of the Board.	Included in the Directors' Report.
B.6.2	External evaluation of the Board and/or governance of the Trust.	The CQC report in August 2022 highlighted areas for improvement on governance. In October 2022 the Trust received the report from an external governance review conducted by NHS England. All recommendations have been included in the Trust's improvement plan and implementation is being closely monitored.
C.1.1	Directors' responsibility for preparing the Annual Report and approach to quality governance.	Included in the Directors' Report and Annual Governance Statement.
C.2.1	Review of the effectiveness of internal controls.	Included in the Annual Governance Statement.
C.2.2	Details of internal audit function.	Included in the Annual Governance Statement.

C.3.5	Council of Governors' position on appointment, reappointment or removal of external auditor.	Governors are actively involved in the appointment of the Trust's external auditors and exercised this power in 2021/22 by appointing a new external auditor.
C.3.9	Detail on the work of the Audit Committee.	See The Report of the Audit Committee section.
D.1.3	Statement on whether Executive Directors released to other positions retain the fees/earnings.	Not applicable in 2022/23.
E.1.5	Board of Directors' understanding of the views of governors and members.	Included in the Council of Governors section.
E.1.6	Representativeness of the Trust's membership and the level of effective member engagement in place.	Included in Membership and Public Engagement section.
E.1.4	Contact procedures for governors.	Included in the Council of Governors section and on the Trust website.
Additional	Membership eligibility and details of members and membership strategy.	Included in Membership and Public Engagement section.
Additional	Register of interests for Governors and Directors.	A Register of Interests for Board members is available on the Trust website, as outlined in the Directors' Report. A Register of Interests for the Council of Governors is on the Trust website, as outlined in the Council of Governors section.

The Board of Directors confirms that in relation to those provisions within the Code of Governance for which the Trust is required to 'comply or explain', the Trust was compliant throughout the year to 31 March 2023 in respect of those provisions of the code which had effect during that time, save exceptions and explanations outlined in the table above.

South Central Ambulance Service NHS Foundation Trust has applied the principles of the NHS Foundation Trust Code of Governance on a comply or explain basis. The NHS Foundation Trust Code of Governance, most recently revised in July 2014, is based on the principles of the UK Corporate Governance Code issued in 2012.

3.7 STATEMENT OF THE RESPONSIBILITIES OF THE ACCOUNTING OFFICER

Statement of the Chief Executive's responsibilities as the accounting officer of South Central Ambulance Service NHS Foundation Trust.

The NHS Act 2006 states that the Chief Executive is the accounting officer of the NHS foundation trust. The relevant responsibilities of the accounting officer, including their responsibility for the propriety and regularity of public finances for which they are answerable, and for the keeping of proper accounts, are set out in the NHS Foundation Trust Accounting Officer Memorandum issued by NHS England.

NHS England has given Accounts Directions which require South Central Ambulance Service NHS Foundation Trust to prepare for each financial year a statement of accounts in the form and on the basis required by those Directions. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of South Central Ambulance Service NHS Foundation Trust and of its income and expenditure, other items of comprehensive income and cash flows for the financial year.

In preparing the accounts and overseeing the use of public funds, the Accounting Officer is required to comply with the requirements of the Department of Health and Social Care's Group Accounting Manual and in particular to:

- Observe the Accounts Direction issued by NHS England, including the relevant accounting and 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 NHS Foundation Trust Annual Reporting Manual (and the Department of Health and Social Care Group Accounting Manual) have been followed and disclose and explain any material departures in the financial statements
- Ensure that the use of public funds complies with the relevant legislation, delegated authorities and guidance
- Confirm that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for patients, regulators and stakeholders to assess the NHS foundation trust's performance, business model and strategy
- Prepare the financial statements on a going concern basis and disclose any material uncertainties over going concern

The accounting officer is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the NHS foundation trust and to enable them to ensure that the accounts comply with requirements outlined in the above-mentioned Act. The Accounting Officer is also responsible for safeguarding the assets of the NHS foundation trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

As far as I am aware, there is no relevant audit information of which the foundation trust's auditors are unaware, and I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in the NHS Foundation Trust Accounting Officer Memorandum.

D. L. Eltringham

David Eltringham

Chief Executive Officer

14 July 2023



3.8 ANNUAL GOVERNANCE STATEMENT

Background

The 2022/23 year was another challenging period, both for SCAS and the wider NHS, given unprecedented winter pressures and demand, the continuing impact of Covid-19 and industrial action. The Trust has continued to maintain governance oversight throughout the year, especially following the CQC Inspection Report published in August 2022. As a key workstream within our improvement programme we have worked tirelessly on the governance improvements required. Details of progress in 2022/23 are set out in the Performance Overview section of this report.

Through 2022/23 the Trust continued to follow published NHS guidance in relation to Covid-19. Most formal governance meetings returned to normal operations during the year but continued to be held virtually; which is also supporting our sustainability plans and minimising time lost through travel. The Board's meetings in public began to meet again in person from Autumn 2022.

As well as the Executive Management Committee, two specific executive groups continued to oversee our response to Covid-19 in 2022/23:

- The Covid Operations Board led on our own SCAS specific response to the pandemic
- The National Covid-19 Response Service (CRS) Board was responsible for the oversight of our delivery of various national services. These services wound down during the year and all remaining services transferred to the UK Health Security Agency on 31 March 2023

There was reporting from both groups through to the Board, and both the Trust Chair and Chair of the Quality and Safety Committee attended meetings of the CRS Board throughout 2022/23.

Board assurance committees continued to meet to discharge the duties set out in their respective terms of references.

In recognition of the fact that the Council of Governors plays a key role in the governance of the Trust, formal meetings ('in public' and 'in private') continued fully as planned throughout 2022/23, being held virtually. In addition, Governors received regular information briefings on key matters in the Trust, including the response to Covid and the CQC improvement plan.

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of South Central Ambulance Service NHS Foundation Trust's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that South Central Ambulance Service NHS Foundation Trust is administered prudently and economically and that resources are applied efficiently and effectively. I also acknowledge my responsibilities as set out in the *NHS Foundation Trust Accounting Officer Memorandum*.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the policies, aims and objectives of South Central Ambulance Service NHS Foundation Trust (SCAS), to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in SCAS for the year ended 31 March 2023 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust's Risk Management Strategy comprehensively sets out arrangements in respect of the accountability for risk management in SCAS.

Leadership

As Chief Executive and Accounting Officer, I have overall accountability for ensuring that the organisation has effective risk management systems in place. I have delegated specific areas of risk management activity to each of the Executive Directors; for example:

- The Director of Patient Care and Service Transformation has day-to-day responsibility for managing the strategic development and implementation of organisational risk management, clinical effectiveness and clinical governance. This includes acting as the designated lead for a range of responsibilities such as health and safety, security management, and infection prevention and control. The Director of Patient Care and Service Transformation is supported by a designated Corporate Risk Manager who supports the Executive Team with risk management and reporting, and the maintenance of the Board Assurance Framework (BAF) and Corporate Risk Register
- The Medical Director has responsibility for the management and development of clinical standards
- The Chief Finance Officer has responsibility for financial risk management and, in the role of Senior Information Risk Owner (SIRO), for risks relating to information
- The Chief Operating Officer has responsibility for managing the strategic development and implementation of clinical and non-clinical risk management (operational risks) associated with the provision of emergency ambulance services, NHS111/Integrated Urgent Care and fleet management (including South Central Fleet Services Limited), as well as being the lead for emergency planning and business continuity activities
- The Director of Strategy and Business Development has responsibility for managing the risks associated with the provision of non-emergency Patient Transport Services and the SCAS Charity

- The Senior Responsible Officer for NHS Covid Response Services has been responsible for managing the risks associated with the delivery of these national services

Board and committee responsibilities include:

- The Board, with overall responsibility for governance, considers the risks faced by the Trust on a regular basis. During the year, a particular focus was on enhancing the Board Assurance Framework and the Trust's overall Risk Framework. The Board receives a BAF update at each meeting held in public, and Board committees (which now includes a Finance & Performance Committee) review risks specific to their remits at each meeting
- The Quality and Safety Committee, with delegated authority from the Board, monitors and reviews the Trust's clinical governance arrangements
- The Audit Committee, also with delegated authority from the Board, receives the Board Assurance Framework and strategic risk register at every meeting, with the purpose of seeking assurance that effective risk management practice is in place. It also carries out 'deep-dive' reviews, from time to time, into specific individual risks included on the Board Assurance Framework
- The Executive Team, underpinned by the work of its various management sub-committees, receives and reviews updates from all directorates relating to risk management, as well as the Trust's Board Assurance Framework and strategic risk register
- The Risk, Assurance and Compliance Committee, comprising Executive Directors and the Company Secretary, carries out a deep-dive review of the Trust's greatest risks and ensures that appropriate mechanisms are in place to provide assurance over the management and mitigation of those risks

Training

Officers involved in leading the Trust's risk management processes (e.g. Assistant Director of Patient Care, Corporate Risk Manager, Clinical and Non-Clinical Risk Managers etc.) are suitably qualified and experienced governance and risk management professionals. A wide range of training has been delivered to staff to enable them to manage identified clinical and non-clinical risks effectively. This training has been informed by a detailed training needs analysis based on external training requirements outlined by the NHS Resolution and CQC, in addition to training needs identified internally by the Trust. Our corporate induction training programme for new staff covers health and safety, awareness of risk, and incident reporting.

The Trust has a very positive culture of incident reporting. The team structure in place enables immediate raising of concerns with on-duty team supervisors who can directly support the reporting of incidents and the actual investigation and can apply actions to mitigate. Incidents are monitored and reviewed at different levels of the organisation, including by a serious incidents review group, to ensure trends and patterns are identified and responded to where appropriate.

The risk and control framework

Risk Management Strategy

The Trust has a Risk Management Strategy which sets out the strategic aims for how the Trust manages risk over a three-year cycle. This strategy was created in August 2021 and will be reviewed in August 2023.

The aims of this strategy are to:

- Integrate risk management into the Trust's culture and everyday management practice
- Clearly define the Trust's approach and commitment to risk management
- Raise staff awareness, knowledge and skills
- Document responsibilities and a structure for managing risk
- Ensure a co-ordinated, standard methodology is adopted by every directorate/department
- Encourage and support incident reporting in an open safety culture
- Ensure that the Chief Executive and Board of Directors are provided with evidence that risks are being appropriately identified, assessed, addressed and monitored
- Adopt an integrated approach to risk management, whether the risk relates to clinical, organisational, health and safety or financial risk, through the processes
- Carry out suitable and sufficient risk assessments as an integral part of everyday activity, becoming a pre-emptive approach to reducing accidents and adverse incidents rather than being reactive

Risk Management Policy

The Trust's Risk Management Policy was reviewed and updated during 2022/23 and outlines the high-level requirements that the Trust must carry out to ensure that it has a well-managed risk management process, enabling the timely identification, measurement and mitigation of risks.

The aims of the policy are:

- To define the approach taken by the Trust in applying risk management to its decision making at all levels
- To set out clear definitions used within risk management
- Set out clear roles and responsibilities
- That risk management is integrated into the governance arrangements and decision-making processes
- That risk management activities follow a common and robust approach

The policy contains the minimum standards that are expected across the Trust, namely that:

- Risks must be escalated in line with the framework
- Risks must have their key controls recorded in the risk registers
- Controls must be assessed in line with the framework
- Risks with a residual risk rating above the target rating, must have an action plan to bring the risk back to the target rating
- All controls which have been assessed as 'partially effective' or 'not effective' must have an action plan in place to resolve the issue

Risk Management Framework

During 2022/23, the Trust created a Risk Management Framework to support the Risk Management Policy and Risk Management Strategy.

The framework contains the purpose and principles of risk management within the Trust. These purposes include contributing to and protecting value; improving performance, encouraging innovation and supporting the achievement of strategic objectives. Overall, the framework helps the Trust achieve the best possible outcome and reduce volatility or uncertain outcomes.

The Trust's framework follows the international standard for risk management, ISO 31000. The framework lays out the Scope, Context and Criteria, the Risk Assessment process (Risk Identification, Risk Analysis and Risk Evaluation), the Risk Treatment, Monitoring and Risk Reporting.

The framework contains the tools and techniques used in identifying and assessing risks as well as the escalation criteria for risks which are rated as high or where the risk owner requires additional support in managing the risk.

Identification of risk

The framework details a range of tools that can be used to identify risks, including:

- Formal, structured risk workshops
- Questionnaires
- Interviews
- Horizon-Scanning
- Complaints
- Patient experience
- Incidents

- Audits
- Trend and forecasting analysis

Once a risk has been identified (including describing and recording the risk), it is assessed and evaluated against the Trust's risk criteria. The Trust then implements the agreed response and monitors progress. Risks are recorded on the relevant risk register (department or corporate) and reviewed at the required intervals.

The Trust has a top-down (departmental/corporate risks), and bottom-up (process or equipment risks) approach to risks. These processes will continue to be reviewed and evaluated as part of an on-going continuous improvement approach to ensuring that the risk management processes are fit-for-purpose.

External review

As part of a wide review of the governance structures in place within the Trust, the Good Governance Institute (GGI) was engaged to review risk management documentation and the Board Assurance Framework. As part of their work, they reviewed the existing risk management strategy and policy along with the refreshed policy and new risk management framework.

GGI also facilitated risk workshops with the Board and held one-to-one interviews with Executive Directors, to identify the strategic risks related to core strategic objectives, to form an integral part of the new Board Assurance Framework for 2023/24.

Risk Appetite

The Trust is in the process of formalising its risk appetite, with a further Board development seminar (facilitated by GGI) being held in April 2023.

The risk management framework details the Trust's approach to risk appetite and the Board will develop its formal risk appetite in accordance with this. It will then be reviewed annually by the Board as part of the risk management plan.

Board Assurance Framework (BAF)

In accordance with NHS England requirements, the Trust has a Board Assurance Framework (BAF) in place to provide the Board assurance that the strategic risks are being managed appropriately.

The BAF forms part of the Boards governance structure and contains the strategic risks aligned to key strategic objectives. Each identified risk then has the following:

- Risk title and description
- Inherent, Residual and Target risks ratings
- Any linked corporate risk
- Historical risk ratings

- Narrative detailing why the risk is rated as it is and what activity is taking place with expected future positions where possible
- Key controls
- Related issues impacting the risk
- Action plans to address gaps, inadequate or missing controls or assurance activity
- Assurance activity related to the risk

The BAF is reviewed and discussed by the Risk, Assurance and Compliance Committee (RACC) and the Executive Management Team, prior to being considered by the Board assurance committees for review. Either the full BAF, or an update report, including a dashboard of changes in the Trust's risk profile, is reviewed by the Board on a bi-monthly basis.

The Trust's principal risks listed on the Board Assurance Framework are:

SR1: Failing to provide safe and effective care

This risk relates to the ability of the Trust to provide safe and effective care through the clinical workforce and the equipment and vehicles used.

The Trust manages the risk through an equipment audit process, clinical standard operating procedures, Patient Transport Services contracted standards, ongoing training, our safeguarding improvement plan, medical devices improvement plan and patient safety improvement plan as well as our clinical strategy.

Additionally, work is taking place to improve the system for managing and deploying equipment, the implementation of the Patient Safety Incident Response Framework (PSIRF) and Learning From Patient Safety Events (LFPSE) and the development of a new centralised logistics hub.

SR2: Not being able to meet demand

This risk relates to the ability of the Trust to meet the demand on its services by the public and other healthcare professionals through effective delivery of operations.

The Trust manages the risk through a sophisticated demand forecasting and profiling model, real-time/intra-day operational management information, category 2 response segmentation, mutual aid processes and local and regional escalation routes.

Work is also taking place to improve the forecasting models as part of continuous improvement work.

SR3: Failing to engage with systems

This risk relates to the Trust disproportionately focusing on one of its partner systems and not having the required capacity to meet expectations.

The Trust manages the risk through having a stakeholder management plan, SCAS attending Integrated Care System Boards, Local Resilience Forums, Multi-Agency Safeguarding Hubs, Emergency & Urgent Care Boards as well as system strategy groups.

Additionally, work is taking place to implement a Trust led strategy workshop within the Hampshire & Isle of Wight system.

SR4: Failing to engage with stakeholders

This risk relates to the Trust's engagement with stakeholders and partners and their understanding of the Trust's strategy and plans as well as the potential for opportunities to be missed.

The Trust manages the risk through having a stakeholder management plan, SCAS attending Integrated Care System Boards, Local Resilience Forums, Multi-Agency Safeguarding Hubs, Emergency & Urgent Care Boards as well as system strategy groups.

Additionally, work is taking place to implement a Trust led strategy workshop within the Hampshire & Isle of Wight system.

SR5: Increasing financial costs

This risk relates to the increasing operational costs associated with service delivery in the current economic environment, impacting our ability to deliver safe services within a sustainable financial framework.

The Trust manages the risk through its standing financial instructions and orders, budget planning and approval process, active budget management and monitoring, and aligning the financial plans to the ICBs financial plans.

The Trust has developed a financial stability programme to support closure of the £36m budgetary gap within the 2023/24 financial plans.

SR6: Insufficient skills and resources

This risk relates to the Trust having insufficient skills and resources to deliver its commissioned services, impacting on the safety of patient care due to failing to implement sustainable workforce plans.

The risk is managed through the Trust's integrated workforce plans, recruitment, attraction and retention plans.

Additionally, the Trust is developing career development and talent management plans to increase staff engagement and retention.

SR7: Failing to foster an inclusive and compassionate culture

This risk relates to the Trust's staff not feeling safe, valued or supported due to not having an inclusive and compassionate culture, which would impact staff morale, engagement and reduce retention rates and ultimately affect patient safety and experience.

The Trust manages the risk through its newly created People Strategy, Equality, Diversity and Inclusion Strategy, the Freedom to Speak Up programme, the Sexual Safety Charter and through the delivery and embedding of the Trust's Culture Improvement Programme.

SR8: Insufficient capacity and capability to deliver the digital strategy

This risk relates to the Trust having insufficient capacity and capability to deliver its digital strategy, due to a failure to fund and priorities digital opportunities which impacts the performance and availability of systems and increases costs.

The Trust manages this risk through the digital strategy and project prioritisation and approval processes. The Trust is also developing an annual planning cycle to map digital resources and plan capacity requirements.

