London Ambulance Service NHS
NHS Trust

Annual Report 2014/15

Strategic report

Who we are and what we do

The London Ambulance Service NHS Trust is the busiest emergency ambulance service in the UK providing healthcare that is free to patients at the point of delivery. We are also the only London-wide NHS trust.

Our main role is to respond to emergency 999 calls, getting medical help to patients who have serious or life-threatening injuries or illnesses as quickly as possible.

However, many of our patients have less serious illnesses or injuries, and do not need to be sent an ambulance on blue lights and sirens. Often these patients will receive more appropriate care somewhere other than at hospital and so we provide a range of care to them, recognising that many have complex problems or long-term medical conditions.

We also run a patient transport service which provides pre-arranged transportation for patients to and from their hospital appointments. In addition, we manage the emergency bed service, a bed-finding system for NHS healthcare professionals who need to make arrangements for their seriously-ill patients.

We are led by a Trust Board made up of 12 members – a non-executive chairman, five of the Service's executive directors, including the Chief Executive, and six non-executive directors.

As an integral part of the NHS in London, we work closely with hospitals and other healthcare professionals, as well as with other emergency services. We are also central to planning for, and responding to, large-scale events or major incidents in the capital.

We have over 4,500 staff who work across a wide range of roles. We serve more than eight million people who live and work in the London area. This covers about 620 square miles, from Heathrow in the west to Upminster in the east, and from Enfield in the north to Purley in the south.

In 2014/15 we handled over 1.8 million emergency calls from across London and attended more than one million incidents.

We are committed to developing and improving the service we provide to the people who live in, work in, and visit London.

Chairman Richard Hunt's views

What kind of a year has it been for the Service?

It has been the most difficult year we have experienced for a long time. A significant shortage of frontline staff exacerbated the pressure on the Service as well as further increases in demand which has risen year on year in recent times.
Given this, and with continued high levels of utilisation, we weren't able to achieve as in recent years the national performance target of reaching 75 per cent of Category A (most seriously ill and injured) patients within eight minutes, and while we maintained a safe level of service, we also have to recognise that we couldn't always provide the quality of service that we would have liked for other groups of patients with less serious conditions.
In addition it has also been a year of senior level management change with our Chief Executive and some directors leaving the Service during the year.

What progress was made with recruiting new staff?

Dealing with maintaining our full time strength has been, in turn, extremely difficult as there was during the year, and continues to be, a national shortage of paramedics. This has made recruitment a major challenge and this may well last for some time. Consequently we launched a new national and international recruitment campaign during the year which continues into 2015/16. So far as a result of this programme we have now recruited over 250 new frontline staff. In terms of paramedics we are increasing our strength by:

- Offering eligible staff within our Service the opportunity to train to become paramedics
- Actively advertising across the UK
- Recruiting from overseas – Australia, Ireland and Denmark
- Increasing our intake of paramedics from universities

What were the key achievements last year?

One of our biggest achievements during 14/15 was the launch of our Shockingly Easy campaign which established 1,007 extra defibrillators in high footfall areas, shops, businesses and gyms across the capital within the course of the year. This, for example, compares to just 240 new defibrillators established by the Service in the previous financial year.

Over the course of the campaign at least 31 lives have been saved by a public access defibrillator in London and we're awaiting the outcome of a further 23 patients whose lives may also have been saved as a result. This exceeds the previous maximum number of 18 lives saved in a year.

We have seen significant investment in the Service over the last year including more than £8m spent on over 100 new ambulances to improve our fleet and reduce break downs which make a significant impact on the number of vehicles being out of service.

We also secured £2.8m in funding from the Local Education and Training Boards to support the clinical education of our staff.
We look forward to an improving position over the next twelve months. My thanks to everyone for their tremendous efforts over the past year.

Chief Executive Fionna Moore's views

What are your priorities for this year?

Over the next 12 months, our key priorities will be to improve our service to patients, making it easy for Londoners to get the urgent and emergency care they need quickly. We will also continue to recruit more frontline staff and offer a clear clinical career progression so that we have a motivated, stable and engaged workforce.

Staff retention has been an issue – what are your plans to improve this?

Our highly skilled clinicians are in demand by other parts of the NHS, and many have chosen to leave London and work in other roles.
We're working very hard to encourage our staff to stay with us. We have:

- Developed a clinical career structure to offer our clinicians the opportunity to progress from emergency ambulance crew to paramedic, senior paramedic, clinical team leader, advanced paramedic, paramedic consultant and have a paramedic sitting on our board of directors
- Worked with Local Education and Training Boards to secure significant investment for next year to further train and develop our staff. We have increased paramedic places at Universities from 150 to 500.
- Recruited more staff which will reduce the pressure on our existing staff

We have learnt that we often don't do enough to value our staff across all parts of the Trust and have therefore recently introduced an awards scheme that will see staff recognised for their hard work and dedication.

We are also looking at introducing a number of initiatives to encourage staff to stay with the Service, including improving staff benefits like lease cars and cycle-to-work schemes.

We are also giving better appraisals, personal development and supportive line management for all staff. Finally, we are working with commissioners to reduce the pressure on our staff so they attend fewer incidents per shift.

What improvements have patients seen?

Although it has been a difficult year it is very pleasing to see that more people who suffer a cardiac arrest, when their heart stops beating, are surviving because of the care we provide. Owing to the quality of care provided by our staff, patients who suffer an out-of-hospital cardiac arrest have some of the highest survival to discharge rates in the country.

We are also providing clinical assessments to more patients over the phone with less serious illnesses and injuries. The number of patients we manage over the phone is the highest in the country.

Our vision and strategic goals

Our vision is to be a world-class service, meeting the needs of the public and our patients, with staff who are well-trained, caring, enthusiastic and proud of the job they do.

We want to deliver the highest standards of healthcare and contribute towards people who live and work in London having health outcomes that are among the best in the world.

Our strategic goals for 2014/15 were:

- Improve patient care
- Improve recruitment and retention
- Implement the modernisation programme
- Achieve sustainable performance
- Develop our 111 service
- Simplify our business processes
- Increase organisational effectiveness and development

Our values in 2014/15 were:

Care: Helping people when they need us; treating people with compassion, dignity and respect; having pride in our work and our organisation.

Clinical excellence: Giving our patients the best possible care; leading and sharing best clinical practice; using staff and patient feedback and experience to improve our care.

Commitment: Setting high standards and delivering against them; supporting our staff to grow, develop and thrive; Learning and growing to deliver continual improvement

Looking ahead, we are now in the process of developing a longer term strategy to take the organisation forward to 2020.

We have also continued to work with the NHS Trust Development Authority on a timeline to become an NHS foundation trust.

Strategic Report Issues

Sustainability report

Our plans to reduce our carbon footprint

We remain committed to making improvements in all aspects of our environmental performance.

		2010/11 tC02e (Baseline)	2012/13 tC02e	2013/14 tC02e	2014/15 tC02e	Financial data 10/11 (Baseline)	Financial data 12/13	Financial data 13/14	Financial data 2014/15
Finite resource	Water	43	49	51	48	£83,605	£96,026	£98,242	£92,825
	Electricity	1,173	1,346	1,376	1,187	£1,123,224	£1,252,862	£1,263,162	£1,261,614
	Gas								
	Fuel	1,807	1,929	1,828	1,576	£5,830,895	£6,223,459	£5,898,479	£5,084,291
Procurement	Procurement	16,729	24,613	26,734	30,086	£49,938,931	£65,692,407	£68,037,159	£77,552,998
Total		19,754	27,938	29,990	32,898	£56,976,655	£73,264,754	£75,297,042	£83,991,728

NB: the carbon footprint has been estimated using DEFRA emission factors, using data provided by Finance, and is therefore based on spend rather than usage.

Environmental monitoring and reporting enables us to quantify the environmental and social effects of delivering our service; to improve both our management of any associated adverse environmental and social impact, and our overall environmental performance; and to work towards achieving the targets in the NHS Carbon Reduction Strategy.

In 2012, the Carbon Trust reviewed and approved our five-year carbon management plan which sets out how we will reduce our carbon footprint as part of our contribution to tackling climate change. A carbon footprint is measured in tonnes of carbon dioxide equivalent (tCO_2e). This is based on a baseline for the Service of 19,754 tonnes CO_2e that was calculated in 2010/11.

There are three areas in which we will focus our activity – fuel consumption, energy use and procurement. We aim to reduce our energy and fuel consumption by 25 per cent over the five-year period, and by focusing on procurement we will cut indirect emissions from products and services by 10 per cent. As the data we are using becomes more reliable, we are able to better assess our carbon footprint and to identify areas where additional efforts are required.

Measuring our fuel consumption in 2014/15 against the baseline in 2010/11 we have managed to reduce our fuel consumption by 12%.

Environmental impact performance indicators

Fuel consumption: Our core business means that we have high levels of fuel consumption.

In 2014/15 we used over 3.7 million litres of fuel, compared to 4.2 million litres in 2013/14 this was effectively a decrease of 18%.

In 2014/15 the Trust received a total 1,892,343 calls. We responded to a total of 1,025,836 incidents[1] with 34.0%[2] of patient calls being resolved without the need to transport to hospital and 11.0% of patient calls being resolved with telephone advice only.

We are managing our fleet to ensure it will be compliant when the Ultra-Low Emission Zone is introduced in London in 2020.

We are managing our fleet to ensure we will become compliant to the new regulations relating to the Ultra-Low Emission Zone in 2020.

Energy use:

Although over half of our 70 ambulance stations are more than 50 years old, when measured against other ambulance services we score well in our energy consumption per square metre.

In partnership with SALIX the Trust has ring fenced funding for investment in a number of initiatives that have seen our energy consumption reduce year on year, which in times of rising prices ensure that the Trust is achieving good value for money. Nineteen projects have been completed, delivering 5,429 tonnes savings over the lifetime of the equipment and lifetime savings of £951,813 with an average payback of 3.9 years.

In addition we recycled 99 per cent of our waste, with non-recyclable material being treated to deliver energy from waste.

The Trust has worked in partnership with our energy suppliers to install SMART metering for gas on 80% of our properties and 95% of our properties in regards to electricity. This will enable us to more effectively manage energy consumption; measure improvements from initiatives such as LED lighting etc.

Procurement:

Our use of St John Ambulance and other private ambulances is captured in the procurement spend. In 2014/15 we spent less on such providers than in 2013/14, from £9,590,220 to £9,052,948. We

[1] A decrease of 6% on 2013/14 (1, 090,277 incidents).

[2] Quality Dashboard 2013/14 and 2014/15.

also spent less on computer software licences through the use of an enterprise licence agreement which saw costs reduce from £1,346,491 to £874,074.

Comparing 2013/14 and 2014/15 there was an increase in spend in the following areas: vehicle lease costs (from £3,877,371 to £4,074,397); consultancy services (from £1,526,960 to £4,315,980); subsistence (from £3,471,366 to £3,686,322); conference calls (from £15,470 to £88,951) and uniform (from £1,133,156 to £2,466,420) and course and conference fees (from £619,580 to £2,401,517).

In 2014 the Trust tendered contract for a taxi service in order to provide transport for those who call us, who need to be taken to a point of treatment but who do not require emergency or urgent care. This ensures we can despatch responses such as ambulances and cars to those patients who require the clinical skills of our Paramedics and Ambulance Emergency Crews. The Taxi Service engaged provides a Toyota Prius (whenever possible) to undertake the journeys, which from August 2014 to March 2015 accounted for 15.7 tonnes of $CO_{2,}$ covering 63,023 miles.

Looking ahead to this and future years, our environmental priorities will include:

- Further investment in energy conservation works to reduce carbon emissions from energy use across our estate, which will include investment in photovoltaic on a number of our ambulance stations.
- Continuing to raise staff environmental awareness
- Reviewing procurement arrangements to identify opportunities for carbon reduction and cost savings
- Working with suppliers to minimise waste and identify opportunities for associated carbon reduction.

Equality and inclusion

We welcome our obligations under equalities legislation, including the Equality Act 2010. Our aim is to ensure that equality and inclusion is integral to everything we do.

We welcome people to the Trust from any background, who are committed to providing an excellent service to the richly diverse communities we serve. As the ambulance service for London, we have a very diverse community of patients, service users and staff. Our aim is to become a world-class ambulance service for London, providing innovative and responsive healthcare which meets the needs of all our diverse community, providing better healthcare for all.

Our policy is to treat everyone fairly and without discrimination and we want to ensure that:

- Patients and service users receive fair and equal access to our healthcare services
- Everyone is treated with dignity and respect
- Staff experience fairness and equality of opportunity and treatment in their workplace

As a provider of healthcare to the people living, working in and visiting the city, we seek to provide state of the art care which addresses the individual needs of our diverse patients and service users. We aim to ensure that:

- Our patients and service users are aware of our services and that those services are accessible to all
- Our governance arrangements are welcoming and inclusive of all
- Our buildings and information are accessible to all
- We enable our diverse communities in London to be involved in the development and monitoring of our policies and services

We want to become an employer of choice, attracting the best and most talented people from all walks of life to a career with us where they can develop to their full potential to the benefit of their fellow staff, patients and service users. We aim to:

- Celebrate and encourage the diversity of our workforce and create a working environment where everyone feels included and appreciated for their work
- Promote our training and employment opportunities without regard to the protected characteristic background or any other aspect of an individual person's background
- Foster creativeness and innovation in our working environment, to ensure that each member of staff can give of their best and move the Trust forward in its equality and inclusion goals

As a procurer of services, we are committed to:

- Ensuring that contractors from whom we procure goods and services are aligned with our equality and inclusion values.
- Actively considering supplier diversity as a key aspect in our contract management

During this last year the Trust featured again for the third year running as a Top 100 Employer on the Stonewall Workplace Equality Index and as a Top Ten Performer on the Stonewall Health Care Equality Index. Both show our continuing commitment to equality and inclusion and to enable everyone regardless of protected characteristic group to have the confidence to be themselves at work or when receiving care from our staff.

We currently have four Staff Diversity Forums – the Deaf Awareness Forum, LGBT Forum, ADAMAS (Association of Diverse and Minority Ambulance Staff) and Enable – our staff forum for disabled staff and carers. We are keen to support our forums in the initiatives they undertake as well as to encourage their input into our policy and service development and involvement as "critical friends" in our equality analyses.

We are members of Stonewall's Diversity Champions Programme We are also members of Opportunity Now, the leading UK employers' equality forum promoting gender equality, aiming to transform the workplace by ensuring inclusiveness for women, and Race for Opportunity, the leading UK employers' equality forum committed to improving employment opportunities for ethnic minorities across the UK We are also members of the Business Disability Forum, the leading UK Employers' Forum on Disability, promoting best practice and working with organizations to set and influence policy so it benefits both organizations and disabled people, and Carers UK, the UK's national membership charity for carers, campaigning for proper recognition and support for carers.

In 2014, following engagement with a wide range of service users, staff and other stakeholders across the protected characteristic groups, we produced our new Equality and Inclusion Strategy 2014-19, which sets the direction the equality and inclusion work of the Trust will be taking over the coming years. Our progress on this will be monitored in our Annual Equality Reports by our Executive Management Team and Trust Board as well as by our stakeholders and a formal review carried out in 2019.

Strategic Goals

Our achievements during 2014/15

Strategic goal: Improve patient care

We have an increasingly important role to play in improving the health outcomes of patients in London.

Our objectives are:

- To improve the experience and outcomes for patients who are critically ill or injured
- To improve the experience and provide more appropriate care for patients with less serious illnesses or injuries
- To meet response times routinely, and
- To meet all other quality, regulatory and performance targets.

In 2014/15 increasing levels of demand again made it more difficult to always attend those with less serious conditions as quickly as we would have wanted to, and we will continue to look to improve the ways in which we manage and respond to these calls.

As well as time-based targets, all ambulance services were measured against a set of clinical indicators that help assess the quality of care provided to patients.

Full details on these and other patient care issues can be found in our Quality Account, which will be published in the summer.

Improving the experience and outcomes for patients who are critically ill or injured

Trauma care:
Patients with serious injuries are taken directly to one of four major trauma centres where they can receive immediate care from specialists that aren't available at local hospitals.

Data analysed to date from April to December 2014 shows that 99% of patients who needed to be transported directly to a major trauma centre were identified by our crews and taken to the right hospital for their injuries. Direct admission to a major trauma centre has been shown to save lives and reduces long-term disability.

Cardiac care – heart attack:

There are eight specialist centres in London where patients who are diagnosed as suffering a common type of heart attack, known as an ST-elevation myocardial infarction, can be taken directly by ambulance staff. They can then undergo primary angioplasty, a procedure which involves inflating a balloon inside an artery to clear the blockage that has caused the heart attack.

One of the national clinical indicators looks at the percentage of those patients who receive this treatment within two and a half hours of the 999 call being received. The latest available figure for the Service - from April to December 2014 - was 95 per cent[1], compared to 93 per cent for the full 2013/14 year.

Cardiac care – cardiac arrest:

Thanks to the quality of care provided by our staff, the survival rates of patients who suffer an out-of-hospital cardiac arrest continue to rate as some of the highest in the country, and our published figures are also among the best in the world.

Our crews attended approximately 10,000 cardiac arrest patients in 2014/15. Owing to the quality of care provided by our staff, patients who suffer an out-of-hospital cardiac arrest have some of the highest survival to discharge rates in the country.

Provisional figures published for April to December 2014 show that approximately 55 per cent of patients who were witnessed to suffer an out-of-hospital cardiac arrest of cardiac cause with an initial shockable rhythm were successfully conveyed to hospital with a pulse, and 30 per cent survived to leave hospital.

Thanks to the Shockingly Easy campaign there are now a record number of public defibrillators across the capital, thus increasing the chances of survival for patients experiencing a cardiac arrest in a public place.

Stroke care:

We take patients who we diagnose with stroke symptoms directly to one of eight specialist stroke centres in London. Here they have rapid access to life-saving treatment which can increase their chances of survival and cut the risk of long-term disability caused by a stroke – which occurs when the blood supply to part of the brain is cut off.

During the year, we took approximately 11,000 stroke patients to a hyper acute stroke unit, equating to around 99 per cent of patients taken appropriately.[3]

One of the national indicator measures is the percentage of stroke patients who arrive at a specialist centre within 60 minutes of us receiving the 999 call. Figures available from April to December 2014 show that we achieved this in 59 per cent of cases.

Full details of our performance against all the national ambulance quality indicators can be found in our 2014/15 annual quality account.

- ***Improving the experience and providing more appropriate care for patients with less serious illnesses and injuries***

During 2014/15, we treated a wide range of patients presenting with less serious conditions.

Taking patients to the right place of care: As part of a wider NHS response to managing patients with less serious conditions, we continued our work to identify suitable alternative destinations where appropriate care can be provided away from the traditional hospital environment.

These include minor injuries units, urgent care centres and walk-in centres, some of the latter being provided as part of the services at some larger GP practices. Frontline staff have received training and guidance to enable them to better assess minor injuries, illnesses and conditions, and from this decide on the appropriate destination for patients.

Clinical telephone assessment: We have provided clinical telephone assessment to 159,508 patients during the year.

This includes patients who were called back and given further assessment by clinicians from our clinical hub, those who were referred elsewhere, for example NHS 111 and patients who did not require an emergency ambulance and immediate medical treatment. A taxi was sent to take them to an urgent care centre or emergency department after they were clinically assessed over the phone.

Care of mental health patients: We have continued to work with mental health trusts across London to develop arrangements so that any mental health patients who we attend can be taken to the right place for treatment.

Improving our care to all mental health patients, including those with dementia, is a priority for us in 2015/16, and our commissioners have made additional funding available for training so that we can increase our frontline staff's awareness and understanding of mental health and dementia, and equip them with the skills to enable them to decide on the best care for these patients.

We also continued to examine complaints with a mental health component, and where possible are meeting with mental health trusts to agree personalised care plans for their patients, and the options available to them apart from calling for an ambulance.

End-of-life care: We continued to work with both NHS and hospice-based end-of-life care providers to provide appropriate care and support. We also continued to develop staff skills, training and competencies, the way we collate patient information and how we communicate with local providers of end-of-life care services.

Patients with pre-arranged hospital appointments: As well responding to emergency calls, we offer pre-arranged transport for patients to and from their hospital appointments.