Quality governance arrangements

The key elements of our quality governance arrangements are set out in the periodic self-assessments we undertake against the Care Quality Commission's essential standards and well-led assessment framework, and reported to the Board. Performance information is key to ensuring delivery of quality, and processes are in place to ensure the accuracy of performance data. These include internal checking mechanisms, internal and external audit reviews, and a review of the Integrated Performance Report by the Executive Team prior to being presented to the Board.

The Trust has been guided by NHS England's well-led framework published at <https://www.england.nhs.uk/well-led-framework/>

A significant project to further improve the Integrated Performance Report began in 2022/23 linked to our improvement programme, which will see a refreshed report used in the year ahead making greater use of statistical process control methodology.

There is a robust quality governance structure of committees and upward reporting on all key elements of quality (effectiveness, safety and experience data, reviews, analysis and learning).

Data security risks

The Trust actively manages risks associated with data security. For example, all new staff are required to undertake online Information Governance (IG) training within the first three months of starting employment with the Trust, and existing staff are required to complete refresher IG training annually. We also have a suite of policies in place which help shape our approach to ensuring good data security.

Any incidents related to breaches in the Trust's information security processes are reported via the Trust's incident reporting system. Incidents are reviewed by the Information Governance Steering Group, which is chaired by the Trust's Senior Information Risk Officer. No major incidents were reported during 2022/23.

NHS Foundation Trust licence condition 4 – FT Governance

The Trust undertakes periodic reviews of its position against all of the conditions contained within its provider license, and reports to the Board accordingly. No risks have been identified in 2022/23, and an annual declaration is reviewed and signed-off by the Board.

In terms of condition 4 – FT governance, the Trust has undertaken a number of steps during 2022/23 to identify potential risks. These have included carrying out a high-level review of the Trust's corporate governance arrangements against the Code of Governance, and a review of the Board's

sub-committees and Non-Executive Director responsibilities (a number of changes have been made, including the establishment of a Finance & Performance Committee to strengthen financial assurance and oversight). The Corporate Governance Statement declarations recommended by NHS England are considered and signed off by the Board each June.

Involvement of public stakeholders

Public stakeholders are involved in the management of risks which impact on them through the work of the Governors, public meetings of the Board, and attendance at Health Overview and Scrutiny Committee meetings. The Chief Executive and operational leaders attended a number of council scrutiny meetings in 2022/23 to update on the CQC report and improvement programme alongside operational performance.

The Trust's engagement with stakeholders produces an additional layer of scrutiny and challenge from broad representative areas of our population groups, enabling SCAS to remain connected and responsive to the communities it serves.

Workforce and workforce safeguards

The Trust has short and long-term workforce plans in place for all services, as well as a range of policies and procedures to support staff. The high-level plans include the Annual Operating Plan and the Integrated Workforce Plan, covering all Trust services. The Trust is aware of NHS England's *Developing Workforce Safeguards* recommendations. Most of these are embedded in current Trust practice, which includes:

Forecasting demand

Overall demand forecasts for our services are based on recent historic trends and adjusted for short-term and longer-term expected changes, including any known external factors. These demand forecasts are then converted into hours required, using a unit hour utilisation linked to performance delivery. The work-effective hours available from Trust staff, are calculated for each week of the year, utilising the Integrated Workforce Plan and Education Plan alongside budgeted abstraction levels. The gap between work-effective staff hours and the needs of the demand forecast is then quantified, and cover planned from private providers, bank and agency staff.

Developing an integrated workforce plan

The Trust undertakes an integrated approach to workforce planning across all core areas, (999, NHS111 and PTS). Our Integrated Workforce Planning Group (IWP) includes stakeholders from Workforce, Recruitment, Education, Operations and Finance. In developing our workforce plan, the IWP Group work together to:

- Ensure recruitment and education plans are aligned with strategic direction
- Phase new recruits into the Trust, ensuring all new recruits are adequately supervised
- Ensure all recruitment streams offer value for money

Monitoring delivery of agreed workforce plans

The Workforce Development Board and Service Delivery Board monitor progress against agreed workforce plans on a monthly basis. Workforce updates (including escalation of identified risks) are provided via the Board's People and Culture Committee. Progress, issues and risks are also reported through to the Risk, Assurance and Compliance Committee, as part of the Board Assurance Framework. Quality, workforce and financial indicators are reported via the Integrated Performance Report to the Board of Directors.

Compliance with CQC registration requirements

In August 2022 the CQC published a report following inspections in April/May 2022. The outcome of the report and actions being taken are described elsewhere in the report. The CQC identified 11 'Must do' actions where the Trust was not meeting registration requirements. Swift action was taken to address these issues as the immediate actions within our longer-term improvement plan.

The CQC report from August 2022 is published on their website at: www.cqc.org.uk/provider/RYE
We publish updates on our improvement plan on our website at: www.scas.nhs.uk/about-scas/cqc/

'Managing Conflicts of Interest in the NHS' guidance

The Trust has published an up-to-date register of interests for key decision-making staff within the past twelve months, as required by the 'Managing Conflicts of Interest in the NHS' guidance. The Trust has initially determined decision-making staff to be members of the Board of Directors.

At each Board meeting in public, and all committees, members are asked to confirm if they have any interests to declare. A register of interests is published on the Trust's website. www.scas.nhs.uk/about-scas/our-board/scas-board-members/

Compliance with NHS Pension Scheme Regulations

As an employer with staff entitled to membership of the NHS Pension Scheme, control measures are in place to ensure all employer obligations contained within the Scheme regulations are complied with. This includes ensuring that deductions from salary, employer's contributions and payments into the Scheme are in accordance with the Scheme rules, and that member Pension Scheme records are accurately updated in accordance with the timescales detailed in the Regulations.

Compliance with equality, diversity and human rights legislation

Control measures are in place to ensure that all the Trust's obligations under equality, diversity and human rights legislation are complied with. Reports on the Trust's position in relation to equality and diversity are regularly considered by the Board in public. The Trust recognises that there is further work to undertake to ensure that the profile of the workforce reflects the population we are serving. Equality impact assessments are integrated into core SCAS business; for example, being completed for each new major policy introduced into the Trust.

Compliance with Climate Change Adaptation reporting to meet the requirements under the Climate Change Act

SCAS updated its Sustainable Development Management Plan (SMDP) during 2019/20 (approved by the Board in February 2020) and has been focusing on implementation over the course of the last three years. The SMDP Group, chaired by the Chief Finance Officer, monitors progress.

SCAS' current performance has been assessed using the NHS' Sustainable Development Assessment Tool (SDAT) in order help to prioritise actions and agree targets for the coming few years.

The Board has set challenging actions and targets to reduce our carbon footprint. These targets have been set in consultation with staff, but it is recognised that a culture of sustainability takes time to establish, and this plan promotes concrete actions which we know will make things better. To that end, the Board will set an example, measuring and reducing our carbon footprint, reviewing the way we do business from the papers we read, to the travel we undertake, to the decisions we make. Our activities will be led by the Board and will be embedded in Trust strategy. More detail on our sustainability work is given in the Performance Report section above.

Review of economy, efficiency and effectiveness of the use of resources

The following key processes are in place to ensure that resources are used economically, efficiently and effectively:

- The Board has regularly reviewed the economy, efficiency and effectiveness of resources through the regular performance management reports (the Integrated Performance Report, finance reports, and quality and safety reports) considered at each meeting
- Savings targets are set annually in the form of cost improvement programmes, and the Trust has a strong track record of delivering annual savings targets. In 2022/23 the Trust delivered savings of £11.6million against a target of £10.8million. Robust arrangements are in place to ensure that cost improvement programmes do not compromise the quality of services
- The Trust's bi-weekly Service Delivery Board is designed to review performance against key financial, operational, clinical and workforce targets as agreed at the start of the year
- The Trust routinely carries out benchmarking reviews of its performance and efficiency levels with other NHS bodies, which has included reference to Ambulance Response Programme performance reports (issued by NHS England); NHS-wide corporate benchmarking data (produced by NHS England), and the outcomes of the Lord Carter Review. The Trust also benchmarks sickness and recruitment and retention rates

- The Trust continued to implement its Estates Strategy during 2022/23, ensuring that it makes the most efficient and effective use of its estate
- The Trust has in place governance and financial policies which include standing financial instructions, standing orders and a scheme of delegation. These policies prescribe the Trust's policy for the effective procurement of goods and services within the Trust
- An annual programme of internal audits, monitored closely by the Audit Committee, allows further assurance to be given to the Board on the use of its resources

Information governance

There have been three reportable information security breaches during 2022/23.

- Patient's "sensitive" condition discussed during a journey and overheard by colleague (PTS)
- Staff member's sensitive information disclosed at a private meeting was then shared to others outside that meeting
- Staff member posted on social media about their past year, which included patient and other work information/pictures

All three incidents were closed by the Information Commissioner's Office with no further action. Internal actions to prevent similar issues have been identified and actioned.

The Trust carries out an annual assessment of its position against the Data Security and Protection Standards published by the Department of Health and Social Care.

The 2021/22 assessment, submitted online, declared non-compliance in one area; the level of Information Governance training achieved across the workforce. This is set as mandatory training for all staff and we continue to work to encourage greater completion rates.

The 2022/23 assessment is submitted by 30 June 2023; and details will be reported in the 2023/24 Annual Governance Statement.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, clinical audit and the executive managers and clinical leads within SCAS who have responsibility for the development and maintenance of the internal control framework.

My review is also informed by comments made by the external auditors in their management letter and other reports. 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, the Quality and Safety Committee, and the Risk, Assurance and Compliance Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Executive managers within the organisation who have responsibility for the development and maintenance of the system of internal control provide me with assurance. The Board Assurance Framework (which has been substantially reviewed during the year with specialist support from the Good Governance Institute) provides me with evidence that the effectiveness of controls that manage the risks to the organisation achieving its principal objectives have been reviewed.

My review during 2022/23 has also been informed by:

- Internal audit reports
- The Head of Internal Audit Opinion/Annual Statement of Assurance (received in April 2023)
- Reports to the Board from the Audit Committee, Finance & Performance Committee (established March 2023); Quality & Safety Committee, Remuneration Committee, People and Culture Committee, and Charitable Funds Committee
- Reviews of serious incidents and the associated learning from these
- Reports to the Executive Management Committee from its relevant sub-committees, as well as the work of the Risk, Assurance and Compliance Committee
- The monthly Integrated Performance Report, which covers clinical, operational, financial and human resources
- Staff satisfaction surveys
- Care Quality Commission reports, including that following an inspection of safeguarding in November 2021 and general inspection in April/May 2022
- The Quality Accounts and Annual Report

Taking into account the internal control framework described above, there have been a range of both internal and external key sources of external assurance for me in 2022/23:

- a) From April 2022 to February 2023 the regulator NHS England assessed the Trust as being a segment 2 provider under the NHS Oversight Framework. The assessment considers six key themes – quality of care, access and outcomes; preventing ill-health and reducing health inequalities; finance and use of resources; people; leadership and capability; and local strategic priorities. There are four segments, with one being the highest.

In March 2023, following the Care Quality Commission moving the Trust's rating to inadequate, a formal meeting with NHS England confirmed that we have been moved to segment 4. Trust is now receiving intensive support including the appointment of an NHS England Improvement Director to support our improvement programme.

- b) Following the CQC inspection and report, the Trust has taken concerted action to address the 11 'must do' and 20 'should do' points raised by the CQC. An Improvement Programme Oversight Board is in place to monitor progress across four workstreams. The Trust Board has stated its commitment to address all the issues raised in the CQC report. A Patient Safety review visit by Integrated Care System partners in December 2022 confirmed considerable progress had been made.
- c) The annual Head of Internal Audit Opinion for 2022/23 provides 'moderate assurance', defined as "generally a sound system of internal control designed to achieve system objectives with some exceptions".
- d) Individual internal audit reports have continued to provide me with levels of assurance throughout the year.
- e) The 2022 staff survey results saw a reduced response rates but results continue to compare with other ambulance trusts across the country. Combined with local monthly People Pulse surveys and other People Voice channels the national survey provides helpful feedback that is used to inform the Trust's improvement journey.

Conclusion

My review confirms that South Central Ambulance Service NHS Foundation Trust has a generally sound system of internal control that supports the achievement of its policies, aims and objectives.



D. Eltringham

David Eltringham

Chief Executive Officer

14 July 2023

3.9 REPORT OF THE AUDIT COMMITTEE

The Audit Committee is a statutory committee of the Board comprising non-executive directors of the Trust, all of whom are considered independent. Members of the Audit Committee were Mike Hawker (Chair until December 2022), Mike McEnaney (Chair from January 2023); Sumit Biswas; Dr Henrietta Hughes (to December 2022) and Les Broude.

Other managers are regular attendees of the Audit Committee which includes the Chief Finance Officer, Director of Patient Care and Service Transformation and the Company Secretary. Representatives of External Audit, Internal Audit and the Counter Fraud Team are also in regular attendance. Other managers also attend the Audit Committee on an irregular basis.

The Audit Committee's responsibilities include:

- Review the Trust's draft accounts and make recommendations with regard to their approval to the Board
- Provide assurance to the Board as to the effectiveness of internal controls and the risk management processes that underpin them
- Agree the annual plans for external audit, internal audit and counter fraud
- Make recommendations to the Council of Governors regarding the appointment of the External Auditors
- In discharging its responsibilities, the Committee reviews and takes account of the Board Assurance Framework, the Trust's Risk Registers and the work of other Board Committees such as the Quality and Safety Committee

EXTERNAL AND INTERNAL AUDIT

The effectiveness of internal and external audit is reviewed on a regular basis by the Audit Committee. The Trust appointed Azets as its external auditors, following a competitive tender process, for the 2021/22 financial statements for an initial period of three years, with an option to extend for a further two years. Azets periodically attend Council of Governor meetings. The value of statutory audit work undertaken in 2022/23 was £119,515 (2021/22: £95,820).

SIGNIFICANT ISSUES

The Audit Committee reviewed and approved the draft unaudited accounts and associated matters relating to the 2022/23 accounts at a meeting on 26 April 2023. The committee noted the implementation of IFRS16. No significant issues were noted for 2022/23.

Going Concern

The Committee discussed going concern and agreed that they could recommend to the Board that they could adopt the accounts on the basis that the Trust remained a going concern.



Mike McEnaney

Audit Committee Chair

14 July 2023



David Eltringham

Chief Executive Officer

14 July 2023

3.10 OPERATIONAL AND FINANCIAL REVIEW

Summary of financial performance

The Group, which includes the results of the Trust and South Central Fleet Services Ltd delivered a reportable surplus in 2022/23 of £43k.

The reportable surplus is calculated by removing the impact of peppercorn lease arrangements from the Trust's deficit for the year of £228k. The reportable surplus of £43k is the metric used by NHS England to measure the Trust's contribution to achievement of system financial performance.

Capital expenditure was £17.9million (£5.7million in 2021/22) with the implementation of the IFRS16 accounting standard leading to the increase over the prior year.

The year-end cash balance was £50.0million which was decrease of £10.9million when compared to the previous year. The main movement in cash was an increase in receivables.

The Trust managed to achieve £11.6million of cost improvements in 2022/23, equivalent to 3.3% of operating expenditure.

Total revenue income to meet pay and other day-to-day running costs was £353.4million of which the majority was secured through various service level agreements with integrated care boards and NHS trusts.

The accounts are stated in accordance with International Financial Reporting Standards. Total fixed assets (land, buildings and capital equipment) of the Trust were valued at £70.6million (£68.1million in 2021/22), excluding right of use assets.

The Trust formed a subsidiary company (South Central Fleet Services Ltd) to provide fleet services which was incorporated in September 2015 and commenced trading on 1 November 2015. The results of the activities of the company are included in the group results with the company recording a profit of £170,000 for the year ending 31 March 2023.

Analysis of income

The Trust's reported income was £353.5million for the year end 31 March 2023 (2021/22: £331.5million). The increase of 6.6% was due mainly to additional funding provided through various service level agreements with integrated care boards and NHS trusts.

The Trust's principal source of income is from contracts for the provision of the emergency service. This income totalled £261.0million (2021/22: £257.4million) which represented 73.8% of the Trust turnover (2021/22: 77.6%).

The Trust confirms that the NHS income it receives for the provision of healthcare exceeds its income that it receives for any other purpose in accordance with the requirements of the Health and Social Care Act 2012. The amount of income that the Trust received in this regard for 2022/23 was £345.8million representing 97.8% of total income.

Analysis of operating expenditure

Total operating expenditure for the Group (excluding depreciation, amortisation and impairments) was £337.8million for the year ended 31 March 2023 (2021/22: £319.1million). This represents a year-on-year increase of 5.9%.

Staff costs represent 64.9% of total operating expenditure (2021/22: 65.7%).

Capital investment

Investment in capital resources for 2022/23 was £17.7million (2021/22: £5.7million). This includes £8.5million of capital expenditure on right of use assets under the IFRS16 accounting standard which was adopted by SCAS during this financial year.

Internal audit function

The Trust's internal audit function for the past nine years has been undertaken by BDO who were reappointed for a further three years from 2021/22 following a competitive tendering process. BDO work to a pre-agreed internal audit plan which is signed off annually by the Audit Committee. They play an important role in the Trust's annual governance process providing assurance on the working of the Trust's internal controls through their Head of Internal Audit Opinion and liaising with other external agencies, including Azets, the Trust's appointed external auditor. Internal Audit has a standing invitation to all the Trust's Audit Committees.

Going concern

After making enquiries, the directors have a reasonable expectation that the services provided by South Central Ambulance NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Disclosure of information to the auditors

So far as each of the directors is aware, there is no relevant audit information of which the South Central Ambulance NHS Foundation Trust's auditor is unaware.

Each director has taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that South Central Ambulance NHS Foundation Trust's auditor is aware of that information.

Cost allocation and charging

South Central Ambulance Service NHS Foundation Trust has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector information guidance.