We carried out 125,988 of these journeys during the year, compared to 184,092 in 2013/14.

We delivered patients to hospital on time for 92 per cent of the journeys, which compares to 93 per cent in 2013/14.

In terms of departing from hospital, we left on time in 92 per cent of cases (93 per cent in 2013/14).

Ninety six per cent of our patients had a journey time of less than an hour in 2014/15, compared with ninety eight per cent last year.

Strategic goal: Improve recruitment and retention

We want all staff on the frontline to have the skills to assess and treat a wide range of conditions, and those in other functions have the right skills to support them.

We also want to improve the diversity of our workforce, and focus on engaging with our staff more so that they are motivated and feel valued, and have a greater say in how we improve our service.

To achieve this goal we will:

- develop our staff so that they have the skills and confidence they need to deliver high quality care to a diverse population, and
- engage with our staff to improve patient care and productivity.

- ***Developing our staff so that they have the skills and confidence they need to deliver high quality care to a diverse population***

Our workforce: At the end of March 2015, we had a workforce of 4,577 staff, made up of 2,576 men and 2,001 women.

This was broken down as follows:

Staff in post as at 31 March 2015:

Staff Group	Male	Female	Total
Director	9	6	15
SMP	277	146	423
Other	2290	1849	4139
Total	**2576**	**2001**	**4577**

Over the course of the year, a total of 647 people left the Service – a turnover rate of 14.3 per cent, compared to 10.7 per cent in 2013/14.

While we were able to recruit new staff during the year, we also saw existing frontline staff leaving in higher numbers than usual, over 212 paramedics left during 2014/15.

As well as offering eligible staff within our Service the opportunity to train to become paramedics and increasing our intake of graduates from universities, we have started to look overseas and have been approved to sponsor work visas for non-European paramedics.

The average workings days lost in was 14.52 (2013/14 13.36). The data is based on calendar years January to December.

- ***Engaging with our staff to improve patient care and productivity***

Employee involvement: We recognise that an engaged workforce is key to improving our services and productivity, and we are committed to communicating and engaging with staff to achieve this.

Our staff engagement score, informed by the 2014 NHS staff survey, was 2.78 (based on a score range from 1 to 5). This was calculated from findings related to staff members' perceived ability to contribute to improvements at work; their willingness to recommend the Service as a place to work or receive treatment; and the extent to which they feel motivated and engaged with their work.

Staff survey findings: The NHS staff survey was sent to all staff at the end of 2014, with a response rate of with a response rate of 35.7 per cent, slightly lower than 2013 which had a response rate of 40.8 per cent.

The results showed a number of areas of concern, and work has already started to address a number of the areas which staff have highlighted, but it is clear that there is still much more to do. This includes continuing to recruit more staff to fill vacancies and relieve pressure, providing better career progression opportunities for all, and increasing educational investment.

Opportunities for giving feedback and sharing ideas: We continued to use 'temperature check' surveys for staff to give feedback and suggestions on how to make improvements for the benefit of patients and their own working lives.

We also set up a closed social networking site, where staff can discuss issues and ask questions of managers. This now has around 2,200 staff as registered users.

Health and well-being: Staff volunteering as part of the LINC (Listening, Informal, Non-judgemental, Confidential) peer support worker initiative continued to provide support to colleagues on issues from work-related stress to family and social problems.

Health and safety: All staff are also encouraged to report any incidents or near misses, such as those involving patient safety or abuse or violence that they may themselves have experienced from patients or members of the public.

The reports are collated by the Health, Safety and Risk department and information is reported to the Clinical Safety Development and Effectiveness committee and in the integrated performance report to the Trust Board – please see the Annual Governance Statement for more information.

Partnership working with the unions: We continued to use our long-established partnership working arrangements with our trade union colleagues, with a formal consultation and negotiation framework in place. These arrangements helped to support the introduction of a number of different initiatives and ways of working to maintain levels of patient care over the winter period.

We consulted on the major issues, opportunities and challenges facing the Service, and we plan to maintain these working relationships when we become a foundation trust.

The staff side to the Staff Council, the senior consultative group within our Service, has been offered and accepted a governor seat as part of the planning process for foundation trust status.

Representation on our Council of Governors: When we achieve foundation trust status, staff will be able to stand for election to our Council of Governors. We are proposing three seats for staff representatives. This is separate from, and in addition to, the seat for a staff side representative from the Staff Council.

Strategic goal: Implement the modernisation programme

Last year we created the new Emergency Ambulance Crew (EAC) role to replace Emergency Medical Technicians. The first, fully trained EACs joined the service on 19 January 2015.

In September, we introduced 200 new frontline rosters. This change affected over 3000 staff across 70 ambulance stations. Working in close partnership with staff and trade unions, these new rosters were designed by locally and we were pleased that only 6 rosters had to be implemented without local agreement on all aspects. This was a significant change as many rosters had not been changed for nearly a decade, and we were pleased to see that the unrest and local disputes seen in other ambulance were not experienced in London.

Strategic goal: Achieve sustainable performance

The 2014/15 performance improvement plan achieved a great deal of positive change impacting on overall Trust performance throughout the year. These achievements include:

- Multiple attendance of vehicles to incidents was reduced, releasing the equivalent of 80 WTE staff capacity back onto the frontline
- The largest recruitment campaign in the Service's history was launched resulting in more than 250 new frontline staff joining us before the end of March 2015
- New and revised contracts were developed for Private and Voluntary Ambulance Services, to improve productivity and value for money, which supported us to better meet demand whilst we recruit permanently to vacancies
- The new LAS "Bank" system was launched, and is actively recruiting members so that we have access to a flexible, non-permanent workforce to support peaks in demand

- A new facility was set up in our control room to respond to calls from the Metropolitan Police Service. This has resulted in more than 500 fewer vehicle dispatches each week to incidents that are now managed and resolved remotely
- Through the multidisciplinary Clinical Hub we have seen the overall weekly Hear and Treat numbers peak at 5323 with a weekly average of 3652. This has allowed us to target our frontline resources more appropriately

Strategic goal: Develop our 111 service to meet the need of CCGs

We have made strong progress with our 111 services over the year. Our South East London 111 Service has constantly met national targets and is the highest performing 111 services in London and one of the best nationally. To ensure we constantly improve our Service, we worked with our 111 commissioners during the year to redesign our service to meet their changing needs and cost expectations. We have also been preparing for the re-commissioning of 111 services across London over the next 12 months across London.

Last year we handled 311,449 calls, with 96.2 per cent answered within 60 seconds against a target of 95 per cent.

In the same period, 10.6 per cent of patients had to be called back as their query could not be directly dealt with at the time of it being received, and when this did happen 68.3 per cent of call backs were made within 10 minutes.

Performance

- ***Meeting response times routinely***

We received a total of 1,892,343 emergency calls during the year, up 9.1 per cent on 2013/14.

From these, we responded to 1,025,836 emergency incidents, down from 1,090,277 in the previous 12 months.

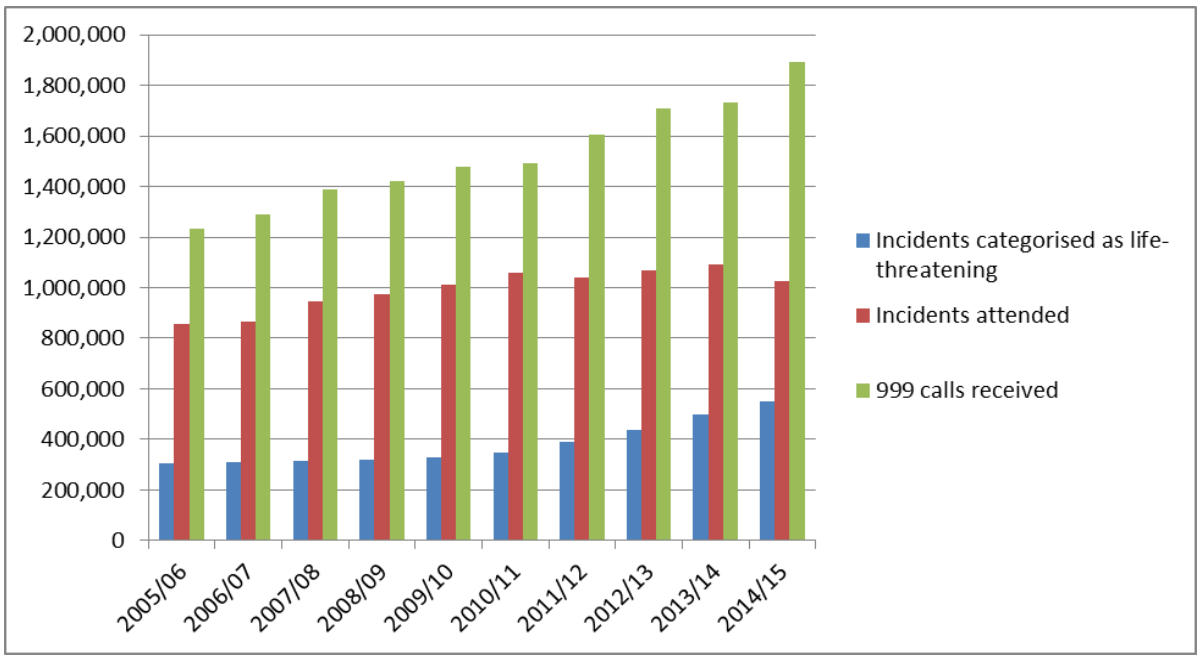
We took 674,771 patients to a hospital accident and emergency department, compared to 748,531 in 2013/14.

A further 262,198 patients were attended by our staff but were not taken anywhere for further medical treatment.

Category A: Of the total calls received, 551,831 were treated as life-threatening (Category A), compared to 496,348 in 2013/14.

We attended a total of 490,175 Category A incidents, compared to 460,615 in 2013/14, and we reached 59.2 per cent (293,702) of these patients within eight minutes.

We arrived at 92.2 per cent (451082) of Category A patients within 19 minutes, against the target of 95 per cent.



Category C: All other calls fall into one of four C categories. We received 1,302,577 calls to Category C (lower priority) patients compared to 1,227,879 last year. A total of 535,258 were responded to by ambulance crews or single responder conveying crews (compared to 629,156 in 2013/14) and we reached 68.46 per cent of these patients within our target time of 60 minutes, compared to 82.69 per cent in last year.

Governance of our organisation

Our Trust Board manages risk through our risk management policy and strategy, corporate risk register and board assurance framework.

The board assurance framework and corporate risk register are presented at each meeting of the Trust Board, and further scrutiny is applied through the Quality Governance and Audit Committees. The risk register is reviewed in detail by the Senior and Executive Management teams each month.

Full details can be found in our annual governance statement on page 21 of this document.

Our use of feedback to make improvements

We continue to use feedback from patients, their families and the public as an important way of driving improvements to our service. This is captured by our Patient Experiences team who identify any emerging themes and report these through the Trust's governance structure to the executive management team and the Trust Board.

The number of complaints we received this year rose to 1403, up from 1060 in 2013/14. This increase reflected the unprecedented increase in demand to the 999 service with the most frequent cause of a complaint once again being a delay in an ambulance being sent, especially to patients assessed as less seriously ill or injured; and changes in how we manage 999 calls, with some callers being referred to NHS 111 or other care providers. We also now monitor patient feedback websites and respond to complaints made via social media. The Patient Experiences team also managed around 3500 enquires.

Some of the changes we have arising from complaints and service-user feedback include the following:

- We historically used a tape recorded exit message at the end of some 999 calls which explained what the caller needs to do next. Following patient feedback, this was stopped and callers always now speak to a call handler.
- We have introduced a procedure to identify particularly vulnerable patients who now received an automatic upgrade to the call priority every 60 minutes, when there is a delay in an ambulance being sent, regardless of whether we are told that their condition has changed. This has meant that patients have not waited as long as they otherwise might have.
- Patients told us that they don't like not being kept up to date with the progress of their call, so we now offer information about the approximate time a caller may have to wait before an ambulance can be sent.

Principles for Remedy

We manage our complaints handling process in accordance with the Health Service Ombudsman's good practice guidance, Principles of Remedy. This includes:

- All complaint responses include information about the recourse opportunity to, and contact details for, the Health Service Ombudsman.
- Our website and all our staff can offer information about how to make a complaint about the service we provided.
- Activity and themes arising from complaints are regularly reported to the Trust Board
- Our Learning from Experience Group reviews the themes and issues emerging from complaints and the action taken to improve services and the experience of patients.

Directors' report

Our Trust Board

In 2014/15 our Trust Board was made up of 12 members – a non-executive chairman, five of the Service's executive directors, including the Chief Executive, and six non-executive directors.

The Chief Executive and the other executive directors are appointed through a process of open advertising and formal selection interview. All executive appointments are permanent and subject to normal terms and conditions of employment. The non-executive directors are appointed by the same method through the NHS Trust Development Authority.

There were a number of changes to the executive membership of the Trust Board during the year.

Ann Radmore, Chief Executive, left the Service in January 2015 to take up a national programme role with NHS England.

Fionna Moore, Medical Director, was appointed as interim Chief Executive (voting member of the Trust Board) in January 2015.

Fenella Wrigley, Deputy Medical Director, was appointed as interim Medical Director (voting member of the Trust Board) in January 2015.

Steve Lennox, Director of Nursing and Quality (voting member of the Trust Board) left the Service in November 2014.

Zoë Packman was appointed as Director of Nursing and Quality (voting member of the Trust Board) in November 2014.

David Prince, Director of Support Services (non-voting regular attendee of Trust Board) left the Service in November 2014.

Mike Evans, Director of Business Development (non-voting) left the Service in October 2014.

Jane Chalmers, Director of Modernisation (non-voting and interim position) left the Service in July 2014.

The Board has six formal sub-committees: the Strategy Review and Planning Committee, the Quality Governance Committee, the Audit Committee, the Finance and Investment Committee, the Remuneration and Nominations Committee and the Charitable Funds Committee.

The Strategy Review and Planning Committee is made up of all the board members and is chaired by the Chairman.

Four non-executive directors and six executive directors made up the membership of the Quality Governance Committee, which was chaired during the year by non-executive director Robert McFarland.

The membership of the Audit Committee comprises three non-executive directors and was chaired by non-executive director John Jones.

The Finance and Investment Committee was chaired by non-executive director Nick Martin and has three non-executive directors and five executive directors as its members.

The Remuneration and Nominations Committee was chaired by the Trust Chairman and all non-executive directors are members.

The membership of the Charitable Funds Committee was reviewed and updated during 2014/15 and comprises the Trust Chairman Richard Hunt, who chairs the committee, and one executive director.

Non-executive directors

Richard Hunt CBE joined us as Chairman in July 2009. He was formerly the International President of the Chartered Institute of Logistics and Transport, and has experience extending across the aviation, logistics, international oil and brewing sectors. Richard is a former Chief Executive of Aviance Ltd which handles logistics at UK airports, and he was Chief Executive of EXEL Logistics Europe, the largest UK transport and logistics business. He has also served as a non-executive on the Highways Agency Advisory Board. Richard was appointed CBE for services to logistics and transport in the 2004 New Year Honours.

Jessica Cecil took up her post on 1 December 2010. She has over 20 years of experience working in broadcasting on flagship television programmes such as *Newsnight*, *Panorama* and *Tomorrow's World*. She is Controller, Make it Digital at the BBC, and was formerly Chief of Staff to the Director-General. Jessica is the vice-chair of LAS. She is a member of the Quality Governance and Finance and Investment committees.

John Jones started as an associate non-executive director in October 2012, and took up his substantive role on 1 January 2013. He has 17 years' experience at board level in the NHS and has held a number of executive finance director positions. As a Director of Finance with Hertfordshire Partnership NHS Foundation Trust, John helped them to attain foundation trust status. John is a member of the Chartered Institute of Management Accountants and the Chartered Institute of Public Finance and Accountancy. He is the chair of the Audit Committee, and a member of the Finance and Investment Committee.

Nicholas Martin took up the post in October 2012. He has thirty years' experience of corporate finance advising a wide range of companies from different sectors. He has served on a number of boards and governing bodies in executive and non-executive roles, including Cambridge University, City of Westminster College, Hammersmith Hospitals NHS Trust, NHS City & Hackney Primary Care Trust and NHS Haringey Primary Care Trust. Nick is a barrister, a Chartered Fellow of the Chartered Institute of Securities & Investment, and a former Cabinet Special Adviser. He is the chair of the Finance and Investment Committee and a member of the Quality Governance Committee.

Robert McFarland took up his post in May 2013, as an associate non-executive director. Robert worked as a Consultant General and Vascular Surgeon for over 20 years and recently retired from St George's Healthcare NHS Trust. Throughout his career he has worked in both district hospitals and regional teaching hospitals. In 2007, Robert was appointed as Clinical Director for Trauma and Emergency Surgery at St George's Hospital, which opened as one of four major trauma centres serving London and Surrey in 2010. Robert was also Clinical Director of the South West London and Surrey Trauma Network and was a member of the Clinical Advisory Panel, London Trauma System. He is the chair of the Quality Governance Committee and attends the Audit Committee.

Fergus Cass joined us in March 2014. He was a non-executive director of NHS North West London until the replacement of primary care trusts in 2013 and previously served on the board of NHS Kensington and Chelsea. He worked for the multinational consumer goods company Unilever for 36 years, initially in finance and later as a general manager, heading businesses in Africa and South Eastern Europe. He holds degrees in economics and is a qualified accountant. Fergus is a trustee of Hospices of Hope, which supports palliative care in Romania and neighbouring countries, and of Book Aid International. He is a member of the Quality Governance and Audit Committees.

Theo de Pencier joined the Service in March 2014. Theo is the Chief Executive of the Freight Transport Association (FTA) representing industry's freight interests by road, rail, sea and air. The FTA has over 14,000 members who operate more than 200,000 trucks (half of the total in the UK), consign 90 per cent of rail freight and 70 per cent of visible exports. Theo's early career was spent in sales and marketing with brand leading food and drink manufacturers Heinz and Diageo. He has over 30 years' Board level experience in the logistics and supply chain industry working for NFC and Danzas before joining Bibby Line Group in 1999 as Managing Director of Bibby Distribution. He joined FTA in July 2007. He is a member of the Audit and Finance and Investment Committees.

London Ambulance Service NHS Trust
Organisation Code: RRU

Governance Statement

Scope of responsibility

The Board is accountable for internal control and, as Accountable Officer, and Chief Executive of this Board, I have responsibility for maintaining a sound system of internal control that supports the achievement of the organisation's policies, aims and objectives. I also have responsibility for safeguarding quality standards and public funds and the organisation's assets, for which I am personally responsible as set out in the Accountable Officer Memorandum.

As Accountable Officer I have overall accountability for having a robust risk management system in place which is supported by a governance structure, processes and monitoring arrangements, and an assurance and risk management framework. These arrangements are documented in the Risk Management Policy and Strategy which defines risk as anything threatening the achievement of our strategic objectives. It defines the ownership and subsequent management of the identified risks and the responsibilities of individuals and it describes the Trust Board's corporate responsibility for the system of internal control and robust risk management.

As part of London's health economy we work with our partners to minimise the risks to patient care. To do so we have met routinely with our lead commissioners and with the portfolio team at the NHS Trust Development Authority (TDA) in order to progress and maintain the key performance targets set for ambulance services. We work in partnership with health and social care organisations in the development and provision of emergency and urgent healthcare across London.

In 2014/15, we managed increased demand across London, two national strikes, an increased terrorist threat level, and the busiest winter on record. We also experienced our lowest performance against national ambulance standards, high frontline staff turnover and low levels of staff satisfaction evidenced in our disappointing staff survey results. There are a number of reasons for our under performance last year including increased activity; slow recruitment to vacancies during the first half of the year; high utilisation which makes it difficult for us to respond to peaks in activity; an aging fleet due to historic underinvestment; national shortages of Paramedics at a time when career and market opportunities have opened up for them. The Trust is in the middle of an improvement programme supported by NHS England and the TDA and it is clear that we must continue our drive and pace of change, to tackle these issues and improve our organisation and performance.

Whilst facing these challenges, our primary concern has been and continues to be the safety of the service we provide. It is essential as an organisation that we learn from what we weren't able to deliver and apply that learning to improve services moving forwards. Managing and mitigating against any potential performance impact on patient quality and safety is our fundamental priority. To that end LAS conducted an internal safety review in October 2014 and an external safety review in December 2014 conducted by NHSE, TDA and Clinical Commissioning Groups.