3.11 REMUNERATION REPORT

ANNUAL STATEMENT ON REMUNERATION, FROM CHAIR OF REMUNERATION COMMITTEE

Composition, attendance, establishment and duties

The Remuneration, Nomination and Terms of Service Committee's self-assessment is that it is performing competently across the range of its duties. The committee's Terms of Reference were last reviewed in March 2022 with minor amendments. From April 2022 – March 2023, seven meetings (including virtual and extra-ordinary meetings) were held; attendance is shown in the table below. The committee Chair was Sumit Biswas, with Sir Keith Willett, Anne Stebbing and Ian Green as members.

Committee work programme 2022/2023

- Oversight of Executive Team/VSM Appointments
 - Chief Executive Officer
 - Chief Finance Officer
 - Chief Governance Officer
 - Interim Director of Patient Care (Deputy Chief Nurse)
 - Interim Recovery Programme Director

- Director salaries and bonus review
 - Chief Information Officer/Digital Director portfolio and salary review
 - Exec Directors & VSM PRP Review
 - Inflation Pay Reward for Executive Team and newly appointed CFO

- General
 - IR35/Agency regulations/Off-payroll staff
 - Gender Pay Gap report year ending March 2023
 - CRS Team overtime and annual leave buy-back proposals
 - CRS Redundancies

Governance issues

The committee's self-assessment is that it is generally performing competently across all areas. During the year the committee has been required to spend time reviewing and agreeing the Trust's position with respect to redundancy business cases, individual employment tribunal and employment-related legal claims, agency 'spend caps', IR35 application and off-payroll arrangements.

The committee has overseen operation of the Trust Remuneration Policy, and the pay and performance bonuses to executive directors and eligible Very Senior Manager (VSM) contract holders for 2022/23.

The committee has ensured compliance with statutory requirements, including the CQC regulations for 'Fit and Proper Person' and the return of staff receiving severance payment to the NHS (none identified)

during the reporting period), and HMRC regulation relating to off-payroll employment arrangements (including IR35) for senior public sector employees.

Setting performance objectives

The committee has worked with the Trust Chair and Chief Executive to ensure appropriate oversight, approval, and review of the executive's annual performance objectives and in particular the quality of these.

Appointments

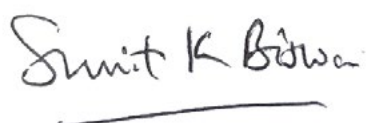
The committee appropriately oversees Chief Executive and Executive Director appointments. There were five Very Senior Management (VSM) pay grade appointments, including Chief Executive Officer and Chief Financial Officer.

Administration

The committee's self-assessment is that it is performing competently across these areas. It is well supported and advised by the Chief People Officer.

Summary of key development issues

The committee will provide continuous oversight of the quality, relevance and clarity of chief executive, executive director and senior management objective setting and review processes. The committee will continue to review and refine the Trust Remuneration Policy, including performance bonuses. The committee will continue to monitor the value of extending its oversight of annual performance objectives and review to the next level of Trust senior management in discussion with the Chief Executive and as part of the Trust development of its 'Talent Management' programme. The committee will continue to seek assurance of compliance with statutory requirements as it relates to the employment of the Chief Executive, executive directors and senior management. The committee will continue to maintain an oversight of key recent statutory and NHS England requirements relating to Trust workforce including agency spend caps, IR35 applications and any off-payroll contractor arrangements.



Sumit Biswas

Remuneration Committee Chairman

14 July 2023

Approved by:



David Eltringham

Chief Executive

14 July 2023

Remuneration Committee – Attendance List 2022/23

Date	Committee Members				In Attendance	
	Sumit Biswas	Anne Stebbing	Sir Keith Willett	Ian Green	Melanie Saunders	Will Hancock
10 Jun 2022	Yes	Yes	Yes	Yes	Yes - partial	Yes - partial
01 Sep 2022	Yes	Yes	Yes	Yes	Yes	Yes
21 Sep 2022	Yes	No	Yes	Yes	No	Yes
19 Dec 2022	Yes	Yes	Yes	Yes	Yes	Yes - partial
15 Mar 2023	Yes	Yes	Yes	No	Yes	No

SCAS SENIOR MANAGER REMUNERATION POLICY

SCAS has a published policy for determining the remuneration of senior trust staff, which is available on the SCAS website: www.scas.nhs.uk/policy-for-determining-the-remuneration-of-senior-trust-staff/

This policy was developed taking into account national guidance in force at that time, along with pay and conditions of employees, and was implemented before 2015 following a process of consultation with employees.

ANNUAL REPORT ON REMUNERATION – Director salaries and benefits for the year ended 31 March 2023 (Audited)

Name and Title	2022/23						2021/22						
	Salary (bands of £5,000) £000	Expense payments (taxable) to nearest £100	Performance Pay and Bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total in bands of £5,000	Salary (bands of £5,000) £000	Expense payments (taxable) to nearest £100	Performance pay and bonuses (bands of £5,000)	Long term performance pay and bonuses (bands of £5,000)	All pension related benefits (bands of £2,500)	Total in bands of £5,000	
Professor Sir Keith Willett CBE (Chair)	40-45												Note 1
Lena Samuels (Chair)							75-80						Note 1
Les Broude (Non - Executive Director)	10-15						10-15						
Nigel Chapman (Non - Executive Director)	15-20						15-20						
Sumit Biswas (Non - Executive Director)	10-15						10-15						
Dr Anne Stebbing (Non - Executive Director)	15-20						15-20						
Ian Green (Non - Executive Director)	10-15						10-15						
Dr Henrietta Hughes OBE (Non - Executive Director)	5-10						0-5						Note 2
Dr D Perera (Non-Executive Director)	0-5												Note 2
Priya Singh (Non - Executive Director)							5-10						Note 2
Mr M McEnaney (Non-Executive Director)	0-5												Note 3
Mike Hawker (Non - Executive Director)	10-15						15-20						Note 3

Mr D Eltringham (Chief Executive)	10-15				95-97.5	105-110							Note 4 Note 9
William Hancock (Chief Executive)	195-200	4700			67.5-70	270-275	185-190	5600	10-15		52.5-55	255-260	Note 4, Note 8
Paul Kempster (Chief Operating Officer)	130-135				0-2.5	130-135	125-130		5-10		62.5-65	195-200	
Michael Murphy (Director of Strategy and Business Development)	125-130				32.5-35	160-165	120-125		5-10		30-32.5	160-165	
Melanie Saunders (Director of Human Resources and Organisational Development)	125-130				70-72.5	195-200	115-120		5-10		25-27.5	150-155	
John Black (Medical Director)	150-155						135-140						Note 5
Professor Helen Young (Director of Patient Care)	140-145				32.5-35	175-180	165-170	5500	5-10		22.5-25	195-200	
Charles Porter (Director of Finance)	65-70				7.5-10	75-80	130-135		5-10		32.5-35	170-175	Note 6
Mr A Pattni (CFO)	60-65				557.5-560	620-625							Note 6 Note 9
Jane Campbell (Acting Director of Patient Care)							95-100					105-110	Note 7

Mid-Point Band of highest paid Director's Total						200						197.50	
Median Total Remuneration (£000)						28.06						26.30	
Highest Paid Director as a proportion of the median						7.13						7.51	

Notes

1. Professor Sir Keith Willett joined the trust on 1st April 2022 replacing Lena Samuels who left the Trust on 31st March 2022.
2. Priya Singh left her post as Non Executive Director on 31st December 2021 and was replaced by Dr Henrietta Hughes OBE on 1st February 2022. Dr Henrietta Hughes OBE left her post as Non Executive Director on the 30th September 2022 and was replaced by Dr Dhammika Perera on 1st February 2023.
3. Michael McEnaney joined the Trust on 1st January 2023 as Non Executive Director replacing Mike Hawker who left the Trust on 30th December 2022.
4. Will Hancock left his post as Chief Executive Officer on 31st March 2023, he was replaced by David Eltringham who joined the Trust on 1st March 2023.
5. Dr John Black is a recharge from the Oxford University Hospitals NHS Foundation Trust.
6. Charles Porter left his post as Director of Finance on 31st August 2022, he was replaced by Aneel Pattni who joined the Trust on 1st October 2022.
7. Jane Campbell was acting as the Director of Patient Care whilst Professor Helen Young focused on the national Covid Services. Jane's role ended on 31st March 2022.
8. Expense payments to Will Hancock relate to provision of a company car as a benefit in kind.
9. At the time of publication it was not possible to separate the level of pension related benefits received by David Eltringham and Aneel Pattni in their current roles from the level of such benefits received in previous roles based on the information provided by NHS Pensions. For that reason the value stated is based on the information received from NHS Pensions covering multiple roles including previous roles at different organisations.

All Board members have agreed to the public disclosure of personal details within this table.

Fair Pay Disclosure

NHS foundation trusts are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the lower quartile, median and upper quartile remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the organisation in the financial year 2022/23 was £200-205k (2021/22, £200-205k).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind, but not severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

For employees of the Trust as a whole, the range of remuneration in 2022/23 was from £20k to £270k (2021/22 £17k to £205k). The percentage change in average employee remuneration (based on total for all employees on an annualised basis divided by full time equivalent number of employees) between years is an increase of 6.74%. One employee received annualised remuneration in excess of

the highest-paid director in 2022/23 (2021/22: zero employees received annualised remuneration in excess of the highest-paid director). This employee was employed for a time-limited assignment and their pay figure was calculated on the basis of March 2023 annualised full-time equivalent salary.

The remuneration of the employee at the 25th percentile, median and 75th percentile is set out below. The pay ratio shows the relationship between the salary of the highest paid director (excluding pension benefits) and each point in the remuneration range for the organisation's workforce.

2022/23	25th percentile	Median	75th percentile
Salary component of pay	23,415	28,058	37,633
Total pay and benefits excluding pension benefits	23,415	28,058	37,633
Pay and benefits excluding pension: pay ratio for highest paid director	9:1	7:1	5:1

2021/22	25th percentile	Median	75th percentile
Salary component of pay	24,354	29,934	42,735
Total pay and benefits excluding pension benefits	24,354	29,934	42,735
Pay and benefits excluding pension: pay ratio for highest paid director	8:1	7:1	5:1

PENSIONS FOR THE YEAR ENDED 31 MARCH 2023 (Audited)

Name and Title	Real increase in pension at pension age (bands of £2,500)	Real increase in pension lump sum at pension age (bands of £2,500)	Total accrued pension at pension age at 31 March 2023 (bands of £5,000)	Lump sum at pension age related to accrued pension at 31 March 2023 (bands of £5,000)	Cash Equivalent Transfer Value at 31 March 2023	Real Increase in Cash Equivalent Transfer Value 31 March 2023	Cash Equivalent Transfer Value at 31 March 2022	Employer's contribution to stakeholder pension
	£000	£000	£000	£000	£000	£000	£000	£000
William Hancock (Chief Executive)	2.5-5	0-2.5	85-90	165-170	1599	75	1452	0
Charles Porter (Director of Finance)	0-2.5	0	30-35	40-45	604	8	548	0
Michael Murphy (Director of Strategy and Business Development)	2.5-5	0	25-30	0	401	26	347	0
Melanie Saunders (Director of Human Resources and Organisational Development)	2.5-5	2.5-5	45-50	85-90	832	64	727	0
Professor Helen Young (Director of Patient Care)	2.5-5	0	55-60	135-140	1165	41	1072	0
Mr Paul Kempster (Chief Operating Officer)	0-2.5	0	10-15	0	160	-7	144	0
Jane Campbell (Acting Director of Patient Care)	0	0		0	0	0	649	0
Mr A Pattni (CFO)	27.5-30	0	35-40	0	482	353	na	0
Mr D Eltringham (Chief Executive)	2.5-5	7.5-10	60-65	120-125	1194	83	na	0

na= comparative information not available

1. Pension information for John Black (Medical Director) was unavailable at the time of publication as he is not employed directly by SCAS.
2. Cash Equivalent Transfer Value at 31 March 2022 for Aneel Pattni and David Eltringham were unavailable at the time of publication as they were not employed by SCAS on this date.

Cash equivalent transfer value (CETV) figures are calculated using the guidance on discount rates for calculating unfunded public service contribution rates that was extant on 31 March 2023. HM Treasury published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023/24 CETV figures.

The benefits and related CETVs have not been adjusted for the potential impact arising from the McCloud judgement.

The value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20, less the contributions made by the individual. The real increase excludes increases due to inflation or any increase or decrease due to a transfer of pension rights.

This value derived does not represent an amount that will be received by the individual. It is a calculation that is intended to provide an estimation of the benefit being a member of the pension scheme could provide.

The pension benefit table provides further information on the pension benefits accruing to the individual.

The benefits and related Cash Equivalent Transfer Values (CETVs) have not been adjusted for the potential impact arising from the McCloud judgement.

CASH EQUIVALENT TRANSFER VALUE

A Cash Equivalent Transfer Value (CETV) is the actuarially completed capital value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme.

A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures and the other pension details include the value of any pension benefits in another scheme or arrangement which the individual has transferred to the NHS pension scheme.

They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost.

CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real increase in CETV

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Government Actuary Department (GAD) factors for the calculation of CETVs assume that benefits are indexed in line with CPI which is expected to be lower than RPI which was used previously and hence will tend to produce lower transfer values.

EXPENSES

Details of number and value of expenses claimed by governors and directors are detailed below:

	2022/23			2021/22		
	Total Number in Office	Total Number Receiving Expenses	Aggregate Sum of Expenses Paid (£00)	Total Number in Office	Total Number Receiving Expenses	Aggregate Sum of Expenses Paid (£00)
Governors	26	5	5	26	1	1
Directors	19	8	9	17	12	44

OFF-PAYROLL ENGAGEMENTS

For all off-payroll engagements as of 31 Mar 2023, for more than £245 per day and that last for longer than six months:

No. of existing engagements as of 31 March 2023	0
Of which:	
Number that existed for less than one year at the time of reporting	0
Number that existed for between one and two years at the time of reporting	0
Number that existed for between two and three years at the time of reporting	0
Number that existed for between three and four years at the time of reporting	0
Number that existed for four or more years at the time of reporting	0

For all new off-payroll engagements, or those that reached six months in duration, between 1 April 2022 and 31 March 2023, for more than £245 per day and that last for longer than six months:

Number of new engagements, or those that reached six months in duration, between 1 April 2020 and 31 March 2021	0
Of which:	
Number assessed as within scope of IR35	0
Number assessed as not within scope of IR35	0
Number engaged directly (via PSC contracted to Trust) and are on the Trust's payroll	0
Number of engagements reassessed for consistency / assurance purposes during the year	0
Number of engagements that saw a change to IR35 status following the consistency review	0

For any off-payroll engagements of Board members, and/or, senior officials with significant financial responsibility, between 1 April 2022 and 31 March 2023:

Number of off-payroll engagements of Board members, and / or senior officials with significant financial responsibility, during the financial year	0
Number of individuals that have been deemed 'Board members and / or senior officials with significant financial responsibility' during the financial year. This figure must include both off-payroll and on-payroll engagements	0



ACCOUNTS

South Central Ambulance Service NHS Foundation Trust

Annual accounts for the year ended 31 March 2023

Foreword to the accounts

South Central Ambulance Service NHS Foundation Trust

These accounts, for the year ended 31 March 2023, have been prepared by South Central Ambulance Service NHS Foundation Trust in accordance with paragraphs 24 & 25 of Schedule 7 within the National Health Service Act 2006.



David Eltringham

Chief Executive

14 July 2023

Consolidated Statement of Comprehensive Income

	Note	Group		Trust	
		2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Operating income from patient care activities	3	345,785	322,204	345,785	322,204
Other operating income	4	7,685	9,303	7,322	9,030
Operating expenses	5	(354,011)	(330,561)	(353,541)	(330,056)
Operating surplus/(deficit) from continuing operations		(541)	946	(434)	1,178
Finance income	10	1,265	49	1,265	49
Finance expenses	10	(292)	(11)	(308)	(11)
PDC dividends payable		(1,056)	(960)	(1,056)	(960)
Net finance costs		(83)	(922)	(99)	(922)
Other gains / (losses)	10	396	272	333	66
Surplus / (deficit) for the year from continuing operations		(228)	296	(200)	322
Surplus/ (deficit) for the period attributable to:					
South Central Ambulance Service NHS Foundation Trust		(228)	296	(200)	322
TOTAL		(228)	296	(200)	322
Other comprehensive income					
Will not be reclassified to income and expenditure:					
Impairments		(226)	(76)	(226)	(76)
Revaluations		3,275	1,610	3,275	1,737
Total comprehensive income / (expense) for the period		2,821	1,830	2,849	1,983
Total comprehensive income/ (expense) for the period attributable to:					
South Central Ambulance Service NHS Foundation Trust		2,821	1,830	2,849	1,983
TOTAL		2,821	1,830	2,849	1,983

The notes on pages 125 to 131 form part of these accounts.

All income and expenditure is derived from continuing operations.

Statements of Financial Position

	Note	Group		Trust	
		31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Non-current assets					
Intangible assets	12	1,798	2,110	1,798	2,110
Property, plant and equipment	13	70,599	68,092	63,274	60,515
Right of use assets	15	56,579	-	61,208	-
Receivables	21	17	20	17	20
Other investments / financial assets	22	-	-	4,019	7,254
Total non-current assets		128,993	70,222	130,316	69,899
Current assets					
Inventories	20	1,447	1,220	1,019	828
Receivables	21	22,555	16,306	22,511	16,854
Other investments / financial assets	22	-	-	7,282	2,432
Cash and cash equivalents	24	50,024	60,910	49,677	60,107
Total current assets		74,026	78,436	80,489	80,221
Current liabilities					
Trade and other payables	25	(42,308)	(43,513)	(43,426)	(42,749)
Borrowings	26	(7,265)	-	(9,428)	-
Provisions	28	(4,348)	(9,414)	(4,332)	(9,372)
Total current liabilities		(53,921)	(52,927)	(57,186)	(52,121)
Total assets less current liabilities		149,098	95,731	153,619	97,999
Non-current liabilities					
Borrowings	26	(37,808)	-	(40,066)	-
Provisions	28	(3,855)	(4,603)	(3,822)	(4,603)
Total non-current liabilities		(41,663)	(4,603)	(43,888)	(4,603)
Total assets employed		107,435	91,128	109,731	93,396
Financed by					
Public dividend capital		66,047	64,758	66,047	64,758
Revaluation reserve		21,497	18,448	21,497	18,448
Other reserves		(350)	(350)	(350)	(350)
Income and expenditure reserve		20,241	8,272	22,537	10,540
Total taxpayers' equity		107,435	91,128	109,731	93,396

The primary financial statements on pages 118 to 124 and the notes on pages 125 to 181 were approved by the Trust's Board of Directors on 14 July 2023 and signed on its behalf by David Eltringham, Chief Executive Officer.