Our ambulance service Emergency Operations Centre (EOC) continues to be the busiest in the world with our strength in this area reflected once again by receiving two prestigious awards this year; MPDS Centre of Excellence (2014) and the Cabinet Office's Customer Services Excellence Accreditation (2014) demonstrating the organisation's ability to continue delivering quality and excellence despite increasing demand on our services. The Trust participated in the National Trauma Pre-Hospital Peer Review with a positive outcome report.

2014/15 has seen an extensive programme of change undertaken addressing the major challenges that we are currently facing developed in close consultation with Commissioners: recruit, train, retain, motivate, invest.

The Trust has implemented a challenging programme of national and international recruitment for front line staff during 2014/15 and into 2015/16. New roles have been introduced – Emergency Ambulance Crew and Senior Paramedic – and a new clinical career

structure introduced. We have continued to increase the number of calls we handle and resolve through hear and treat and the Clinical Hub has continued to develop to enhance the service provided through the emergency operations centre in order to provide safe patient care. The Clinical Hub is operated by senior paramedics and provides enhanced clinical assessments to support hear and treat dispositions for appropriate patients and also provides clinical support and expertise for operational ambulance crews and non-clinical staff within the control rooms.

The Trust reviewed its strategy in 2014/15 for the next five years and introduced 'Caring for the Capital: A strategy for London Ambulance Service towards 2020'. The strategy sets out our direction for the next five years and includes our purpose and values. Achieved through working with staff and stakeholders, the strategy explains what we will do together for patients, how the organisation will develop and invest in its workforce and what actions we will take to improve how we do things as a Service. It builds on our achievements and recognises the challenges that we, and the rest of the NHS are facing. We are the busiest ambulance service in the country and the only pan-London health provider, providing urgent and emergency services for people in London. National and local issues and challenges affect everything we do. The strategy articulates the new values for the Trust and its staff:

Our values

In everything we do, we will provide:

• **Care:** Helping people when they need us; treating people with compassion, dignity and respect; having pride in our work and our organisation.

• **Clinical excellence:** Giving our patients the best possible care; leading and sharing best clinical practice; using staff and patient feedback and experience to improve our care.

• **Commitment:** Setting high standards and delivering against them; supporting our staff to grow, develop and thrive; learning and growing to deliver continual improvement.

The governance framework of the organisation

Information on the Trust Board committee structure and the attendance records of members is attached (annexes 1 to 7).

Each Board committee is chaired by a non-executive director. Membership of the Remuneration and Nomination, and Audit committees is non-executive only with executives in attendance where relevant and required.

The Strategy Review and Planning Committee reviewed the governance structure in September 2014, informed by the annual effectiveness review of the Trust Board. It was agreed that, as performance and workforce were currently the most significant issues facing the Trust and were likely to be ongoing, they should be the responsibility of the Executive Management Team. The Finance and Investment Committee would take an oversight role of performance reporting.

Following the review of its function and remit, the revised terms of reference for the Quality Governance Committee were implemented in August 2014. The Committee has taken on more of a clinical focus with membership revised to include the three clinical director leads – Medical, Nursing & Quality and Paramedic Education & Development. The reporting committee structure was reviewed and a new structure implemented from August 2014. An overarching terms of reference for Clinical Safety, Development and Effectiveness was introduced comprising of three strands: Clinical Safety; Professional Development and Education; and Effectiveness and Experience; with each strand reporting to the next meeting of the Quality Governance Committee. This reporting structure is under further review and will be updated in the first quarter of 2015/16 following approval through the Quality Governance Committee.

The Trust Board reviews its effectiveness annually along with that of the reporting committees providing governance oversight and assurance on quality, safety and risk. Risks are reviewed by the Senior Management Team before being added to the corporate risk

register for review and oversight by the Audit Committee. The Trust Chair and Director of Corporate Affairs/Trust Secretary undertake a post-board review each month to ensure the agenda has been covered, sufficient time has been allotted to agenda items and effective contribution and scrutiny given. The Board agenda, papers and practice are continuously reviewed and adapted to ensure that reporting is appropriate and timely. The Board agenda is informed by the forward planner which is reviewed and updated after each meeting.

The annual board effectiveness review has regard to the principles set out in the Corporate Governance Code and other recommended good practice on board governance, such as Monitor's Code of Governance, and The Healthy NHS Board 2013.

The Trust Board receives quality, financial and performance information that provides assurance on the discharge of statutory responsibilities. The NHS Trust Development Authority operates a system of monthly submissions of self-certification of compliance with a set of board statements and Monitor's compliance framework.

Attendance by board members at Trust Board meetings is recorded in the minutes and included in the annual effectiveness review. Attendance at key board committees is also monitored and recorded by the Committee Secretary.

The Trust Board understands its responsibilities for discharging the statutory functions and takes assurance from the Audit Committee that systems are in place and that these are legally compliant.

The Chair of the Audit Committee provides a report to the next meeting of the Trust Board following each Audit Committee meeting. This report includes a summary of the business discussed and the assurances received from the executive, the internal and external auditors and from counter fraud. The role of the Audit Committee is to focus on the controls and related assurance that underpin the achievement of the Trust's objectives and the processes by which the risks to achieving these objectives are managed. The committee undertakes a review of the effectiveness of the corporate risk register at each meeting. The committee met five times during the year with the internal and external auditors present, with two meetings without auditors.

At the Trust Board meeting on 2 June 2015 the Audit Committee chair provided assurance to the board of the effectiveness of the Trust's systems of integrated governance, risk management and internal control, based on the key sources of assurance identified in the board assurance framework.

The Quality Governance Committee has oversight of quality governance on behalf of the Trust Board, including review of the annual Quality Account, prior to its publication. The reporting committee structure provides assurance to the Quality Governance Committee on clinical audit, never events and serious incidents including the lessons drawn from these and the action being taken to mitigate future risk. The committee also receives assurance on the Trust's response and actions taken to address coroners' recommendations on preventing future deaths.

The Chair of the Quality Governance Committee provides a report to the following meeting of the Trust Board. This report includes the committee's assessment of quality as taken from the reports and evidence presented to the committee, including the corporate risk register. The committee receives assurance from its reporting committees: Clinical Quality Safety and Effectiveness and Learning from Experience; and in the latter part of the year from the successor committee, Clinical Safety Development and Effectiveness. The committee also reviews the cost improvement programme to seek assurance that there is no detrimental impact on patient and staff safety and the quality of services provided as a result of the programme. At the Trust Board meeting on 2 June 2015 the Quality Governance Committee chair provided assurance on the quality and safety of service provision, including the supporting clinical, information and corporate governance framework. The committee met five times during the year and is reviewing the frequency of meetings for 2015/16.

The Chair of the Finance and Investment Committee provides a report to the following meeting of the Trust Board. The committee provides assurance on the scrutiny of current finance and investment issues based on the reports and evidence presented to it throughout the year, and oversight on performance management reporting. At the Trust Board meeting

the chair of the committee reports on the cash position, cash management, liquidity, CIP progress, and capital expenditure. The committee met six times during 2014/15 and also held a seminar for committee members.
The Trust Board works within the remit of the standing orders and standing financial instructions and the scheme of delegation. These were reviewed and approved by the Trust Board on 25 November 2014.
The Trust was subject to a number of external independent reviews during 2014/15:
NHS England (London) commissioned a review of clinical safety in December 2014 with no significant concerns raised; and KPMG undertook an independent investigation into an anonymous whistleblowing allegation regarding 'systematic cheating' on the paramedic training programme run by the Trust from 2008-2012. The outcome report will be published in June 2015. Although there was a lack of governance around examination processes during the period in question the external investigation was unable to provide evidence of cheating.
The Trust has been working with a number of external consultancies in the review of its operational performance and modelling and in the preparation of a business case to commissioners for investment for the period 2015/16-2016/17. External consultancy support has also been commissioned with regard to IM&T strategy and workforce support.
The Trust received unconditional registration from the Care Quality Commission (CQC) in March 2010 to provide the following regulated activities:

- Transport services, triage and medical advice provided remotely
- Treatment of disease, disorder or injury
- Diagnostic and screening procedures.

The Trust can confirm that all premises which we own, occupy or manage had fire risk assessments that complied with the Regulatory Reform (Fire Safety) Order 2005. We also achieved compliance with the Department of Health Fire Safety Policy.

Risk assessment

The organisation's major risks relate to safety, performance, finance and workforce as described in the Board Assurance Framework.
The Risk Management Policy and Strategy defines the risk management process which specifies the way risk (or change in risk) is identified, assessed and managed through controls. It describes the process for embedding risk management throughout the Trust and during 2014/15 we have made further progress with managing local risk register processes. The corporate risk register is reviewed by the Audit and Quality Governance Committees and by the Trust Board as it contains the highest level of risks facing the organisation. Risks can be escalated to the Senior Management Team for discussion and addition to the corporate risk register if required. We align project management risks with the corporate risk register. The policy and strategy was updated and re-formatted in 2014/15.
KPMG undertook a review of risk management in August 2014 and stated that risk management arrangements at London Ambulance Service NHS Trust ('the Trust') had reached an overall assessment of '*Partial assurance with improvements required*'. The key areas for improvement related to: ensuring a clear framework for identification, monitoring and reporting of local risks; risk reporting and review by complexes (stations); movement in relation to aged risks; full completion and risk registers and SMART actions; the escalation of corporate risks and maintaining local risk registers. The Strategy Review and Planning Committee undertook a strategic risk review in September 2014 incorporating risk management training for executive directors and senior management team. Top down risks are identified through the risk register, board assurance framework and programme work.
Patient and staff safety and other incidents are reported in accordance with the incident reporting procedure and are then scored, either by local managers or by the safety and risk team, using a risk severity matrix. Action is then taken to control, manage or mitigate the risk and depending upon the score the risk may be added to the corporate register for review by the Senior Management Team or monitored at a local level. The Serious Incident Group

meets weekly to review any serious incidents that need investigating and may need to be formally declared as Serious Incidents.
New risks with a net severity rating of High (over 15) are added to the corporate risk register and the board assurance framework which are reviewed by the Executive Management Team, Audit Committee and the Trust Board on a quarterly basis. 20 risks were added in 2014/15 and 13 were archived having reached their target level or being closed as they were no longer relevant. A list of the new risks is attached as an annex to this statement (annex eight).
The Trust has undertaken risk assessments and carbon reduction delivery plans are in place in accordance with emergency preparedness and civil contingency requirements, as based on UKCIP 2009 weather projects, to ensure that this organisation's obligations under the Climate Change Act and the Adaptation Reporting requirements are complied with.
There were 19 lapses of data security in 2014/15 and none of these reached the threshold for reporting to the Information Commissioner.
The Trust achieved 84% against the Information Governance toolkit and is at level two overall. Significant progress has been made since the appointment of the Information Security Manager who works closely with the Information Governance Manager. The Information Governance Group moved to quarterly meetings in quarter 4 of 2014/15.