D. Eltringham

Name **David Eltringham**
 Position **Chief Executive**
 Date **14 July 2023**

Consolidated Statement of Changes in Equity for the year ended 31 March 2023

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	64,758	18,448	(350)	8,272	91,128
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	12,197	12,197
Surplus/(deficit) for the year	-	-	-	(228)	(228)
Impairments	-	(226)	-	-	(226)
Revaluations	-	3,275	-	-	3,275
Public dividend capital received	1,289	-	-	-	1,289
Taxpayers' and others' equity at 31 March 2023	66,047	21,497	(350)	20,241	107,435

Consolidated Statement of Changes in Equity for the year ended 31 March 2022

Group	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	64,217	16,830	(350)	8,060	88,757
Surplus/(deficit) for the year	-	-	-	296	296
Other transfers between reserves	-	104	-	(104)	-
Impairments	-	(76)	-	-	(76)
Revaluations	-	1,610	-	-	1,610
Transfer to retained earnings on disposal of assets	-	(20)	-	20	-
Public dividend capital received	541	-	-	-	541
Taxpayers' and others' equity at 31 March 2022	64,758	18,448	(350)	8,272	91,128

Information on Group Reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge at 3.5%, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Other reserves

Other reserves was a residual balance that was required in 2006 when the Trust was formed. The reserve was created from the opening net assets with taxpayer's equity from the predecessor trust.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

The NHS adopted "IFRS16 Leases" on 1st April 2022. The terms of the standard specify treatment for peppercorn leases. Peppercorn leases are defined as leases for which the consideration paid is nil or nominal (that is, significantly below market value). Peppercorn leases are in the scope of IFRS 16 if they meet the definition of a lease in all aspects apart from containing consideration. The properties in these peppercorn leases are to be recognised as a right of use asset and measured at discounted current value and depreciated over the term of the lease. The difference between the carrying amount of the right-of-use asset and lease liability shall be included as part of the adjustment to the opening balances of taxpayers' equity (or other component of equity, as appropriate) per IFRS 16 (C5(b)). All future new peppercorn leases will be recognised as a right of use asset and the Trust will recognise any difference between the carrying amount of the right-of-use asset and the lease liability as income as required by IAS 20 as interpreted by the FReM.

Statement of Changes in Equity for the year ended 31 March 2023

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2022 - brought forward	64,758	18,448	(350)	10,540	93,396
Impact of implementing IFRS 16 on 1 April 2022	-	-	-	12,197	12,197
Surplus/(deficit) for the year	-	-	-	(200)	(200)
Impairments	-	(226)	-	-	(226)
Revaluations	-	3,275	-	-	3,275
Public dividend capital received	1,289	-	-	-	1,289
Taxpayers' and others' equity at 31 March 2023	66,047	21,497	(350)	22,537	109,731

Statement of Changes in Equity for the year ended 31 March 2022

Trust	Public dividend capital £000	Revaluation reserve £000	Other reserves £000	Income and expenditure reserve £000	Total £000
Taxpayers' and others' equity at 1 April 2021 - brought forward	64,217	16,807	(350)	10,198	90,872
Surplus/(deficit) for the year	-	-	-	322	322
Impairments	-	(76)	-	-	(76)
Revaluations	-	1,737	-	-	1,737
Transfer to retained earnings on disposal of assets	-	(20)	-	20	-
Public dividend capital received	541	-	-	-	541
Taxpayers' and others' equity at 31 March 2022	64,758	18,448	(350)	10,540	93,396

Information on Trust reserves

Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. Additional PDC may also be issued to trusts by the Department of Health and Social Care. A charge at 3.5%, reflecting the cost of capital utilised by the trust, is payable to the Department of Health and Social Care as the public dividend capital dividend.

Revaluation reserve

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse impairments previously recognised in operating expenses, in which case they are recognised in operating income. Subsequent downward movements in asset valuations are charged to the revaluation reserve to the extent that a previous gain was recognised unless the downward movement represents a clear consumption of economic benefit or a reduction in service potential.

Other reserves

Other reserves was a residual balance that was required in 2006 when the Trust was formed. The reserve was created from the opening net assets with taxpayer's equity from the predecessor trust.

Income and expenditure reserve

The balance of this reserve is the accumulated surpluses and deficits of the trust.

The NHS adopted "IFRS16 Leases" on 1st April 2022. The terms of the standard specify treatment for peppercorn leases. Peppercorn leases are defined as leases for which the consideration paid is nil or nominal (that is, significantly below market value). Peppercorn leases are in the scope of IFRS 16 if they meet the definition of a lease in all aspects apart from containing consideration. The properties in these peppercorn leases are to be recognised as a right of use asset and measured at discounted current value and depreciated over the term of the lease. The difference between the carrying amount of the right-of-use asset and lease liability shall be included as part of the adjustment to the opening balances of taxpayers' equity (or other component of equity, as appropriate) per IFRS 16 (C5(b)). All future new peppercorn leases will be recognised as a right of use asset and the Trust will recognise any difference between the carrying amount of the right-of-use asset and the lease liability as income as required by IAS 20 as interpreted by the FReM.

Statements of Cash Flows

	Note	Group		Trust	
		2022/23 £000	2021/22 £000	2022/23 £000	2021/22 £000
Cash flows from operating activities					
Operating surplus / (deficit)		(541)	946	(434)	1,178
Non-cash income and expense:					
Depreciation and amortisation	5	15,959	10,608	15,573	7,495
Net impairments	5	207	830	207	830
(Increase) / decrease in receivables and other assets		(6,203)	3,761	(5,611)	3,768
(Increase) / decrease in inventories		(227)	(78)	(191)	(76)
Increase / (decrease) in payables and other liabilities		(2,366)	5,383	(504)	5,305
Increase / (decrease) in provisions		(5,495)	(1,783)	(5,502)	(1,756)
Net cash flows from / (used in) operating activities		1,334	19,667	3,538	16,744
Cash flows from investing activities					
Interest received		1,126	30	1,126	30
Purchase and sale of financial assets / investments		-	-	(1,615)	3,731
Purchase of intangible assets		(1,064)	(370)	(1,064)	(370)
Purchase of Property, Plant & Equipment (PPE) and investment property		(7,121)	(9,082)	(4,807)	(8,781)
Sales of Property, Plant & Equipment (PPE) and investment property		1,870	315	1,806	66
Net cash flows from / (used in) investing activities		(5,189)	(9,107)	(4,554)	(5,324)
Cash flows from financing activities					
Public dividend capital (PDC) received		1,289	541	1,289	541
Capital element of lease liability repayments		(6,749)	-	(9,116)	-
Interest paid on lease liability repayments		(611)	-	(627)	-
PDC dividend (paid) / refunded		(960)	(905)	(960)	(905)
Net cash flows from / (used in) financing activities		(7,031)	(364)	(9,414)	(364)
Increase / (decrease) in cash and cash equivalents		(10,886)	10,196	(10,430)	11,056
Cash and cash equivalents at 1 April - brought forward		60,910	50,714	60,107	49,051
Cash and cash equivalents at 31 March	24	50,024	60,910	49,677	60,107

Notes to the Accounts

Note 1 Accounting policies and other information

Note 1.1 Basis of preparation

NHS England has directed that the financial statements of the Trust shall meet the accounting requirements of the Department of Health and Social Care Group Accounting Manual (GAM), which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the GAM 2022/23 issued by the Department of Health and Social Care. The accounting policies contained in the GAM follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the NHS, as determined by HM Treasury, which is advised by the Financial Reporting Advisory Board. Where the GAM permits a choice of accounting policy, the accounting policy that is judged to be most appropriate to the particular circumstances of the Trust for the purpose of giving a true and fair view has been selected. The particular policies adopted are described below. These have been applied consistently in dealing with items considered material in relation to the accounts.

Note 1.1.1 Accounting convention

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

Note 1.2 Going concern

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to NHS bodies, derived from the HM Treasury Financial Reporting Manual, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The directors have a reasonable expectation that this will continue to be the case.

The directors have a reasonable expectation that the services provided by South Central Ambulance Service NHS Foundation Trust will continue to be provided by the public sector for the foreseeable future. For this reason, the directors have adopted the going concern basis in preparing the accounts, following the definition of going concern in the public sector adopted by HM Treasury's Financial Reporting Manual.

Note 1.3 Consolidation

Trust Statements

Trust Statement of comprehensive income notes are not included as they are not materially different to the group figures.

NHS Charitable Funds

South Central Ambulance Service NHS Foundation Trust is the Corporate Trustee to South Central Ambulance Charity. South Central Ambulance Service NHS Foundation Trust has considered the materiality of the current annual value of transactions and as a result has not consolidated the charitable fund results in to the Trust accounts.

The charitable fund's statutory accounts are prepared to 31 March in accordance with the UK Charities Statement of Recommended Practice (SORP) which is based on UK Financial Reporting Standard (FRS) 102.

The charity's draft unaudited results to the 31st March 2023 are included in the related party transactions note 34.

Other subsidiaries

On 5 September 2015 the Trust established a wholly owned subsidiary company 'South Central Fleet Services Ltd'. The accounts show results for the Group and the Trust. The company began trading on 1 November 2015 and provides a range of fleet services to the Trust. The Trust's investment in the company is £441,310 of share capital and £10.86m of outstanding loans.

Subsidiary entities are those over which the Trust is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The income, expenses, assets, liabilities, equity and reserves of subsidiaries are consolidated in full into the appropriate financial statement lines. The capital and reserves attributable to minority interests are included as a separate item in the Statement of Financial Position.

The amounts consolidated are drawn from the unaudited draft financial statements of the subsidiary for the year. Note 34.

Note 1.4 Revenue from contracts with customers

Where income is derived from contracts with customers, it is accounted for under IFRS 15. The GAM expands the definition of a contract to include legislation and regulations which enables an entity to receive cash or another financial asset that is not classified as a tax by the Office of National Statistics (ONS).

Revenue in respect of goods/services provided is recognised when (or as) performance obligations are satisfied by transferring promised goods/services to the customer and is measured at the amount of the transaction price allocated to those performance obligations. At the year end, the Trust accrues income relating to performance obligations satisfied in that year. Where the Trust's entitlement to consideration for those goods or services is unconditional a contract receivable will be recognised. Where entitlement to consideration is conditional on a further factor other than the passage of time, a contract asset will be recognised. Where consideration received or receivable relates to a performance obligation that is to be satisfied in a future period, the income is deferred and recognised as a contract liability.

1.4.1 Revenue from NHS contracts

The main source of income for the Trust is contracts with commissioners for health care services. Funding envelopes are set at an Integrated Care System (ICS) level. The majority of the Trust's income is earned from NHS commissioners in the form of fixed payments to fund an agreed level of activity. The related performance obligation is the delivery of healthcare and related services during the period, with the trust's entitlement to consideration not varying based on the levels of activity performed.

The Trust also receives additional income outside of the block payments to reimburse specific costs incurred and other income top-ups to support the delivery of services. Reimbursement and top-up income is accounted for as variable consideration.

In 2021/22, the Elective Recovery Fund enabled systems to earn income linked to the achievement of elective activity targets including funding any increased use of independent sector capacity. Income earned by the system is distributed between individual entities by local agreement. Income earned from the fund is accounted for as variable consideration.

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

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

The Trust receives income from commissioners under Commissioning for Quality and Innovation (CQUIN) schemes. The Trust agrees schemes with its commissioner but they affect how care is provided to patients. That is, the CQUIN payments are not considered distinct performance obligations in their own right; instead they form part of the transaction price for performance obligations under the contract.

1.4.2 NHS injury cost recovery scheme

The Trust receives income under the NHS injury cost recovery scheme, designed to reclaim the cost of treating injured individuals to whom personal injury compensation has subsequently been paid, for instance by an insurer. The Trust recognises the income when performance obligations are satisfied. In practical terms this means that treatment has been given, it receives notification from the Department of Work and Pension's Compensation Recovery Unit, has completed the NHS2 form and confirmed there are no discrepancies with the treatment. The income is measured at the agreed tariff for the treatments provided to the injured individual, less an allowance for unsuccessful compensation claims and doubtful debts in line with IFRS 9 requirements of measuring expected credit losses over the lifetime of the asset.

Note 1.5 Other forms of income

Grants and donations

Government grants are grants from government bodies other than income from commissioners or trusts for the provision of services. Where a grant is used to fund revenue expenditure it is taken to the Statement of Comprehensive Income to match that expenditure. Where the grants is used to fund capital expenditure, it is credited to the consolidated statement of comprehensive income once conditions attached to the grant have been met. Donations are treated in the same way as government grants.

Apprenticeship service income

The value of the benefit received when accessing funds from the Government's apprenticeship service is recognised as income at the point of receipt of the training service. Where these funds are paid directly to an accredited training provider from the Trust's Digital Apprenticeship Service (DAS) account held by the Department for Education, the corresponding notional expense is also recognised at the point of recognition for the benefit.

Note 1.6 Expenditure on employee benefits

Pension costs

NHS Pension Scheme

Past and present employees are covered by the provisions of the two NHS Pension Schemes. Both schemes are unfunded, defined benefit schemes that cover NHS employer, general practices and other bodies, allowed under the direction of Secretary of State for Health and Social Care in England and Wales. The scheme is not designed in a way that would enable employers to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as though it is a defined contribution scheme: the cost to the trust is taken as equal to the employer's pension contributions payable to the scheme for the accounting period. The contributions are charged to operating expenses as and when they become due.

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 operating expenses at the time the trust commits itself to the retirement, regardless of the method of payment.

Note 1.7 Expenditure on other goods and services

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 operating expenses except where it results in the creation of a non-current asset such as property, plant and equipment.

Note 1.8 Property, plant and equipment

Note 1.8.1 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 Trust
- it is expected to be used for more than one financial year and the cost of the item can be measured reliably
- the item has a cost of at least £5,000 or collectively a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous disposal dates and are under single managerial control
- items form part of the initial equipping and setting-up cost of a new building, irrespective of their individual or collective cost

Where a large asset, for example a building, includes a number of components with significantly different asset lives, eg, plant and equipment, then these components are treated as separate assets and depreciated over their own useful economic lives.

Note 1.8.2 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.

Assets are measured subsequently at valuation. Assets which are held for their service potential and are in use (ie operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use. Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use are measured at fair value where there are no restrictions on sale at the reporting date and where they do not meet the definitions of investment properties or assets held for sale.

Revaluations of property, plant and equipment are performed with sufficient regularity to ensure that carrying values are not materially different from those that would be determined at the end of the reporting period. Current values in existing use are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost on a modern equivalent asset basis.

The Trust has an annual valuation exercise of its owned property (land and buildings) with a valuation date as at 31st March 2023. This was undertaken by an accredited valuer, Bomford Estates Ltd, on a property by property basis.

For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and meeting the location requirements of the services being provided. Assets held at depreciated replacement cost have been valued on an alternative site basis where this would meet the location requirements.

Leasehold improvements, aerial sites, IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it is probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised. Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the Statement of Comprehensive Income in the period in which it is incurred.

Depreciation

Items of property, plant and equipment are depreciated over their remaining useful lives in a manner consistent with the consumption of economic or service delivery benefits. Freehold land is considered to have an infinite life and is not depreciated.

Property, plant and equipment which has been reclassified as 'held for sale' cease to be depreciated upon the reclassification. Assets in the course of construction are not depreciated until the asset is brought into use or reverts to the trust, respectively.

Revaluation gains and losses

Revaluation gains are recognised in the revaluation reserve, except where, and to the extent that, they reverse a revaluation decrease that has previously been recognised in operating expenses, in which case they are recognised in operating expenditure.

Revaluation losses are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to operating expenses.

Gains and losses recognised in the revaluation reserve are reported in the Statement of Comprehensive Income as an item of 'other comprehensive income'.

Impairments

In accordance with the GAM, impairments that arise from a clear consumption of economic benefits or of service potential in the asset are charged to operating expenses. A compensating transfer is made from the revaluation reserve to the income and expenditure reserve of an amount equal to the lower of (i) the impairment charged to operating expenses; and (ii) the balance in the revaluation reserve attributable to that asset before the impairment.

An impairment that arises from a clear consumption of economic benefit or of service potential is reversed when, and to the extent that, the circumstances that gave rise to the loss is reversed. Reversals are recognised in operating expenditure to the extent that the asset is restored to the carrying amount it would have had if the impairment had never been recognised. Any remaining reversal is recognised in the revaluation reserve. Where, at the time of the original impairment, a transfer was made from the revaluation reserve to the income and expenditure reserve, an amount is transferred back to the revaluation reserve when the impairment reversal is recognised. Other impairments are treated as revaluation losses. Reversals of 'other impairments' are treated as revaluation gains.

Note 1.8.3 De-recognition

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. 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.

Note 1.8.4 Donated and grant funded assets

Donated and grant funded property, plant and equipment assets are capitalised at their fair value on receipt. The donation/grant is credited to income at the same time, unless the donor has imposed a condition that the future economic benefits embodied in the grant are to be consumed in a manner specified by the donor, in which case, the donation/grant is deferred within liabilities and is carried forward to future financial years to the extent that the condition has not yet been met.

The donated and grant funded assets are subsequently accounted for in the same manner as other items of property, plant and equipment.

Note 1.8.5 Useful Economic lives of property, plant and equipment

Useful lives reflect the total life of an asset and not the remaining life of an asset. The range of useful lives are shown in the table below:

	Min life Years	Max life Years
Land	-	-
Buildings, excluding dwellings	3	70
Plant & machinery	3	15
Transport equipment	5	7
Information technology	3	5
Furniture & fittings	3	5

Finance-leased assets (including land) are depreciated over the shorter of the useful life or the lease term, unless the trust expects to acquire the asset at the end of the lease term in which case the assets are depreciated in the same manner as owned assets above.

Included within Buildings are revalued owned buildings, non-revalued Aerial Sites and non-revalued Leasehold Improvements. The Trust has a policy of revaluing its owned properties and doesn't currently revalue leasehold improvements.