The risk and control framework

Systems are in place to monitor compliance throughout the year and to address any emerging gaps or risks. The format of the board assurance framework shows the key risks facing the Trust during the quarter, mapped to the strategic objectives and annual priorities. The Audit Committee oversees the board assurance framework and corporate risk register and provides assurance to the Trust Board on the effectiveness of the risk and control arrangements. Control measures are in place to ensure that all the organisation's obligations under equality, diversity and human rights legislation are met.
The Senior Management Team manages the corporate risk register whilst the Audit Committee assesses the effectiveness of the corporate risk register at each meeting. The Trust Board, Quality Governance Committee and Executive Management Team receive an integrated performance report and a quality dashboard showing monthly performance and any identified risks, from which improvements and mitigations will be sought.
Systems in place to deter risk include standing orders, the scheme of delegation and standing financial instructions, NHS counter fraud measures, an anti-bribery policy, and a register for declaring directors' and managers' interests.
The local counter fraud specialist (LCFS) attended five meetings of the Audit Committee in 2014/15 and monthly executive counter fraud meetings. KPMG have provided the local counter fraud service since April 2013.

The internal auditors attended five meetings of the Audit Committee during 2014/15 and work closely with the Governance and Assurance team to execute the annual audit work plan. Internal audit also attend meetings of the Quality Governance Committee and the committee has input to the development of the annual audit work plan. This work is also informed by the executive team. KPMG have provided the internal audit service to the Trust since April 2013.

Pricewaterhouse Coopers are the external audit provider.

Review of the effectiveness of risk management and internal control

As Accountable Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of the internal auditors, clinical audit and the executive management team within the NHS Trust who have responsibility for the development and maintenance of the internal control framework. I have drawn on the content of the performance information available to me. 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 the effectiveness of the system of internal control by the Board, the Audit Committee and the Quality Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Issues

The Trust has experienced significant performance challenges during 2014/15 and has been unable to achieve the requisite targets since May 2014. The Trust Board has submitted a qualified statement to the TDA each month against Monitor's Governance Statement 10: '*the Board is satisfied that plans in place are sufficient to ensure ongoing compliance with all existing targets as set out in the NHS Trust Development Authority oversight model; and a commitment to comply with all known targets going forward*.'

We experienced high frontline staff turnover and were slow to recruit during the first half of the year. A national shortage of paramedics combined with new markets and career opportunities added to the workforce challenge which had an impact on performance and contributed to the Trust not achieving the requisite targets. This also created a risk to the implementation and delivery of the business plan.

The Trust has continued to improve its internal processes for the identification and management of serious incidents and declared 45 to commissioners in 2014/15 for further investigation, reporting and learning within the context of responding to 1.025m incidents during the year. The overriding theme relates to delays in response times. We have worked closely with NHS England and commissioners in the development of a business case to address utilisation rates and productivity. This has resulted in significant investment for the period 2015/16-2016/17 in order to increase resources, and improve productivity and the response to demand. An external clinical review of the Service, led by NHS England in December 2014, confirmed assurance of the safety of the service and the response provided to patients.

Following receipt of an anonymous whistleblowing allegation into 'systematic cheating' on the paramedic training programme run by the Trust from 2008-2012, we commissioned an independent investigation through KPMG's forensic team. The investigation took place from May to September 2014 with the final report completed in March 2015 and due for publication in June 2015. The investigation identified that there had been a lack of governance of examination processes during the period in question and serious failings in the way an internal investigation had been undertaken in 2011, but was unable to find evidence of systematic cheating.

The Trust is undergoing the CQC Chief Inspector of Hospitals Inspection in June 2015 and has self-assessed compliance performance against the five domains as follows:

- Safe - Requires improvement
- Caring – Good
- Effective – Requires improvement
- Responsive – Requires improvement
- Well-led – Requires improvement.

Internal audit undertook eight reviews during 2014/15 of which five received positive assurance. Of a total of 40 recommendations, eight were determined as high priority within the following reviews:

- Risk management – 1 high priority recommendation

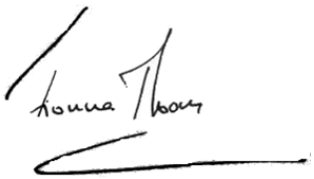
- Fleet management – 5 high priority recommendations
- Arrangements for staff absence and TOIL – 2 high priority recommendations.

There was one high priority recommendation outstanding from 2013/14 in relation to recruitment. There are robust plans in place to address this early in 2015/16.

The Head of Internal Audit's opinion is one of 'Substantial assurance with minor improvements required'. 'Our work has confirmed that there is general a sound system of internal control which is designed to meet the Trust's objectives, although we had identified areas where the controls in place could be enhanced or improved.'

Accountable Officer : Fionna Moore, interim Chief Executive

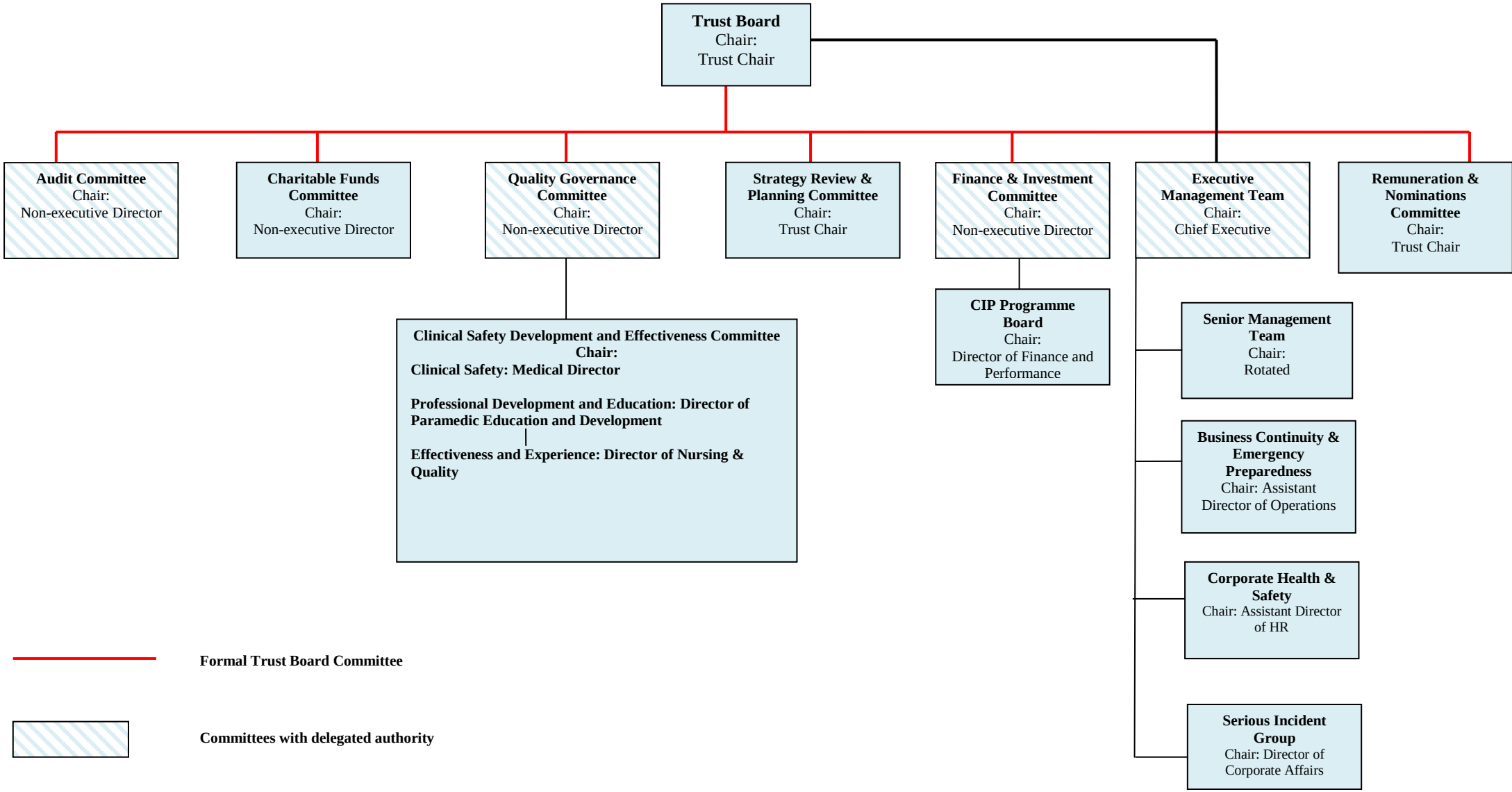
Organisation: London Ambulance Service NHS Trust (RRU)



Signature:

Date: 2 June 2015

Annex 1 Governance Structure - February 2015



Annex 2 Committee membership

Formal Trust Board committee	Chair	Current members
Audit committee	Non-executive director, John Jones	John Jones (non-executive director) Theo de Pencier (non-executive director) Fergus Cass (non-executive director)
Charitable funds committee	Trust Chair, Richard Hunt CBE	Richard Hunt (Trust Chair) Andrew Grimshaw (Director of Finance and Performance)
Quality governance committee	Non-executive director, Bob McFarland	Jessica Cecil (non-executive director) Nick Martin (non-executive director) Fergus Cass (non-executive director) Fionna Moore to January 2015; Fenella Wrigley from January 2015 (Interim) (Medical Director) Steve Lennox to November 2014; Zoe Packman from November 2014 (Director of Nursing and Quality) Mark Whitbread (Director of Paramedic Education and Development) Sandra Adams (Director of Corporate Affairs) Jason Killens (Director of Operations) David Prince to November 2014 (Director of Support Services)
Finance & investment committee	Non-executive director, Nick Martin	John Jones (non-executive director) Jessica Cecil (non-executive director) Theo de Pencier (non-executive director) Andrew Grimshaw (Director of Finance and Performance) Sandra Adams (Director of Corporate Affairs) Steve Lennox to November 2014; Zoe Packman from November 2014 (Director of Nursing and Quality) David Prince to November 2014 (Director of Support Services) Karen Broughton (Director of Transformation and Strategy) Paul Woodrow (Director of Performance) Mike Evans to October 2014 (Director of Business Development) Kevin Hervey (Interim Deputy Director of Finance)
Strategy review and planning committee	Trust Chair, Richard Hunt CBE	All board directors, voting and non-voting.
Remuneration and Nomination committee	Trust Chair, Richard Hunt CBE	All non-executive members of the Trust Board

Annex 3 – Attendance at Trust Board meetings

	3rd June 2014	24th June 2014	29th July 2014	30th September 2014	25th November 2014	16th December 2014	27th January 2015	24th March 2015	Comments
Trust Board members (voting)									
Richard Hunt (Non-Executive Chair)	x	x	x	x	x	a	x	x	
Fergus Cass (Non-Executive Director)	x	x	x	x	x	x	x	x	
Jessica Cecil (Non-Executive Director)	x	x	a	x	x	C	a	x	C = Chair
Theo de Pencier (Non-Executive Director)	x	x	x	x	x	x	x	x	
Nick Martin (Non-Executive Director)	x	x	x	x	x	x	x	x	
Bob McFarland (Non-Executive Director)	x	x	x	x	x	x	x	x	
Andrew Grimshaw (Director of Finance and Performance)	x	x	x	x	x	x	x	x	
John Jones (Non-Executive Director)	x	x	x	x	x	x	x	x	
Steve Lennox (Director of Nursing and Quality)	x	x	x	x	a				Left the Trust in November 2014
Jason Killens (Director of Operations)	x	x	x	x	x	x	x	x	
Zoe Packman (Director of Nursing and Quality)						x	x	x	Commenced November 14
Fionna Moore (Medical Director)	a	x	x	x	x	x	x	x	Commenced as interim Chief Executive in January 2015
Ann Radmore (Chief Executive)	x	x	x	x	x	x			Left the Trust in January 2015
Fenella Wrigley (Deputy Medical Director)	x						x	x	Attended for Fionna Moore in June 2014; commenced as interim Medical Director in January 2015
Non-voting									
Sandra Adams (Director of Corporate Affairs/Trust Secretary)	x	x	x	x	x	x	x	x	
Karen Broughton (Director of Transformation and Strategy)	x	x	a	x	a	x	x	x	
Jane Chalmers (Director of Modernisation)	x								Left the Trust in June 2014
Mike Evans (Director of Business Development)									Attending by invitation only
Tony Crabtree (Assistant Director of HR)									Attending by invitation only
Charlotte Gawne (Director of Communications)									Attending by invitation only
David Prince (Director of Support Services)	x	x	x	a	x				Left the Trust in November 2014
Mark Whitbread (Director of Paramedic Education and Development)	x	x	x	x	x	x	x	a	
Paul Woodrow (Director of Performance)	x	x	x	x	x	x	x	a	
Vic Wynn (Acting Director of Information Management and Technology)									Attending by invitation only

Annex 4 – Attendance at Quality Governance Committee meetings

	23rd April 2014	18th June 2014	27th August 2014	29th October 2014	13th January 2015	Comments
Quality Governance Committee members						
Bob McFarland (Non-Executive Chair)	x	x	x	x	x	
Jessica Cecil (Non-Executive Director)	x	x	x	a	x	
Nick Martin (Non-Executive Director)	a	x	x	a	x	
Fergus Cass (Non-Executive Director)	x	x	x	x	x	
Ann Radmore (Chief Executive)				x		
Steve Lennox (Director of Nursing and Quality)	x	x	x	x		Left November 2014
Fionna Moore (Medical Director)	a	x	x	x	x	
Sandra Adams (Director of Corporate Affairs/Trust Secretary)	a	x	x	x	x	
Zoe Packman (Director of Nursing and Quality)					x	Commenced November 2014
Jason Killens (Director of Operations)	x	a	a	x	a	
David Prince (Director of Support Services)	x	x	a	x		
Paul Woodrow (Director of Performance)	x	x		a		Attending by invitation only
Mark Whitbread (Director of Paramedic Education and Development)	a	x	x	x	a	

X = attended a = apologies

Annex 5 – Attendance at Audit Committee meetings

	17th April 2014	22nd May 2014	2nd June 2014	8th September 2014	10th November 2014	16th December 2014	2nd February 2015	Comments
Audit Committee members								
John Jones (Non-Executive Director)	x	x	x	x	x	x	x	
Fergus Cass (Non- Executive Director)	x	x	x	x	x	x	x	
Theo de Pencier (Non-Executive Director)	x	x	x	x	a	x	x	
Attending								
Sandra Adams (Director of Corporate Affairs/Trust Secretary)	a	x	x	x	x	x	x	
Andrew Grimshaw (Director of Finance and Performance)	x	x	x	x	x	a	x	
Ann Radmore (Chief Executive)	x		x					By invitation

X = attended a = apologies

Annex 6 – Attendance at Strategy Review and Planning Committee meetings

	9th September 2014	28th October 2014	24th February 2015	Comments
Trust Board members (voting)				
Richard Hunt (Non-Executive Chair)	x	x	x	
Fergus Cass (Non-Executive Director)	x	x	x	
Jessica Cecil (Non-Executive Director)	x	x	x	
Theo de Pencier (Non-Executive Director)	x	x	x	
John Jones (Non-Executive Director)	x	x	a	
Nick Martin (Non-Executive Director)	a	x	x	
Bob McFarland (Non-Executive Director)	x	x	x	
Andrew Grimshaw (Director of Finance and Performance)	x	x	x	
Steve Lennox (Director Nursing and Quality)	x	x		Left in November 2014
Jason Killens (Director of Operations)	a	a	x	
Fionna Moore (Medical Director)	x	x	x	
Ann Radmore (Chief Executive)	x	x		Left in January 2015
Zoe Packman (Director Nursing and Quality)			a	Commenced in November 2014
Fenella Wrigley (Deputy Medical Director)			x	Commenced as interim Medical Director in January 2015
Non-voting				
Sandra Adams (Director of Corporate Affairs/Trust Secretary)	x	x	x	
Karen Broughton (Director of Transformation and Strategy)	x	x	x	
Mike Evans (Director of Business Development)	x			
Charlotte Gawne (Director of Strategic Communications)	x	a	x	
David Prince (Director of Support Services)	x	x		
Mark Whitbread (Director of Paramedic Education and Development)	x	x	a	
Paul Woodrow (Director of Performance)	x	a	x	
Vic Wynn (Acting Director of Information Management and Technology)				Attending by invitation only
Briony Sloper (Deputy Director of Nursing)			x	On behalf of Zoe Packman

X = attended a = apologies

Annex 7 – Attendance at Finance and Investment Committee meetings

	22nd May 2014	24th July 2014	24th October 2014	24th November 2014	26th January 2015	19th March 2015	Comments
Finance and Investment Committee members							
Nick Martin (Non-Executive Director)	x	x	x	x	x	x	
Jessica Cecil (Non-Executive Director)	a	a	x	x	x	x	
John Jones (Non-Executive Director)	x	x	x	x	x	x	
Theo de Pencier (Non-Executive Director)	x	x	a	x	x	x	
Attending							
Sandra Adams (Director of Corporate Affairs/Trust Secretary)	x	x	x	x	x	a	
Karen Broughton (Director of Transformation and Strategy)							By invitation
David Prince (Director of Support Services)							By invitation
Andrew Grimshaw (Director of Finance and Performance)	x	x	x	x	x	x	
Steve Lennox (Director of Nursing and Quality)							By invitation
Paul Woodrow (Director of Performance)							By invitation

X = attended a = apologies

Annex 8 - New Risks Added to the Trust Risk Register in the Period 2014 – 2015

Risk ID	Headline Risk
388	Increase in turnover rates leading to staff reducing by significant numbers
394	CIPS may not be identified or delivered – impacting our credibility with the NTDA and DH plus impact on FT application
396	No disciplines exist for planning ahead could impact on our credibility with the NTDA and DH plus impact on FT application.
398	Acquiring timely supplies of printed material namely PRFs, controlled drugs registers, controlled drugs daily check sheet books, LA3 and LA5. (Archived)
399	Lack of essential equipment on ambulances may impact on the crew's ability to respond.
400	(SatNav) units in fleet vehicles will become unserviceable resulting in vehicle out of service or delayed response.
401	Current age profile of the LAS Vehicle Fleet will result in increased downtime impacting on operational performance
402	Current age profile of Fleet Workshop Managers and Technicians will impact on the future resilience of the Fleet Operation
403	A number of Ambulance and Fast Response Units may not be road worthy as their average service intervals have extended beyond 16 weeks, the average time taken for brake pads to wear. (Archived)
404	Accurately and efficiently capturing errors and incidents and process them in accordance with national guidelines and within specified internal procedures
408	The air-conditioning mechanical plant at HQ 220 Waterloo Road may fail during warm weather this failure would threaten the viability of the Data Centre and Emergency Operations Centre suite. (Archived)
409	The main power distribution board serving HQ 220 Waterloo Road may fail. Impacting on HQ accommodation, electrical light and power for an extended period. (Archived).
410	Patient safety for category C patients may be compromised due to demand exceeding available resources
416	Not satisfying IGT 11-313 requirements concerning network security. (Archived)
417	Unauthorised access and threats to the Trust's network not being detected after a breach potentially impacting on the operational delivery of services.
426	Failure to meet our obligations of engagement with partner agencies within set timescales due to lack of capacity within the safeguarding team to meet the increased workload.
433	Lack of commitment to staff engagement in terms of time and focus resulting in the disengagement and lack of motivation of staff to play a part in improving the performance of the organisation.
434	Focus on internal performance improvement preventing senior operational managers from focussing on external stakeholder engagement, impacting on stakeholder engagement and support.
439	Support staff not receiving statutory and mandatory training appropriate to their role.
440	LAS may not be in a position to win new NHS 111 contracts as stated in the five year strategy.