Note 1.9 Intangible assets

Note 1.9.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold

separately from the rest of the trust'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 trust and where the cost of the asset can be measured reliably.

Internally generated intangible assets

Internally generated goodwill, brands, mastheads, publishing titles, customer lists and similar items are not capitalised as intangible assets.

Expenditure on research is not capitalised.

Expenditure on development is capitalised only where all of the following can be demonstrated:

- the project is technically feasible to the point of completion and will result in an intangible asset for sale or use;
- the Trust intends to complete the asset and sell or use it;
- the Trust has the ability to sell or use the asset;
- how the intangible asset will generate probable future economic or service delivery benefits, e.g., the presence of a market for it or its output, or where it is to be used for internal use, the usefulness of the asset;
- adequate financial, technical and other resources are available to the Trust to complete the development and sell or use the asset and;
- the Trust can measure reliably the expenses attributable to the asset during development.

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.

Note 1.9.2 Measurement

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 current value in existing use. Where no active market exists, intangible assets are valued at the lower of depreciated replacement cost and the value in use where the asset is income generating. Revaluations gains and losses and impairments are treated in the same manner as for property, plant and equipment. An intangible asset which is surplus, with no plan to bring it back into use, is valued at fair value under IFRS 13 if it does not meet the requirements of IAS 40 or IFRS 5.

Amortisation

Intangible assets are amortised over their expected useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Note 1.9.3 Useful economic life of intangible assets

	Min life Years	Max life Years
Purchased intangible assets - Software	3	5

Note 1.10 Inventories

Inventories are valued at the lower of cost and net realisable value. The cost of inventories is measured using the first in, first out (FIFO) method. This is considered to be a reasonable approximation to fair value due to high turnover of stocks. A review is made where necessary for obsolete, slow moving and defective stocks and written off where considered appropriate.

In 2022/23 the Trust received inventories including personal protective equipment from the Department of Health and Social Care at nil cost. In line with the GAM and applying the principles of the IFRS Conceptual Framework, the Trust has accounted for the receipt of these inventories at a deemed cost, reflecting the best available approximation of an imputed market value for the transaction based on the cost of acquisition by the Department. The value of the deemed income and expenditure was £0.348m (2021/22: £0.383m). See note 20.

Note 1.11 Financial assets and financial liabilities

Recognition

Financial assets and financial liabilities arise where the Trust is party to the contractual provisions of a financial instrument, and as a result has a legal right to receive or a legal obligation to pay cash or another financial instrument. The GAM expands the definition of a contract to include legislation and regulations which give rise to arrangements that in all other respects would be a financial instrument and do not give rise to transactions classified as a tax by ONS.

This includes the purchase or sale of non-financial items (such as goods or services), which are entered into in accordance with the Trust's normal purchase, sale or usage requirements and are recognised when, and to the extent which, performance occurs, ie, when receipt or delivery of the goods or services is made.

Classification and measurement

Financial assets and financial liabilities are initially measured at fair value plus or minus directly attributable transaction costs except where the asset or liability is not measured at fair value through income and expenditure. Fair value is taken as the transaction price, or otherwise determined by reference to quoted market prices or valuation techniques.

Financial assets or financial liabilities in respect of assets acquired or disposed of through finance leases are recognised and measured in accordance with the accounting policy for leases described below.

Financial assets or liabilities are classified as subsequently measured at amortised cost.

Financial assets and financial liabilities at amortised cost

Financial assets and financial liabilities at amortised cost are those held with the objective of collecting contractual cash flows and where cash flows are solely payments of principal and interest. This includes cash equivalents, contract and other receivables, trade and other payables, rights and obligations under lease arrangements and loans receivable and payable.

After initial recognition, these financial assets and financial liabilities are measured at amortised cost using the effective interest method less any impairment (for financial assets). The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset or to the amortised cost of a financial liability.

Interest revenue or expense is calculated by applying the effective interest rate to the gross carrying amount of a financial asset or amortised cost of a financial liability and recognised in the Statement of Comprehensive Income as a financing income or expense. In the case of loans held from the Department of Health and Social Care, the effective interest rate is the nominal rate of interest charged on the loan.

Impairment of financial assets

For all financial assets measured at amortised cost including lease receivables, contract receivables and contract assets, the Trust recognises an allowance for expected credit losses.

The Trust adopts the simplified approach to impairment for contract and other receivables, contract assets and lease receivables, measuring expected losses as at an amount equal to lifetime expected losses. For other financial assets, the loss allowance is initially measured at an amount equal to 12-month expected credit losses (stage 1) and subsequently at an amount equal to lifetime expected credit losses if the credit risk assessed for the financial asset significantly increases (stage 2).

For financial assets that have become credit impaired since initial recognition (stage 3), expected credit losses at the reporting date are measured as the difference between the assets gross carrying amount and the present value of estimated future cash flows discounted at the financial assets original effective interest rate.

Expected losses are charged to operating expenditure within the Statement of Comprehensive Income and reduce the net carrying value of the financial asset in the Statement of Financial Position.

At the Statement of Financial Position date, the Trust assesses whether any financial assets, other than those held at "fair value through income and expenditure" are impaired. Financial assets are impaired and impairment losses are recognised if, and only if, there is objective

evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Income and the carrying amount of the asset is reduced directly.

De-recognition

All financial assets are de-recognised when the rights to receive cash flows from the assets have expired or the Trust has transferred substantially all of the risks and rewards of ownership.

Financial liabilities are de-recognised when the obligation is discharged, cancelled or expires.

Note 1.12 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee, the Trust doesn't have any finance leases. All other leases are classified as operating leases.

Note 1.12.1 " The Trust as lessee "

Finance leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the trust, 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 asset and liability are recognised at the commencement of the lease. Thereafter the asset is accounted for an item of property plant and equipment.

The annual rental is split between the repayment of the liability and a finance cost so as to achieve a constant rate of finance over the life of the lease. The annual finance cost is charged to Finance Costs in the Statement of Comprehensive Income. The lease liability, is de-recognised when the liability is discharged, cancelled or expires.

Operating leases

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are added to the lease rentals and charged to operating expenses over the life of the lease.

Contingent rentals are recognised as an expense in the period in which they are incurred.

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.

Note 1.13 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and that form an integral part of South Central Ambulance Service Foundation Trust's cash management. Cash, bank and overdraft balances are recorded at current values.

Note 1.14 Provisions

The Trust recognises a provision where it has a present legal or constructive obligation of uncertain timing or amount; for which it is probable that there will be a future outflow of cash or other resources; and a reliable estimate can be made of the amount. The amount recognised in the Statement of Financial Position is the best estimate of the resources required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using HM Treasury's discount rates effective from 31 March 2023:

		Nominal rate	Prior year rate
Short-term	Up to 5 years	3.27%	0.47%
Medium-term	After 5 years up to 10 years	3.20%	0.70%
Long-term	After 10 years up to 40 years	3.51%	0.95%
	Exceeding 40 years	3.00%	0.66%

HM Treasury provides discount rates for general provisions on a nominal rate basis. Expected future cash flows are therefore adjusted for the impact of inflation before discounting using nominal rates. The following inflation rates are set by HM Treasury, effective from 31 March 2023:

	Inflation rate	Prior year rate
Year 1	7.44%	4.00%
Year 2	0.60%	2.60%
Into perpetuity	2.00%	2.00%

Early retirement provisions and injury benefit provisions both use the HM Treasury's pension discount rate of 1.70% in real terms (2021/22: minus 1.3%).

Clinical negligence costs

NHS Resolution operates a risk pooling scheme under which the trust pays an annual contribution to NHS Resolution, which, in return, settles all clinical negligence claims. Although NHS Resolution is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by NHS Resolution on behalf of the trust is disclosed at note 29 but is not recognised in the Trust's accounts.

Non-clinical risk pooling

The trust participates in the Property Expenses Scheme and the Liabilities to Third Parties Scheme. Both are risk pooling schemes under which the trust pays an annual contribution to NHS Resolution and in return receives assistance with the costs of claims arising. The annual membership contributions, and any excesses payable in respect of particular claims are charged to operating expenses when the liability arises.

Note 1.15 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 entity's control) are not recognised as assets, but are disclosed in note 30 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 30, 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.

Note 1.16 Public dividend capital

Public dividend capital (PDC) is a type of public sector equity finance based on the excess of assets over liabilities at the time of establishment of the predecessor NHS organisation. HM Treasury has determined that PDC is not a financial instrument within the meaning of IAS 32.

The Secretary of State can issue new PDC to, and require repayments of PDC from, the Trust. PDC is recorded at the value received.

A charge, reflecting the cost of capital utilised by the Trust, is payable as public dividend capital dividend. The charge is calculated at the rate set by HM Treasury (currently 3.5%) on the average relevant net assets of the Trust during the financial year. Relevant net assets are calculated as the value of all assets less the value of all liabilities, with certain additions and deductions as defined in the PDC

dividend policy issued by the Department of Health and Social Care. This policy is available at <https://www.gov.uk/government/publications/guidance-on-financing-available-to-nhs-trusts-and-foundation-trusts>.

In accordance with the requirements laid down by the Department of Health and Social Care (as the issuer of PDC), the dividend for the year is calculated on the actual average relevant net assets as set out in the "pre-audit" version of the annual accounts. The dividend calculated is not revised should any adjustment to net assets occur as a result the audit of the annual accounts.

Note 1.17 Value added tax

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

The subsidiary company, South Central Fleet Services Limited, is VAT registered.

Note 1.18 Corporation tax

South Central Ambulance NHS Foundation Trust has determined that it has no corporation tax liability as the Trust's profit generated from non-operational income falls below the threshold amount of £50,000.

Note 1.19 Losses and special payments

Losses and special payments are items that Parliament would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way that individual cases are handled. Losses and special payments are charged to the relevant functional headings in expenditure on an accruals basis.

The losses and special payments note is compiled directly from the losses and compensations register which reports on an accrual basis with the exception of provisions for future losses.

Note 1.20 Early adoption of standards, amendments and interpretations

No new accounting standards or revisions to existing standards have been adopted early in 2022/23.

Note 1.21 Climate Change Levy

Expenditure on the climate change levy is recognised in the Statement of Comprehensive Income as incurred, based on the prevailing chargeable rates for energy consumption.

Note 1.22 Foreign Exchange

The functional and presentational currency of the trust is 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 trust has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

- monetary items 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 Statement of Financial Position date) are recognised in income or expense 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.

Note 1.23 Gifts

Gifts are items that are voluntarily donated, with no preconditions and without the expectation of any return. Gifts include all transactions economically equivalent to free and unremunerated transfers, such as the loan of an asset for its expected useful life, and the sale or lease of assets at below market value.

Note 1.24 IFRS16 Leases

IFRS 16 Leases will replace IAS 17 Leases, IFRIC 4 Determining whether an arrangement contains a lease and other interpretations and is applicable in the public sector for periods beginning 1 April 2022. The standard provides a single accounting model for lessees, recognising a right of use asset and obligation in the statement of financial position for most leases: some leases are exempt through application of practical expedients explained below. For those recognised in the statement of financial position the standard also requires the remeasurement of lease liabilities in specific circumstances after the commencement of the lease term. For lessors, the distinction between operating and finance leases will remain and the accounting will be largely unchanged.

IFRS 16 changes the definition of a lease compared to IAS 17 and IFRIC 4. The trust will apply this definition to new leases only and will grandfather its assessments made under the old standards of whether existing contracts contain a lease.

On transition to IFRS 16 on 1 April 2022, the trust applied the standard retrospectively without restatement and with the cumulative effect of initially applying the standard recognised in the income and expenditure reserve at that date. For existing operating leases with a remaining lease term of more than 12 months and an underlying asset value of at least £5,000, a lease liability will be recognised equal to the value of remaining lease payments discounted on transition at the trust's incremental borrowing rate. The trust's incremental borrowing rate will be defined by HM Treasury. For 2022/23, this rate is 0.95% for leases on adoption at 1st April 2022 and 3.51% for all new leases entered into after 1st April 2022. The related right of use asset will be measured equal to the lease liability adjusted for any prepaid or accrued lease payments. For existing peppercorn leases not classified as finance leases, a right of use asset will be measured at current value in existing use or fair value. The difference between the asset value and the calculated lease liability will be recognised in the income and expenditure reserve on transition. No adjustments will be made on 1 April 2022 for existing finance leases.

For leases commencing in 2022/23, the trust will not recognise a right of use asset or lease liability for short term leases (less than or equal to 12 months) or for leases of low value assets (less than £5,000). Right of use assets will be subsequently measured on a basis consistent with owned assets and depreciated over the length of the lease term.

On transition to IFRS 16 on 1 April 2022, the Trust applied the standard to the existing lease portfolio as well as to subsequent leases. The right of use assets for the Trust were £64,424m (Consolidated £57.629m) and these were added to the assets of the Trust along with lease liabilities of £52.097m (Consolidated £45.302m). The annual depreciation charge on the lease portfolio from 1st April 2022 was £9.6m (Consolidated £6.378m) with an interest charge of £0.627m (Consolidated £0.611m), the reduction in rentals under operating lease of £9.116m (Consolidated £6.749m). The impact on net assets is £12.327m (Consolidated £12.327m) and this is due to the recognition of assets on a peppercorn rent, the standard requires that the peppercorn assets are capitalised with the corresponding credit taken to reserves on adoption, new peppercorn leases will be recognised as a right of use asset and as income. The depreciation on the peppercorn properties was £0.249m.

Note 1.25 Critical accounting estimates and judgements

In the application of the Foundation Trust's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates and the estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods if the revision affects both. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

Note 1.25.1 - Critical judgments and key sources of estimation uncertainty

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Foundation Trust's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Charitable Funds

The Trust is the corporate trustee of the linked charity, South Central Ambulance Charity. The Trust has assessed its relationship under IFRS10 and determined it to be a subsidiary because the Trust is exposed to, or has rights to, variable returns and other benefits and other benefits for itself, patients and staff from its involvement with the charitable fund and has the ability to affect those returns and other benefits through its power over the fund. However, the charitable funds are immaterial in the context of the group and therefore transactions have not been consolidated. Details of the transactions of the charity are included in the related party transactions note (note 34).

Land and Buildings - Leasehold Improvements

The Trust does not revalue its leasehold improvements or aerial sites, these are held at depreciated historical cost which is used as a proxy for fair value.

Note 1.25.2 - Source of estimation uncertainty

The following are assumptions about future and other major sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Land and Buildings - Valuations

Valuation assumptions for Property with a net book value of £23.986m are based on valuations provided by Bomfords Estates Ltd, as at 31 March 2023 in line with Note 13.1. The valuation was prepared in accordance with the professional standards of the Royal Institution of Chartered Surveyors: RICS Valuation – Global Standards and RICS UK National Supplement, commonly known together as the Red Book, in so far as these are consistent with IFRS and the above mentioned guidance; RICS UK VPGA 5 refers.

The Trust has an annual desktop valuation exercise of its owned property with a valuation date as at 31st March 2023. This was undertaken by an accredited valuer, Bomford Estates Ltd, on a property by property basis. The Trust revalues its properties on a rolling 5 year basis with the next full valuation due at 31st March 2024.

The impact of the valuation was an overall net increase in Property of £3.275m, an increase in the revaluation reserve of £3.049m and an impairment of £0.226m.

The Trusts' valuers use the Depreciated Replacement Cost (DRC) method of valuation which applies to specialised properties.

Land has been revalued by Bomfords at 31/3/23 with a carrying value of £9.490m. This value has not changed from the prior year.

IFRS16

The Trust has capitalised its Right of Use (RoU) assets in accordance with IFRS 16, all leases greater in length than one year and greater than £5k are capitalised. Where an asset is individually under £5k but is part of a larger cohort lease of similar assets the cohort of assets are capitalised as RoU assets. All leases are with third party lessors are entered into at market rates with the exception of some properties subject to peppercorn rents. The market rate of rent for properties that are held on a peppercorn lease are valued at market rent for the area based on similar properties, management are content that this is an appropriate valuation method.

Where a signed lease agreement exists, the life of the lease is based on the term of the agreement. All leases are discounted based on the rate implied in the lease. Where this rate is not available then the discount rate is prescribed by HM Treasury. The rate from 1st April 2022 to 31st December 2022 is 0.95% and from the 1st January 2023 this changes to 3.51%.

Note 1.26 Standards, Amendments and Interpretations in Issue but not yet Effective or Adopted

The DHSC GAM does not require the following IFRS Standards and Interpretations to be applied in 2022-23. These Standards are still subject to HM Treasury FReM adoption.

IFRS 17 Insurance Contracts – The Standard is effective for accounting periods beginning on or after 1 January 2023. IFRS 17 is yet to be adopted by the FReM, therefore early adoption is not permitted.

Note 2 Operating Segments

Each segment is reported separately in the monthly Board report. Emergency Services include the 999 service, NHS 111 Call Handling, Education and Training, the Hazardous Area Response Team, National Covid -19 Services run by the Trust and the additional to the Trust costs of Covid-19. Non-Emergency Services including Patient Transport Services (NEPTS) and Logistic Services.

Direct costs include employees and non employee costs (staff costs, drugs, medical equipment, vehicle costs etc.) The Trust only reports contribution before overheads by service line reporting to the Trust Board at Public Board meetings.

	Emergency Services	Non Emergency Services	Corporate	Sub-Total	*NHS Pension	** NHS England Inventory	* NHS England Pay Award	Total
	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23	2022/23
	£000	£000	£000	£000	£000	£000	£000	£000
Income	264,992	62,237	8,342	335,571	8,568	348	8,983	353,470
Direct Costs	(220,603)	(55,153)	(3,627)	(279,383)	(8,568)	(348)	(8,983)	(297,282)
Contribution Operational Activities	44,389	7,084	4,715	56,188	0	0	0	56,188
Total overheads				(40,457)				(40,457)
Depreciation and amortisation				(15,959)				(15,959)
Total Overhead, Depreciation and Amortisation Costs				(56,416)				(56,416)
Operating Surplus (Deficit)				(228)				(228)

* See Note 3.1 and Note 7.

** See Note 20.

	Emergency Services	Non Emergency Services	Corporate	Sub-Total	*NHS Pension	** NHS England Inventory	* NHS England Pay Award	Total
	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22	2021/22
	£000	£000	£000	£000	£000	£000	£000	£000
Income	259,094	56,918	6,900	322,912	8,212	383	0	331,507
Direct Costs	(212,699)	(49,935)	(6,900)	(269,534)	(8,212)	(383)	0	(278,129)
Contribution Operational Activities	46,395	6,983	0	53,378	0	0	0	53,378
Total overheads				(42,474)				(42,474)
Depreciation and amortisation				(10,608)				(10,608)
Total Overhead, Depreciation and Amortisation Costs				(53,082)				(53,082)
Operating Surplus (Deficit)				296				296

* See Note 3.1 and Note 7.

** See Note 20.

Note 3 Operating income from patient care activities (Group)

All income from patient care activities relates to contract income recognised in line with accounting policy 1.4

Note 3.1 Income from patient care activities (by nature)	2022/23	2021/22
	£000	£000
A & E income *	261,036	257,406
Patient transport services income	60,511	55,081
Other income	6,687	1,505
Income from activities arising from commissioner requested services, note 4.2	328,234	313,992
Agenda for change pay offer central funding**	8,983	
Additional pension contribution central funding***	8,568	8,212
Total income from activities	345,785	322,204

*Aligned payment and incentive contracts are the main form of contracting between NHS providers and their commissioners. More information can be found in the 2022/23 National tariff payments system documentation. <https://www.england.nhs.uk/publication/past-national-tariffs-documents-and-policies/>

** The Government has announced a formal pay offer to Agenda for Change Unions for NHS staff who are subject to Agenda for Change terms and conditions. NHS England will provide funding to cover the costs of the 2022/23 non-consolidated pay awards for NHS employers that are currently funded through the NHS mandate.

***The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. Since 2019/20, NHS providers have continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost and related funding have been recognised in these accounts.

Note 3.2 Income from patient care activities (by source)	2022/23	2021/22
Income from patient care activities received from:	£000	£000
NHS England *	26,579	21,008
Clinical commissioning groups	73,130	287,915
Integrated Care Boards	233,278	-
Department of Health and Social Care	978	535
Other NHS providers	4,806	4,500
NHS other **	3,181	7,037
Local authorities	144	144
Injury cost recovery scheme	256	250
Non NHS: other	3,433	815
Total income from activities	345,785	322,204

*NHS England income includes £7.4m for the CCAS service and related services (2021/22 £11.0m)

** NHS Other income includes £3.2m for the CRS service (2021/22 £7m)

Note 4.1 Other operating income (Group)

	2022/23			2021/22		
	Contract income	Non-contract income	Total	Contract income	Non-contract income	Total
	£000	£000	£000	£000	£000	£000
Research and development	-	-	-	-	-	-
Education and training	2,220	293	2,513	4,621	-	4,621
Non-patient care services to other bodies	1,726	-	1,726	1,832	-	1,832
Reimbursement and top up funding*	-	-	-	49	-	49
Income in respect of employee benefits accounted on a gross basis	447	-	447	611	-	611
Charitable and other contributions to expenditure	-	348	348	-	383	383
Other income**	2,651	-	2,651	1,807	-	1,807
Total other operating income	7,044	641	7,685	8,920	383	9,303
Of which:						
Related to continuing operations			7,685			9,303

* Staff vaccination NHS reimbursement £nil (2021/22: £49k).

**Other income includes £134k (2021/2022: £144k) of income related to ICT system support for Isle of Wight Trust, £293k (2021/2022: £233k) apprenticeship levy, income in respect of call centre services for third parties £1,443k (2021/2022: £765k) and income from third parties within SCFS Ltd £363k (2021/2022: £273k).

Note 4.2 Income from activities arising from commissioner requested services

Under the terms of its provider licence, the trust is required to analyse the level of income from activities that has arisen from commissioner requested and non-commissioner requested services. Commissioner requested services are defined in the provider licence and are services that commissioners believe would need to be protected in the event of provider failure. This information is provided in the table below:

Income from services designated as commissioner requested services		261,036	257,406
Income from services not designated as commissioner requested services		67,198	56,586
Total	3.1	328,234	313,992

Note 5.1 Operating expenses (Group)	2022/23 £000	2021/22 £000
Purchase of healthcare from NHS and DHSC bodies	4,615	1,701
Purchase of healthcare from non-NHS bodies - Accident & Emergency	19,074	12,409
Purchase of healthcare from non-NHS bodies - Patient Transport	22,581	20,879
Purchase of healthcare from non-NHS bodies - Other**	15,360	11,929
Staff and executive directors costs	219,286	203,690
Remuneration of non-executive directors	300	340
Supplies and services - clinical (excluding drugs costs)	4,841	5,630
Supplies and services - general	2,460	2,186
Drug costs (drugs inventory consumed and purchase of non-inventory drugs)	535	506
Donated Personal Protective Equipment (PPE)	348	383
Consultancy costs	459	252
Establishment	4,993	4,398
Premises	6,679	6,487
Information Technology	5,952	10,913
Transport (including patient travel)	16,361	17,820
Depreciation on property, plant and equipment	15,003	9,319
Amortisation on intangible assets	956	1,289
Net impairments	207	830
Movement in credit loss allowance: contract receivables / contract assets	118	(84)
Change in provisions discount rate(s)	(492)	100
Fees payable to the external auditor		
audit services- statutory audit	120	114
other auditor remuneration (external auditor only)	23	16
Internal audit costs	95	74
Clinical negligence	2,295	2,638
Legal fees	521	108
Insurance	1,944	1,913
Education and training	1,499	3,071
Expenditure on short term leases (current year only)	5,690	-
Operating leases expenditure (comparative only)	-	8,579
Redundancy	63	-
Hospitality	13	102
Other services, eg external payroll *	1,937	1,962
Other	175	1,007
Total	354,011	330,561
Related to continuing operations	354,011	330,561

*Other services includes £1,001k for 111 managed service contract (2021/22: £872k)

** The purchase of healthcare from non-NHS bodies - Other relates to the subcontractor costs for the Hampshire IUC contract that commenced in June 2021, 2022/23 shows full year effect.

Note 5.2 Other auditor remuneration (Group)

	2022/23 £000	2021/22 £000
Other auditor remuneration paid to the external auditor:		
1. Audit of accounts of any associate of the trust	23	16
Total	23	16

Note 5.3 Limitation on auditor's liability (Group)

The limitation on auditor's liability for external audit work is £1m (2021/22: £1m).

Note 6 Impairment of assets (Group)

	2022/23 £000	2021/22 £000
Net impairments charged to operating surplus / deficit resulting from:		
Loss or damage from normal operations	207	830
Total net impairments charged to operating surplus / deficit	207	830
Impairments charged to the revaluation reserve	226	76
Total net impairments	433	906

The impairments were in respect of IT Software £207k and Buildings £226k (2021/22: £906k)

Note 7 Employee benefits (Group)

	2022/23 Total £000	2021/22 Total £000
Salaries and wages	159,491	149,569
Social security costs	18,050	15,515
Apprenticeship levy	835	769
Employer's contributions to NHS pensions	28,217	27,037
Temporary staff (including agency)	12,756	10,800
Total gross staff costs	219,349	203,690
Recoveries in respect of seconded staff	-	-
Total staff costs	219,349	203,690
Of which		
Costs capitalised as part of assets	-	-
Included Within Operating Expenditure, Note 5.1		
Staff and executive directors costs	219,286	203,690
Redundancy	63	-
	219,349	203,690

The employer contribution rate for NHS pensions increased from 14.3% to 20.6% (excluding administration charge) from 1 April 2019. For 2022/23, 2021/22 and 2020/21, NHS providers continued to pay over contributions at the former rate with the additional amount being paid over by NHS England on providers' behalf. The full cost of £8.568m (2021/22: £8.212m) and related £8.568m (2021/22: £8.212m) funding have been recognised in these accounts.

During the year to 31 March 2023 the highest paid director was the Chief Executive who was paid a salary between £190k and £195k and was assessed as in receipt of benefit in kind of £5k.

In the year ended 31 March 2023, seven directors (2022: seven) accrued benefits under a defined benefits pension scheme.

Note 7.1 Retirements due to ill-health (Group)

During 2022/23 there were 2 early retirements from the trust agreed on the grounds of ill-health (2 in the year ended 31 March 2022). The estimated additional pension liabilities of these ill-health retirements is £15k (£176k in 2021/22).

The cost of these ill-health retirements will be borne by the NHS Business Services Authority - Pensions Division.

These estimated costs are calculated on an average basis and will be borne by the NHS Pension Scheme.

Further details of directors' remuneration can be found in the remuneration report which is included in the Trust Annual Report 2022/23.

Note 8 Pension costs

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

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

a) Accounting valuation

A valuation of scheme liability is carried out annually by the scheme actuary (currently the Government Actuary's Department) as at the end of the reporting period. This utilises an actuarial assessment for the previous accounting period in conjunction with updated membership and financial data for the current reporting period, and is accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2023, is based on valuation data as 31 March

2022, updated to 31 March 2023 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

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

b) Full actuarial (funding) valuation

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

The latest actuarial valuation undertaken for the NHS Pension Scheme was completed as at 31 March 2016. The results of this valuation set the employer contribution rate payable from April 2019 to 20.6% of pensionable pay.

The actuarial valuation as at 31 March 2020 is currently underway and will set the new employer contribution rate due to be implemented from April 2024.

Defined Contribution Schemes

The company operates a defined contribution retirement benefit schemes for all new employees and existing employees. The scheme is operated by NEST, a scheme established by the government to aid the auto-enrolment process and details can be accessed on the NEST website www.nestpensions.org.uk. The assets of the schemes are held separately from those of the company in an independently administered fund.

Note 10 Finance income (Group)

Finance income represents interest received on assets and investments in the period.

	2022/23	2021/22
	£000	£000
Interest on bank accounts	1,265	49
Total finance income	<u>1,265</u>	<u>49</u>

Note 10.1 Finance expenditure (Group)

Finance expenditure represents interest and other charges involved in the borrowing of money or asset financing.

	2022/23	2021/22
	£000	£000
Interest expense:		
Interest on lease obligations	611	-
Total interest expense	611	-
Unwinding of discount on provisions	(319)	11
Other finance costs	-	-
Total finance costs	292	11

Note 10.2 Other gains / (losses) (Group)

	2022/23	2021/22
	£000	£000
Gains on disposal of assets	396	272
Losses on disposal of assets	-	-
Total gains / (losses) on disposal of assets	396	272
Total other gains / (losses)	396	272

Note 11 Corporation Tax

The Trust has determined that it has no corporation tax liability from its subsidiary, South Central Fleet Services Ltd, in the qualifying period. The Trust does not have any other qualifying income from any of its other activities.

Note 12.1 Intangible assets - 2022/23

Group	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	12,934	318	13,252
Additions	44	1,020	1,064
Reclassifications	160	(160)	-
Disposals / derecognition	(1,096)	-	(1,096)
Valuation / gross cost at 31 March 2023	12,042	1,178	13,220
Amortisation at 1 April 2022 - brought forward	11,142	-	11,142
Provided during the year	956	-	956
Impairments	207	-	207
Disposals / derecognition	(883)	-	(883)
Amortisation at 31 March 2023	11,422	-	11,422
Net book value at 31 March 2023	620	1,178	1,798
Net book value at 1 April 2022	1,792	318	2,110

Note 12.2 Intangible assets - 2021/22

Group	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	10,773	2,109	12,882
Additions	184	186	370
Reclassifications	1,977	(1,977)	-
Valuation / gross cost at 31 March 2022	12,934	318	13,252
Amortisation at 1 April 2021 - brought forward	9,853	-	9,853
Provided during the year	1,289	-	1,289
Amortisation at 31 March 2022	11,142	-	11,142
Net book value at 31 March 2022	1,792	318	2,110
Net book value at 1 April 2021	920	2,109	3,029

Note 12.3 Intangible assets - 2022/23

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2022 - brought forward	12,891	318	13,209
Additions	44	1,020	1,064
Reclassifications	160	(160)	-
Disposals / derecognition	(1,096)	-	(1,096)
Valuation / gross cost at 31 March 2023	11,999	1,178	13,177
Amortisation at 1 April 2022 - brought forward	11,099	-	11,099
Provided during the year	956	-	956
Impairments	207	-	207
Disposals / derecognition	(883)	-	(883)
Amortisation at 31 March 2023	11,379	-	11,379
Net book value at 31 March 2023	620	1,178	1,798
Net book value at 1 April 2022	1,792	318	2,110

Note 12.4 Intangible assets - 2021/22

Trust	Software licences	Intangible assets under construction	Total
	£000	£000	£000
Valuation / gross cost at 1 April 2021 - brought forward	10,730	2,109	12,839
Additions	184	186	370
Reclassifications	1,977	(1,977)	-
Valuation / gross cost at 31 March 2022	12,891	318	13,209
Amortisation at 1 April 2021 - brought forward	9,810	-	9,810
Provided during the year	1,289	-	1,289
Amortisation at 31 March 2022	11,099	-	11,099
Net book value at 31 March 2022	1,792	318	2,110
Net book value at 1 April 2021	920	2,109	3,029

Note 13.1 Property, plant and equipment - 2022/23

Group	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/ gross cost at 1 April 2022 - brought forward	9,490	50,054	5,509	15,754	28,907	10,943	1,790	122,447
Additions	-	832	7,088	205	-	139	18	8,282
Impairments	-	(226)	-	-	-	-	-	(226)
Revaluations	-	2,601	-	-	-	-	-	2,601
Reclassifications	-	365	(5,064)	3,239	1,273	177	10	-
Disposals / derecognition	-	(3)	-	(285)	(4,039)	(1,918)	-	(6,245)
Valuation/ gross cost at 31 March 2023	9,490	53,623	7,533	18,913	26,141	9,341	1,818	126,859
Accumulated depreciation at 1 April 2022 - brought forward	-	13,457	-	10,248	23,333	5,869	1,448	54,355
Provided during the year	-	2,172	-	1,640	2,238	1,390	123	7,563
Impairments	-	-	-	-	-	-	-	-
Revaluations	-	(674)	-	-	-	-	-	(674)
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(284)	(2,804)	(1,896)	-	(4,984)
Accumulated depreciation at 31 March 2023	-	14,955	-	11,604	22,767	5,363	1,571	56,260
Net book value at 31 March 2023	9,490	38,668	7,533	7,309	3,374	3,978	247	70,599
Net book value at 1 April 2022	9,490	36,597	5,509	5,506	5,574	5,074	342	68,092

Included within buildings is a cost of £26.950m (2021/22: £26.302m) for leasehold improvements, accumulated depreciation amounted to £13.629m (2021/22: £12.202m).

Note 13.2 Property, plant and equipment - 2021/22

Group	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation / gross cost at 1 April 2021 - brought forward	9,440	49,316	7,994	15,947	33,173	5,756	1,611	123,237
Additions	-	264	2,728	793	304	1,134	119	5,342
Impairments	-	(906)	-	-	-	-	-	(906)
Revaluations	50	1,110	-	-	-	-	-	1,160
Reclassifications	-	270	(5,213)	739	91	4,053	60	-
Disposals / derecognition	-	-	-	(1,725)	(4,661)	-	-	(6,386)
Valuation/ gross cost at 31 March 2022	9,490	50,054	5,509	15,754	28,907	10,943	1,790	122,447
Accumulated depreciation at 1 April 2021 - brought forward	-	11,644	-	9,909	24,488	4,504	1,284	51,829
Provided during the year	-	2,367	-	2,064	3,359	1,365	164	9,319
Revaluations	-	(554)	-	-	-	-	-	(554)
In year adjustment to correct opening balance	-	-	-	-	104	-	-	104
Disposals / derecognition	-	-	-	(1,725)	(4,618)	-	-	(6,343)
Accumulated depreciation at 31 March 2022	-	13,457	-	10,248	23,333	5,869	1,448	54,355
Net book value at 31 March 2022	9,490	36,597	5,509	5,506	5,574	5,074	342	68,092
Net book value at 1 April 2021	9,440	37,672	7,994	6,038	8,685	1,252	327	71,408

Included within buildings is a cost of £26.302m (2020/21: £25.806m) for leasehold improvements, accumulated depreciation amounted to £12.202m (2020/21: £10.524m).

Note 13.3 Property, plant and equipment financing - 31 March 2023

Group	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	8,502	37,306	7,533	7,309	3,374	3,978	247	68,249
Owned - donated/ granted	988	1,362	-	-	-	-	-	2,350
Net Book Value total at 31 March 2023	9,490	38,668	7,533	7,309	3,374	3,978	247	70,599

Note 13.4 Property, plant and equipment financing - 31 March 2022

Group	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	8,502	35,394	5,509	5,506	5,574	5,074	342	65,901
Owned - donated/ granted	988	1,203	-	-	-	-	-	2,191
Net book value at 31 March 2022	9,490	36,597	5,509	5,506	5,574	5,074	342	68,092

Note 13.5 Property, plant and equipment - 2022/23

Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2022 - brought forward	9,490	49,392	5,509	13,157	13,718	10,676	1,790	103,732
Additions	-	832	4,948	123	-	67	18	5,988
Impairments	-	(226)	-	-	-	-	-	(226)
Revaluations	-	2,601	-	-	-	-	-	2,601
Reclassifications	-	365	(5,064)	3,239	1,273	177	10	-
Disposals / derecognition	-	(3)	-	(285)	(3,851)	(1,918)	-	(6,057)
Valuation/gross cost at 31 March 2023	9,490	52,961	5,393	16,234	11,140	9,002	1,818	106,038
Accumulated depreciation at 1 April 2022 - brought forward	-	13,307	-	9,329	13,530	5,603	1,448	43,217
Provided during the year	-	2,127	-	1,318	59	1,390	123	5,017
Revaluations	-	(674)	-	-	-	-	-	(674)
Reclassifications	-	-	-	-	-	-	-	-
Disposals / derecognition	-	-	-	(284)	(2,616)	(1,896)	-	(4,796)
Accumulated depreciation at 31 March 2023	-	14,760	-	10,363	10,973	5,097	1,571	42,764
Net book value at 31 March 2023	9,490	38,201	5,393	5,871	167	3,905	247	63,274
Net book value at 1 April 2022	9,490	36,085	5,509	3,828	188	5,073	342	60,515

Included within buildings is a cost of £26.287m (2021/22: £25.639m) for leasehold improvements, accumulated depreciation amounted to £13.435m (2021/22: £12.052m).

Note 13.6 Property, plant and equipment - 2021/22

Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Valuation/gross cost at 1 April 2021 - brought forward	9,440	48,630	7,994	13,367	17,523	5,489	1,611	104,054
Additions	-	264	2,728	776	-	1,134	119	5,021
Impairments	-	(906)	-	-	-	-	-	(906)
Revaluations	50	1,134	-	-	-	-	-	1,184
Reclassifications	-	270	(5,213)	739	91	4,053	60	-
Disposals / derecognition	-	-	-	(1,725)	(3,896)	-	-	(5,621)
Valuation/gross cost at 31 March 2022	9,490	49,392	5,509	13,157	13,718	10,676	1,790	103,732
Accumulated depreciation at 1 April 2021 - brought forward	-	11,536	-	9,309	16,752	4,304	1,284	43,185
Provided during the year	-	2,324	-	1,745	674	1,299	164	6,206
Revaluations	-	(553)	-	-	-	-	-	(553)
Disposals / derecognition	-	-	-	(1,725)	(3,896)	-	-	(5,621)
Accumulated depreciation at 31 March 2022	-	13,307	-	9,329	13,530	5,603	1,448	43,217
Net book value at 31 March 2022	9,490	36,085	5,509	3,828	188	5,073	342	60,515
Net book value at 1 April 2021	9,440	37,094	7,994	4,058	771	1,185	327	60,869

Included within buildings is a cost of £25.639m (2020/21: £25.143m) for leasehold improvements, accumulated depreciation amounted to £12.052m (2020/21: £10.416m).

Note 13.7 Property, plant and equipment financing - 31 March 2023

Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	8,502	36,839	5,393	5,871	167	3,905	247	60,924
Owned - donated / granted	988	1,362	-	-	-	-	-	2,350
Total net book value at 31 March 2023	9,490	38,201	5,393	5,871	167	3,905	247	63,274

Note 13.9 Property, plant and equipment financing - 31 March 2022

Trust	Land £000	Buildings excluding dwellings £000	Assets under construction £000	Plant & machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Owned - purchased	8,502	34,882	5,509	3,828	188	5,073	342	58,324
Owned - donated / granted	988	1,203	-	-	-	-	-	2,191
Total net book value at 31 March 2022	9,490	36,085	5,509	3,828	188	5,073	342	60,515

Note 14 Leases - South Central Ambulance Service NHS Foundation Trust as a lessee

The Trust has applied IFRS 16 to account for lease arrangements from 1 April 2022 without restatement of comparatives. Comparative disclosures in note 17.1 are presented on an IAS 17 basis.

Note 15 Right of use assets - 2022/23

Group	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000
IFRS 16 implementation - adjustments for existing operating leases / subleases	43,764	883	10,855	55,502
Transfers by absorption	-	-	-	-
Additions	4,582	-	3,935	8,517
Valuation/gross cost at 31 March 2023	48,346	883	14,790	64,019
Accumulated depreciation at 1 April 2022 - brought forward	-	-	-	-
Provided during the year	3,904	314	3,222	7,440
Accumulated depreciation at 31 March 2023	3,904	314	3,222	7,440
Net book value at 31 March 2023	44,442	569	11,568	56,579

Note 15.1 Right of use assets - 2022/23

Trust	Property (land and buildings) £000	Plant & machinery £000	Transport equipment £000	Total £000
Valuation / gross cost at 1 April 2022 - brought forward	-	-	-	-
IFRS 16 implementation - reclassification of existing finance leased assets from PPE or intangible assets	42,341	883	19,066	62,290
IFRS 16 implementation - adjustments for existing operating leases / subleases	4,583	-	3,935	8,518
Valuation/gross cost at 31 March 2023	46,924	883	23,001	70,808
Accumulated depreciation at 1 April 2022 - brought forward				
Provided during the year	3,775	314	5,511	9,600
Accumulated depreciation at 31 March 2023	3,775	314	5,511	9,600
Net book value at 31 March 2023	43,149	569	17,490	61,208

The Trust has a number of IFRS16 inter-company vehicle leases with South Central Fleet Services Limited, the right of use asset value recorded in the Trust's accounts are £8.217m, depreciation £2.289m and lease liabilities £5.955m, these lease entries have been eliminated on consolidation.

Note 16 Reconciliation of the carrying value of lease liabilities

	Group	Trust
	2022/23	2022/23
	£000	£000
Carrying value at 31 March 2022	-	-
IFRS 16 implementation - adjustments for existing operating leases	43,305	50,093
Lease additions	8,517	8,517
Interest charge arising in year	611	627
Lease payments (cash outflows)	(7,360)	(9,743)
Carrying value at 31 March 2023	<u>45,073</u>	<u>49,494</u>

Lease payments for short term leases, leases of low value underlying assets and variable lease payments not dependent on an index or rate are recognised in operating expenditure.

These payments are disclosed in Note 5.1. Cash outflows in respect of leases recognised on-SoFP are disclosed in the reconciliation above.

Note 17 Maturity analysis of future lease payments at 31 March 2023

	Group		Trust	
		Of which leased from DHSC group bodies:		Of which leased from DHSC group bodies:
	Total		Total	
	31 March	31 March	31 March	31 March
	2023	2023	2023	2023
	£000	£000	£000	£000
Undiscounted future lease payments payable in:				
- not later than one year;	7,265	27	9,428	27
- later than one year and not later than five years;	14,366	43	17,392	43
- later than five years.	23,442	29	22,674	29
Total gross future lease payments	45,073	99	49,494	99
Finance charges allocated to future periods	-	-	-	-
Net lease liabilities at 31 March 2023	45,073	99	49,494	99
Of which:				
- Current	7,265	27	9,428	27
- Non-Current	37,808	72	40,066	72

Note 17.1 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

The following table details the maturity of obligations under leases the trust previously determined to be finance leases under IAS 17 at 31 March 2022.

	Group	Trust
	31 March 2022	31 March 2022
	£000	£000
Undiscounted future lease payments payable in:		
- not later than one year;	6,518	8,679
- later than one year and not later than five years;	21,062	26,578
- later than five years.	20,589	10,589
Total gross future lease payments	48,169	45,846
Finance charges allocated to future periods	-	-
Net finance lease liabilities at 31 March 2022	48,169	45,846
of which payable:		
- not later than one year;	6,518	8,679
- later than one year and not later than five years;	21,062	26,578
- later than five years.	20,589	10,589
Total of future minimum sublease payments to be received at the reporting date	48,169	45,846

Note 17.2 Maturity analysis of finance lease liabilities at 31 March 2022 (IAS 17 basis)

This note discloses costs incurred in 2021/22 and commitments as at 31 March 2022 for leases the trust previously determined to be operating leases under IAS 17.

	Group 2021/22 £000	Trust 2021/22 £000
Operating lease expense		
Minimum lease payments	8,579	8,446
Total	8,579	8,446

	31 March 2022 £000	31 March 2022 £000
Future minimum lease payments due:		
- not later than one year;	6,518	8,679
- later than one year and not later than five years;	21,062	26,578
- later than five years.	20,589	10,589
Total	48,169	45,846

During the year the Trust entered into a number of sale and leaseback transactions totalling £2.315m . At the year end the Trust held £2.2m worth of ambulances in assets under construction that will be subject of a sale and leaseback agreement in the 23/24 year.

Note 18 Initial application of IFRS 16 on 1 April 2022

IFRS 16 as adapted and interpreted for the public sector by HM Treasury has been applied to leases in these financial statements with an initial application date of 1 April 2022.

Lease liabilities created for existing operating leases on 1 April 2022 were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 0.95%. All new leases entered into in year were discounted using the weighted average incremental borrowing rate determined by HM Treasury as 3.51%

Reconciliation of operating lease commitments as at 31 March 2022 to lease liabilities under IFRS 16 as at 1 April 2022

	Group	Trust
	1 April	1 April
	2022	2022
	£000	£000
Operating lease commitments under IAS 17 at 31 March 2022	48,169	45,846
Impact of discounting at the incremental borrowing rate		
IAS 17 operating lease commitment discounted at incremental borrowing rate	42,530	49,318
Less:		
Commitments for short term leases	(62)	(62)
Commitments for leases of low value assets	(65)	(65)
Other adjustments	902	21
Total lease liabilities under IFRS 16 as at 1 April 2022	43,305	49,212

Note 19 Investments in subsidiaries

South Central Ambulance Service NHS Foundation Trust purchased 441,310 ordinary shares of £1 each in South Central Fleet Services Ltd in the 2015/2016 year. This represents a 100% direct ownership of South Central Fleet Services Ltd which is incorporated in England and Wales. This subsidiary company is included in the consolidation.

Note 20 Inventories

	Group		Trust	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Consumables	1,248	903	820	511
Energy	199	317	199	317
Total inventories	1,447	1,220	1,019	828

Inventories recognised in expenses for the year were £466k (2021/22: £439k). Write-down of inventories recognised as expenses for the year were £0k (2021/22: £0k).

In response to the COVID 19 pandemic, the Department of Health and Social Care centrally procured personal protective equipment and passed these to NHS providers free of charge. During 2022/23 the Trust received £348k of items purchased by DHSC (2021/22: £383k).

These inventories were recognised as additions to inventory at deemed cost with the corresponding benefit recognised in income. The utilisation of these items is included in the expenses disclosed above.

The deemed cost of these inventories was charged directly to expenditure on receipt with the corresponding benefit recognised in income.

Note 21.1 Receivables

	Group		Trust	
	31 March	31 March	31 March	31 March
	2023	2022	2023	2022
	£000	£000	£000	£000
Current				
Contract receivables	13,104	9,497	13,043	9,324
Allowance for impaired contract receivables / assets	(415)	(297)	(415)	(297)
Prepayments (non-PFI)	8,041	6,350	7,919	6,256
Interest receivable	158	19	158	19
PDC dividend receivable	144	240	144	240
VAT receivable	870	-	1,013	816
Other receivables	653	497	649	496
Total current receivables	22,555	16,306	22,511	16,854
Non-current				
Other receivables	17	20	17	20
Total non-current receivables	17	20	17	20
Of which receivable from NHS and DHSC group bodies:				
Current	11,586	8,188	11,586	8,188
Non-current	17	20	17	20

Non-current receivables totalling £17k (2021/22: £20k) are in respect of the 2019/20 Pension Allowance Charge Compensation Scheme (PAACCS).

The majority of trade receivables are due from integrated care boards, previously known as clinical commissioning groups, as commissioners for NHS patient care services. As integrated care boards are funded by Government no credit scoring of them is considered necessary.

Note 21.2 Allowances for credit losses - 2022/23

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2021 - brought forward	297	-	297	-
Changes in existing allowances	118	-	118	-
Allowances as at 31 Mar 2022	415	-	415	-

Note 21.3 Allowances for credit losses - 2021/22

	Group		Trust	
	Contract receivables and contract assets	All other receivables	Contract receivables and contract assets	All other receivables
	£000	£000	£000	£000
Allowances as at 1 Apr 2021 - brought forward	381	-	381	-
Changes in existing allowances	(84)	-	(84)	-
Allowances as at 31 Mar 2022	297	-	297	-

Note 22 Other assets

	Group		Trust	
	31 March 2023	31 March 2022	31 March 2023	31 March 2022
	£000	£000	£000	£000
Current				
Loans and receivables	-	-	7,282	2,432
Total other current assets	-	-	7,282	2,432
Non-current				
Share Capital	-	-	441	441
Loans and receivables	-	-	3,578	6,813
Total other non-current assets	-	-	4,019	7,254

Other financial assets represent 12 loans made to South Central Fleet Services Ltd to purchase ambulances and 1 for the refurbishment of the Milton Park premises.

Since incorporation of the subsidiary, the Trust have made a total of 12 loans amounting to £26.070m. The terms range from from 5 to 10 years, all attracting interest of 3.5% and as at 31 March 2023 an amount of £10.860m was outstanding (2021/22: £10.228m).

The Trust continues to view the outstanding loans between South Central Ambulance Service NHS Foundation Trust and South Central Fleet Services Limited as recoverable in-line with the repayment schedules and will continue to support the existing service delivery model utilising South Central Fleet Services Limited.

Note 23 Non-current assets held for sale and assets in disposal groups

Neither the Group or the Trust had any non-current assets held for sale as at 31.03.23 (2021/22 £nil)

Note 24 Cash and cash equivalents movements

Cash and cash equivalents comprise cash at bank, cash in hand and cash equivalents. Cash equivalents are readily convertible investments of known value which are subject to an insignificant risk of change in value.

	Group		Trust	
	2022/23	2021/22	2022/23	2021/22
	£000	£000	£000	£000
At 1 April	60,910	50,714	60,107	49,051
Net change in year	(10,886)	10,196	(10,430)	11,056
At 31 March	50,024	60,910	49,677	60,107
Broken down into:				
Cash at commercial banks and in hand	347	803	-	-
Cash with the Government Banking Service	49,677	60,107	49,677	60,107
Total cash and cash equivalents as in SoFP	50,024	60,910	49,677	60,107
Total cash and cash equivalents as in SoCF	50,024	60,910	49,677	60,107

Note 25.1 Trade and other payables

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Trade payables	6,071	7,367	7,006	7,256
Capital payables	1,936	775	1,936	755
Accruals	26,452	28,757	26,673	28,313
Social security costs	3,452	2,280	3,433	2,239
VAT payables	-	134	-	-
Other taxes payable	1,639	1,563	1,624	1,553
Pension contributions payable	2,651	2,564	2,647	2,560
Other payables	107	73	107	73
Total current trade and other payables	42,308	43,513	43,426	42,749

Of which payables from NHS and DHSC group bodies:

Current	1,916	4,010	1,916	4,010
Non-current	-	-	-	-

Inter-company purchases ledger is now shown within Trade Payables £1.321m (2021/22 £0.108m), inter-company current account is now shown within accruals £0.758m (2021/22 £0.875m). In the previous accounts they were netted off against the loan due from South Central Fleet Services Limited to South Central Ambulance Service NHS Foundation Trust, see note 22.

Note 25.2 Early retirements in NHS payables above

There were no early retirement payments in the above.

Note 20.3 Better Payment Practice Code

Measure of compliance	March 2023 Number	March 2023 £000	March 2022 Number	March 2022 £000
	Non-NHS Payables;			
Total Non-NHS Trade Invoices Paid in the Year	43,040	203,103	42,366	179,744
Total Non-NHS Trade Invoices Paid Within Target	40,961	197,173	40,349	175,182
Percentage of Non-NHS Trade Invoices Paid Within Target	95.2%	97.1%	95.2%	97.5%
NHS Payables;				
Total NHS Trade Invoices Paid in the Year	701	10,250	736	7,454
Total NHS Trade Invoices Paid Within Target	676	10,197	715	7,431
Percentage of NHS Trade Invoices Paid Within Target	96.4%	99.5%	97.1%	99.7%

The Trust will continue to try to pay invoices from its suppliers promptly and will strive to pay all valid invoices by the due date, or within 30 days of receipt of invoice in accordance with the Better Payment Practice Code.

Note 26 Borrowings

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Current				
Lease liabilities	7,265	-	9,428	-
Total current borrowings	7,265	-	9,428	-
Non-current				
Lease liabilities	37,808	-	40,066	-
Total non-current borrowings	37,808	-	40,066	-

Note 27.1 Reconciliation of liabilities arising from financing activities (Group)

	Loans from DHSC £000	Other loans £000	Lease liabilities £000	Total £000
Carrying value at 1 April 2022	-	-	-	-
Cash movements:				
Financing cash flows - payments and receipts of principal	-	-	(6,749)	(6,749)
Financing cash flows - payments of interest	-	-	(611)	(611)
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	43,305	43,305
Additions	-	-	8,517	8,517
Application of effective interest rate	-	-	611	611
Carrying value at 31 March 2023	-	-	45,073	45,073

Note 27.2 Reconciliation of liabilities arising from financing activities (Trust)

	Loans from DHSC £000	Other loans £000	Lease liabilities £000	Total £000
Carrying value at 1 April 2022	-	-	-	-
Cash movements:				
Financing cash flows - payments and receipts of principal	-	-	(9,116)	(9,116)
Financing cash flows - payments of interest	-	-	(627)	(627)
Non-cash movements:				
IFRS 16 implementation - adjustments for existing operating leases / subleases	-	-	50,093	50,093
Additions	-	-	8,517	8,517
Application of effective interest rate	-	-	627	627
Carrying value at 31 March 2023	-	-	49,494	49,494

Note 28.1 Provisions for liabilities and charges analysis (Group)

	Pensions: injury benefits £000	Pensions: early departure costs £000	Legal claims £000	Other* £000	Total £000
At 1 April 2022	2,817	50	108	11,042	14,017
Change in the discount rate	(492)	-	-	-	(492)
Arising during the year	246	5	52	674	977
Utilised during the year	(182)	(22)	-	(1,682)	(1,886)
Reversed unused	-	-	(94)	(4,000)	(4,094)
Unwinding of discount	(319)	-	-	-	(319)
At 31 March 2023	2,070	33	66	6,034	8,203
Expected timing of cash flows:					
- not later than one year;	178	23	66	4,081	4,348
- later than one year and not later than five years;	568	10	-	702	1,280
- later than five years;	1,324	-	-	1,251	2,575
Total	2,070	33	66	6,034	8,203

* Other provisions include £2,044k (2021/22: £3,905k) ongoing costs arising from the management of closure activities including the retention of clinical records, £2,918k (2021/22: £4,691k) staff related costs, £1,060k (2021/22: £933k) property dilapidations and £400k (2021/22: £2,038k) provision for credit notes.

Note 28.2 Provisions for liabilities and charges analysis (Trust)

	Pensions: injury benefits £000	Pensions: early departure costs £000	Legal claims £000	Other* £000	Total £000
At 1 April 2022	2,817	50	108	11,000	13,975
Change in the discount rate	(492)	-	-	-	(492)
Arising during the year	246	5	52	642	945
Utilised during the year	(182)	(22)	-	(1,682)	(1,886)
Reversed unused	-	-	(94)	(3,975)	(4,069)
Unwinding of discount	(319)	-	-	-	(319)
At 31 March 2023	2,070	33	66	5,985	8,154
Expected timing of cash flows:					
- not later than one year;	178	23	66	4,065	4,332
- later than one year and not later than five years;	568	10	-	702	1,280
- later than five years;	1,324	-	-	1,218	2,542
Total	2,070	33	66	5,985	8,154

* Other provisions include £2,044k (2021/22: £3,905k) ongoing costs arising from the management of closure activities including the retention of clinical records, £2,902k (2021/22: £4,691k) staff related costs, £1,028k (2021/22: £933k) property dilapidations and £400k (2021/22: £2,038k) provision for credit notes.

Note 29 Clinical negligence liabilities

At 31 March 2023, £51,992k was included in provisions of NHS Resolution in respect of clinical negligence liabilities of South Central Ambulance Service NHS Foundation Trust (31 March 2022: £81,587k).

Note 30 Contingent assets and liabilities

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Value of contingent liabilities				
NHS Resolution legal claims	(46)	(101)	(46)	(101)
Gross value of contingent liabilities	(46)	(101)	(46)	(101)
Net value of contingent liabilities	(46)	(101)	(46)	(101)
Net value of contingent assets	-	-	-	-

Note 31 Contractual capital commitments

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
Property, plant and equipment	3,424	740	3,424	740
Intangible assets	193	32	193	32
Total	3,617	772	3,617	772

Note 32 Financial instruments

Note 32.1 Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. Because of the continuing service provider relationship that the Foundation Trust has with clinical commissioning groups and the way those clinical commissioning groups are financed, the Foundation Trust is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which the financial standards mainly apply. The Foundation Trust has limited powers to borrow or invest surplus funds and financial assets and liabilities are generated by day to day operational activities rather than being held to change the risks facing the Trust in undertaking its activities.

The Foundation Trust's treasury management operations are carried out by the finance department, within parameters defined formally within the Foundation Trust's Standing Financial Instructions and policies agreed by the Board of Directors. Foundation Trust treasury activity is subject to review by the Trust's internal auditors.

Currency Risk

The Foundation Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Foundation Trust has no overseas operations. The Foundation Trust has low exposure to currency rate fluctuations.

Credit Risk

Because the majority of the Foundation Trust's income comes from contracts with other public sector bodies, the Foundation Trust has low exposure to credit risk. The maximum exposures as at 31 March 2023 are in receivables from customers, as disclosed in the trade and other receivables note. The Trust's procurement process is robust and the Trust restricts prepayments to suppliers. The Foundation Trust is not exposed to significant liquidity risks.

Note 32.2 Carrying values of financial assets

	Group			Trust		
	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000	Held at amortised cost £000	Held at fair value through I&E £000	Total book value £000
Carrying values of financial assets as at 31 March 2023						
Trade and other receivables with NHS and DHSC bodies excluding non financial assets	11,440	-	11,440	11,440	-	11,440
Trade and other receivables with other bodies excluding non financial assets	2,057	-	2,057	1,995	-	1,995
Other investments / financial assets	-	-	-	10,860	-	10,860
Loans with subsidiaries	-	-	-	441	-	441
Cash and cash equivalents	50,024	-	50,024	49,677	-	49,677
Total at 31 March 2023	63,521	-	63,521	74,413	-	74,413

Carrying values of financial assets as at 31 March 2022	Group			Trust		
	Held at	Held at	Total	Held at	Held	Total
	amortised cost £000	fair value through I&E £000	book value £000	amortised cost £000	at fair value through I&E £000	book value £000
Trade and other receivables with NHS and DHSC bodies excluding non financial assets	7,946	-	7,946	7,946	-	7,946
Trade and other receivables with other bodies excluding non financial assets	1,767	-	1,767	1,613	-	1,613
Other investments / financial assets	-	-	-	441	-	441
Loans with subsidiaries	-	-	-	10,227	-	10,227
Cash and cash equivalents	60,910	-	60,910	60,107	-	60,107
Total at 31 March 2022	70,623	-	70,623	80,334	-	80,334

Note 32.3 Carrying values of financial liabilities

Carrying values of financial liabilities as at 31 March 2023	Group			Trust		
	Held at	Held at	Total	Held at	Held	Total
	amortised cost £000	fair value through I&E £000	book value £000	amortised cost £000	at fair value through I&E £000	book value £000
Obligations under leases	45,073	-	45,073	49,494	-	49,494
Trade and other payables with NHS and DHSC bodies excluding non financial liabilities	1,916	-	1,916	1,916	-	1,916
Trade and other payables (excluding non financial liabilities) - with other bodies	34,366	-	34,366	34,198	-	34,198
IAS 37 Provisions which are financial liabilities	2,795	-	2,795	2,795	-	2,795
Total at 31 March 2023	84,150	-	84,150	88,403	-	88,403

Carrying values of financial liabilities as at 31 March 2022	Group			Trust		
	Held at	Held at	Total	Held at	Held at	Total
	amortised cost £000	fair value through I&E £000	book value £000	amortised cost £000	value through I&E £000	book value £000
Trade and other payables with NHS and DHSC bodies excluding non financial liabilities	4,010	-	4,010	4,059	-	4,059
Trade and other payables (excluding non financial liabilities) - with other bodies	32,881		32,881	32,517		32,517
IAS 37 Provisions which are financial liabilities	4,167	-	4,167	4,167	-	4,167
Total at 31 March 2022	41,058	-	41,058	40,743	-	40,743

Note 32.4 Fair values of financial assets and liabilities.

The Group held no non-current financial assets as at 31 March 2023 (31 March 2022: nil).

The carrying amount of the following financial assets and liabilities is considered a reasonable approximation of fair value:

- Cash and cash equivalents
- Trade and other receivables
- Trade and other payables

Note 32.5 Maturity of financial liabilities

The following maturity profile of financial liabilities is based on the contractual undiscounted cash flows. This differs to the amounts recognised in the statement of financial position which are discounted to present value.

	Group		Trust	
	31 March 2023 £000	31 March 2022 £000	31 March 2023 £000	31 March 2022 £000
In one year or less	45,453	40,292	47,448	39,977
In more than one year but not more than five years	14,777	82	17,803	82
In more than five years	23,920	684	23,152	684
Total	84,150	41,058	88,403	40,743

Included in the 2022/23 year are the lease liabilities for IFRS16, these liabilities were not recognised in prior years.

Note 33 Losses and special payments

Group and trust	2022/23		2021/22	
	Total number of cases Number	Total value of cases £000	Total number of cases Number	Total value of cases £000
Losses				
Bad debts and claims abandoned	-	-	74	83
Stores losses and damage to property	5	3	6	2
Total losses	5	3	80	85
Special payments				
Ex-gratia payments	-	-	1	2,045
Total special payments	-	-	1	2,045
Total losses and special payments	5	3	81	2,130
Compensation payments received	-	-	-	-

All losses are derived from the Trust.

Note: All losses and special payments are on an accruals basis but exclude provision for future losses.

The ex-gratia payment in 2021/22 related to payments made to eligible employees following settlement of claims (both actual and potential) in relation to the Flowers v East of England Ambulance Services. This agreement was reached nationally on behalf of English Ambulance Trusts, between NHS Employers and national Trade Unions, the agreement included a period of 'back-pay'. Payments were in recognition of overtime and other regular payments that should be accrued during period of annual leave, as outlined in Section 13.9 of the NHS Agenda for Change Handbook.

Note 34 Related parties

During the year none of the Board Members or members of the key management staff or parties related to them has undertaken any material transactions with South Central Ambulance Service NHS Foundation Trust.

The Department of Health and Social Care is regarded as a related party. During the year South Central Ambulance Service NHS Foundation Trust has had a significant number of material transactions with the Department, and with other entities for which the Department is regarded as the parent Department. These entities are listed below:

Health Education England

Oxford University Hospital NHS Foundation Trust

Buckinghamshire Healthcare NHS Trust

Berkshire Healthcare NHS Foundation Trust

NHS Oxfordshire CCG

NHS Hampshire, Southampton & Isle of Wight CCG

NHS Buckinghamshire CCG

NHS Bedfordshire, Luton & Milton Keynes CCG

NHS Portsmouth CCG

NHS Frimley CCG

NHS Berkshire West CCG

NHS Brighton & Hove CCG

NHS East Sussex CCG

NHS Surrey Heartlands CCG

NHS West Sussex CCG

NHS Bedfordshire, Luton and Milton Keynes ICB

NHS Buckinghamshire, Oxfordshire and Berkshire West ICB

NHS Frimley ICB

NHS Hampshire and Isle of Wight ICB

NHS Surrey Heartlands ICB

NHS Sussex ICB

Isle of Wight NHS Trust

NHS England

UK Health Security Agency

South Central Ambulance Service NHS Foundation Trust entered into the following transactions during the year with its wholly owned subsidiary, South Central Fleet Services Ltd;

Payments to South Central Fleet Services Ltd £9.275m (2021/22: £10.446m).

Receipts from South Central Fleet Services Ltd £0.371m (2021/22: £0.382m).

Amounts owed to South Central Fleet Services Ltd as at 31st March 2023 £1.321m (31st March 2022: £0.982m).

During the year South Central Ambulance Service loaned South Central Fleet Services Ltd £4m with an interest rate of 3.5%, during the year repayments of £3.415m were made. At the end of the year South Central Fleet Services owed South Central Ambulance NHS Foundation Trust £10.860m in outstanding loans (2021/22: £10.228m)

The SCA Charity had total gross assets of £587k as at 31 March 2023 (2021/22: £698k). During the 2022/23 year the Charity received income of £495k (2021/22: £989k) and incurred expenditure of £631k (2021/22: £884k). The results for 31 March 2023 are provisional and unaudited at this stage and are subject to change.

Note 35 Events after the reporting date

There were no events after the reporting date.

EXTERNAL AUDITORS REPORT

Independent Auditor's Report to the Council of Governors of South Central Ambulance Service NHS Foundation Trust

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of South Central Ambulance Service NHS Foundation Trust (the 'Trust') and its subsidiary (the 'Group') for the year ended 31 March 2023, which comprise the Consolidated Statement of Comprehensive Income, the Statements of Financial Position, the Consolidated Statement of Changes in Taxpayers Equity, the Statement of Changes in Taxpayers Equity, the Statements of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, in conformity with the requirements of the Accounts Directions issued under Schedule 7 of the National Health Service Act 2006, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Group and of the Trust as at 31 March 2023 and of the Group's and Trust's expenditure and income for the year then ended; and
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23; and
- have been prepared in accordance with the requirements of the National Health Service Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom', as required by the Code of Audit Practice ("the Code of Audit Practice") approved by the Comptroller and Auditor General. 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 Group and the Trust in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC'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

In auditing the financial statements, we have concluded that the Accounting Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. The Accounting Officer is responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Qualified opinion on other matters required by the Code of Audit Practice

In our opinion, except for the effects of the matter described in the basis for qualified opinion on the Remuneration Report and the Staff Report paragraph:

- The parts of the Remuneration Report and the Staff Report to be audited have been properly prepared in accordance with the requirements set out in the NHS foundation trust annual reporting manual 2022/23

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the audited financial statements in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Basis for qualified opinion on the Remuneration Report and the Staff Report

The Remuneration Report is not complete as it does not include the pension entitlement information for the Medical Director (John Black) in line with section 2.77 of the Foundation Trust Annual Reporting Manual. This information should have been obtained from NHS Pensions and included in the Remuneration Report as the individual is in the NHS Pension Scheme.

We have also been unable to obtain sufficient assurance over the accuracy of the data provided to NHS Pensions for the Chief Finance Officer (Aneel Pattni) and the Chief Executive (David Eltringham) and therefore the associated pension disclosures within the Remuneration Report.

Matters on which we are required to report by exception under the Code of Audit Practice

Under the Code of Audit Practice, we are required to consider whether the Annual Governance Statement does not comply with the disclosure requirements set out in the NHS foundation trust annual reporting manual 2022/23 or is misleading or inconsistent with information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in respect of the above matters.

Responsibilities of the Accounting Officer

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive, as Accounting Officer, is responsible for the preparation of the financial statements in the form and on the basis set out in the Accounts Directions included in the NHS foundation trust annual reporting manual 2022/23, for being satisfied that they give a true and fair view, and for such internal control as the Accounting 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 Accounting Officer is responsible for assessing the Trust's and group'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 the Accounting Officer has been informed by the relevant national body of the intention to dissolve the Trust and the Group without the transfer of its services and functions to another public sector entity. The Accounting Officer is required to comply with the requirements set out in the Department of Health and Social Care Group Accounting Manual 2022-23.

Auditor's responsibilities for the audit of the financial statements

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

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

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial

statements may not be detected, even though the audit is properly planned and performed in accordance with the ISA's (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtain and update our understanding of the Trust and Group, their activities, control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the Group and Trust is complying with that framework. We determined that the most significant legal and regulatory frameworks that are applicable to the Trust and Group, which are directly linked to specific assertions in the financial statements, are those related to the financial reporting frameworks. These include the National Health Service Act 2006 and international accounting standards, as interpreted and adapted by the Department of Health and Social Care Group Accounting Manual 2022-23.

Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the Group or the Trust that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management, internal audit, and those charged with governance concerning the Group and Trust's operations, the key policies and procedures, and the establishment of internal controls to mitigate risks related to fraud and non-compliance with laws and regulations, together with their knowledge of any actual or potential litigation and claims and actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the Group and Trust's financial statements and the operations of the Group and Trust through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of high-risk journal entries and other adjustments for appropriateness, evaluating the rationale of any significant transactions outside the normal course of business and reviewing key accounting estimates including valuation of land and buildings and IFRS 16 implementation for indicators of potential bias; and
- Other audit procedures responsive to the risk of fraud, non-compliance with laws and regulation or irregularity including testing the occurrence of income and existence of associated receivables as well as the occurrence and completeness of non-pay expenditure and the existence and completeness of accruals and prepayments.
- Assessing whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations. We concluded that more experienced audit team members needed to be allocated to perform work on the significant risks identified

We also communicated potential non-compliance with laws and regulations, including potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulations. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Report on other legal and regulatory matters

Reports in the public interest or to the regulator

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under Schedule 10 (3) of the National Health Service Act 2006; or
- we refer a matter to the regulator under Schedule 10 (6) of the National Health Service Act 2006, because we have reason to believe that the Trust, or an officer of the Trust, is about to make, or has made, a decision which involves or would involve the incurring of unlawful expenditure, or is about to take, or has begun to take a course of action which, if followed to its conclusion, would be unlawful and likely to cause a loss or deficiency.

We have nothing to report in respect of the above matters.

Report on the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2023.

We have nothing to report in this respect except on 29 June 2023 we identified significant weaknesses in:

- How the Trust ensures that it makes informed decisions and properly manages its risks. This was in relation to governance weaknesses, including:
 - o There is lack of clarity and accountability in the monitoring and delivery of an appropriate and sufficient action plan to address Care Quality Commission (CQC) findings reported in August 2022. The Trust's Improvement Programme dated April 2023 consists of a number of documents which lack cohesion with the Trust board assurance framework (BAF) and risk registers. We recommended that the Improvement Programme is consolidated into one formal document that is cohesive with the BAF, operational risk registers and other Trust wide strategic documents.
 - o The Improvement Programme is input focussed, concentrating on "quick fixes" rather than considering the actions needed to address the underlying weaknesses identified in the CQC report. We recommended that the Trust refresh the Improvement Programme by undertaking a root cause analysis to identify the medium and long term actions required to address the underlying issues identified in the CQC report. The resulting actions should be outcome focussed and expressed in SMART terms so that it is clear when the intended outcomes have been achieved. Progress on the programme should be reported regularly to the Board alongside tangible evidence of embedded change.

- How the Trust plans and manages its resources to ensure it can continue to deliver its services. This was in relation to the financial sustainability of the Trust, including:
 - o The budget setting processes for the revised 2023/24 budget lacked sufficient challenge from the Board, with limited information available to inform decisions made under tight timescales. The revised break even budget agreed by the Board contained £36.3 million of Cost Improvement Plans (CIPs), equating to eleven percent of the Trust's total expenditure, without detailed consideration of an action plan to address the risks this represents to the performance and delivery of the budget. We recommended that the Trust prepare a detailed risk assessment and associated action plan to address these risks and ensure that the governance arrangements for the monitoring and delivery of the CIPs are strengthened to enable informed decision making.
 - o A substantial percentage of the CIPs delivered in 2022/23 were non-recurrent savings, CIPs targets for 2023/24 are largely unidentified or carry significant risk, currently equating to £27.7 million, and there is a lack of transparency in the reports to the Board in terms of the split between recurrent and non-recurrent savings plans. We recommended that the Trust urgently undertakes an exercise to identify comprehensive CIP plans for 2023/24, ensuring full engagement and accountability from CIP owners within the Trust. Progress on identification of the plans should be regularly monitored and reported to Board.
 - o The Trust does not have a medium-term financial plan (MTFP) for 2024/25 onwards. We recommended that an MTFP is developed, evaluated for robustness, and approved by the Board as soon as possible.

Responsibilities of the Accounting Officer

The Chief Executive, as Accounting Officer, is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Trust's use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's responsibilities for the review of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources

We are required under paragraph 1 of Schedule 10 of the National Health Service Act 2006 to be satisfied that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in January 2023. This guidance sets out the arrangements that fall within the scope

of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Trust plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Trust ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Trust uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Trust has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Certificate of completion of the audit

We certify that we have completed the audit of the financial statements of South Central Ambulance Service NHS Foundation Trust for the year ended 31 March 2023 in accordance with the requirements of Chapter 5 of Part 2 of the National Health Service Act 2006 and the Code of Audit Practice.

Use of our report

This report is made solely to the Council of Governors of the Trust, as a body, in accordance with Schedule 10 of the National Health Service Act 2006. Our audit work has been undertaken so that we might state to the Trust's Council of Governors those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and the Trust's Council of Governors, as a body, for our audit work, for this report, or for the opinions we have formed.

L Hinsley

Laura Hinsley, Key Audit Partner

for and on behalf of Azets Audit Services, Local Auditor

Birmingham

3 August 2023

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