2014/15 Introduction to the Annual Accounts

Financial Review

NHS Trusts have a number of financial duties. This section of the annual report outlines the financial performance of the Trust for the financial year ended 31 March 2015 and the results outlined in this section relate to the full 12 month period of 1 April 2014 to 31 March 2015. A copy of the full statutory audited accounts is included in this annual report together with a glossary of terms to assist the reader in interpreting the accounts.

Financial Duties Review

Break-even duty

NHS trusts have a regulatory duty to break-even in each and every financial year.

The seven year break-even performance is set out below. The figures for periods prior to 2009/10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

Break-even performance

	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	2012/13 £'000	2013/14 £'000	2014/15 £'000
Retained surplus/(deficit) for the year	725	-420	740	2,527	-417	1,525	6,326
Adjustments for impairments	0	1,845	262	247	723	-1,235	-237
Adjustments for impact of policy change re donated grants asset	0	0	0	-23	-44	11	5
Absorption Adjustment	0	0	0	0	0	-39	-46
Break-even in-year position	725	1,425	1,002	2,751	262	262	6,048
Break-even cumulative position	2,569	3,994	4,996	7,747	8,009	8,271	14,319
Break-even cumulative position as a percentage of turnover	0.98%	1.43%	1.76%	2.75%	2.64%	2.72%	4.42%

The surplus in 2014/15 led to an improvement on the cumulative position for the fourteenth year running, and remained well within the limit of 0.5% of turnover permitted by the Department of Health.

On income and expenditure we reported a surplus of £6.0m for the year, and therefore performed better than the break-even target set by the Department of Health for 2014/15. The reported surplus was £5m better than planned due to the receipt of additional funds from commissioners in respect of the 2015/16 transformation case. The underlying surplus in 2014/15 was in line with plan at £1m.

External Financial Limit

The External Financing Limit (EFL) is the means by which the Treasury, via the Department of Health and NHS London, controls public expenditure in NHS trusts. This is a statutory financial duty, with a maximum tolerance of only 0.5 per cent of turnover under the agreed limit. Exceeding these limits requires prior approval.

Most of the money spent by us is generated from our service agreements for patient care and income generation (income from operations). The EFL determines how much more (or less) cash we can spend in a year than is generated from our operations.

Each year, we are allocated an EFL as part of the national public expenditure planning process.

The trust achieved its external financial limit (EFL) of £12.6m for the year.

Capital Cost Absorption Duty

The financial regime of NHS trusts recognises that there is a cost associated with the maintenance of the capital value of the organisation. We are required to absorb the cost of capital at a rate of 3.5 per cent of average relevant net assets. The rate is calculated as the percentage that dividends paid on public dividend capital bears to the average relevant net assets of the trust. To meet this duty, we must achieve a rate between three per cent and four per cent.

A return on assets (the capital cost absorption duty) of 3.5% was achieved. This was within the permitted range of 3% to 4%.

Capital Resourcing Limit

The Capital Resourcing Limit (CRL) is part of the resource accounting and budgeting arrangements in the NHS and its purpose is to ensure that resources allocated by the government for capital spending are used for capital, rather than to support revenue budgets. All NHS bodies have a capital resource limit. The CRL is accruals based as opposed to the cash-based EFL in NHS trusts.

Under spends against the CRL are permitted and overspends against the CRL are not permitted.

A capital resource limit controls the amount of capital expenditure that a NHS body may incur in the financial year.

In the capital programme £14.9million was spent on a range of projects, including ambulances, new technology projects and projects to improve the estate. Overall, we under spent by £1.0m against our capital resource limit, which we are permitted to do. The capital programme was funded using earned income.

Apply the Better Payment Practice Code

This regulatory duty requires NHS Trusts to pay all supplier invoices within 30 days.

We were able to pay 90.36% and 77.07% of our non-NHS and NHS trade invoices respectively within 30 days, which was an improvement on 2013/14 but below the 95% target set by the Department of Health.

Balance sheet

The largest item on the Trust balance sheet is £145.3 million of fixed assets (£134 million in 2013/14) comprising land, buildings, plant and machinery, information technology, fixtures and intangibles. Investment in capital assets is funded through our capital programme. In 2014/15 we invested £14.9 million (£6.9 million in 2013/14). The most significant additions related to the replacement of ambulances, projects to improve estates and new technology.

As at 31 March 2015, the Trust has net working capital of £5.0 million (£3.9 million in 2013/14) and long-term creditors and provisions of £10.1 million (£12.3 million in 2013/14). In addition to this, cash balances total £14.7 million (£6.4 million in 2013/14).

In 2010/11, we obtained a loan of £107,275 from Salix Finance Ltd to support our capital investment in technical measures to improve energy efficiency. The loan was drawn down in August and December 2010

for £60,000 and £47,275 respectively. It is an interest free, unsecured loan with two to five year repayment terms.

Our assets are ultimately owned by the public and the taxpayers' equity section of the balance sheet shows the component elements. Public dividend capital totals £62.5 million (£62.5 million in 2013/14). This represents the Department of Health's investment in the LAS and annual dividends are payable on this sum. A further £47.4 million (£40.7 million in 2013/14) is held in a revaluation reserve representing the accumulated increase in value of our estate.

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme and the accounting policy is set out in note 9.6 to the full Annual Accounts. The Remuneration report sets out information on the pension benefits of directors.

Financial plan 2015/16

We have formally submitted a plan for 2015/16 that takes into account planned contracted income levels and the expenditure budgets that have been set for the new financial year. The plan is set to deliver a deficit of £9.5 million.

Detailed financial planning work is in progress in preparation for our Foundation Trust application.

Financial risk

We monitor financial risk through the assurance framework and risk management processes as detailed in the statement of internal control included in the financial statements.

International Financial Reporting Standards (IFRS)

The Treasury announced that public sector bodies are required to prepare their accounts under International Financial Reporting Statements (IFRS) from 2009/10. That was the first year that we prepared our accounts under IFRS, resulting in the rework of 2008/09 results to act as prior year comparators in the 2009/10 accounts.

Professional valuation was carried out by the District Valuers of the Revenue and Customs Government Department on 31 March 2015 for all land and buildings. The net gain on revaluation was £8.2 million and the total impairments were £0.2 million.

IAS 19 requires us to accrue for remuneration earned but not yet taken. In this instance, we have made an accrual for annual leave of £4.7 million for the current financial year (£3.7 million in 2013/14).

Subsequent events after the balance sheet date

There was no important event occurring after the financial year end that has a material effect on the 2015/16 financial statements.

Other information

Pricewaterhouse Coopers LLP was our external auditor for the year ended 31 March 2015. We paid £95,000 (£95,000 in 2013/2014) for audit services relating to the statutory audit. All issues relating to financial audit and financial governance are overseen by our Audit Committee. PricewaterhouseCoopers LLP have not undertaken any non-audit work during the year ended 31 March 2015.

The directors confirm that, as far as they are aware, there is no relevant audit information of which the NHS body's auditors are unaware and that they have taken all the steps that they should have taken as directors in order to make themselves aware of any relevant audit information and to establish that the NHS body's

auditors are aware of that information.

We conform to the Treasury's guidance on setting charges for information supplied to the public or commercial organisations.

The London Ambulance Service is a NHS trust established under the National Health Service Act 2006. The Secretary of State for Health has directed that the financial statements of the NHS trusts will meet the accounting requirements of the NHS Trusts Manual for Accounts, which will be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the 2014-15 NHS Manual for Accounts issued by the Department of Health.

The financial statements for the year follow. These are summary financial statements extracted from the full accounts, which are available free of charge from the Financial Controller who can be contacted at the address given at the end of this annual report.

STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES AS THE ACCOUNTABLE OFFICER OF THE TRUST

The Chief Executive of the NHS Trust Development Authority has designated that the Chief Executive should be the Accountable Officer to the Trust. The relevant responsibilities of Accountable Officers are set out in the Accountable Officers Memorandum issued by the Chief Executive of the NHS Trust Development Authority. These include ensuring that:

- there are effective management systems in place to safeguard public funds and assets and assist in the implementation of corporate governance;

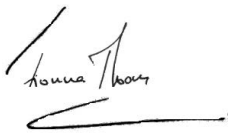
- value for money is achieved from the resources available to the Trust;

- the expenditure and income of the Trust has been applied to the purposes intended by Parliament and conform to the authorities which govern them;

- effective and sound financial management systems are in place; and

- annual statutory accounts are prepared in a format directed by the Secretary of State with the approval of HM Treasury to give a true and fair view of the state of affairs as at the end of the financial year and the income and expenditure, recognised gains and losses and cash flows for the year.

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



Signed Chief Executive

Date: 2 June 2015

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS

The Directors are required under the National Health Service Act 2006 to prepare accounts for each financial year. The Secretary of State, with the approval of HM Treasury, directs that these accounts give a true and fair view of the state of affairs of the Trust and of the income and expenditure, recognised gains and losses and cash flows for the year. In preparing those accounts, Directors are required to:

- apply on a consistent basis accounting policies laid down by the Secretary of State with the approval of HM Treasury;

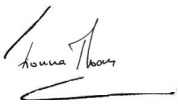
- make judgements and estimates which are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Trust and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction of the Secretary of State. They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors confirm to the best of their knowledge and belief they have complied with the above requirements in preparing the accounts.

By order of the Board

Chief Executive  Date: 2 June 2015

Finance Director  Date: 2 June 2015

Independent auditors' report to the Directors of the Board of London Ambulance Service NHS Trust

Report on the financial statements

Our opinion

In our opinion the financial statements, defined below:

- give a true and fair view, of the state of the Trust's affairs as at 31 March 2015 and of its income and expenditure and cash flows for the year then ended; and
- have been properly prepared in accordance with the accounting policies directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England.

This opinion is to be read in the context of what we say in the remainder of this report.

What we have audited

The financial statements, which are prepared by London Ambulance Service NHS Trust, comprise:

- the Statement of Financial Position as at 31 March 2015;
- the Statement of Comprehensive Income for the year then ended;
- the Statement of Changes in Taxpayers' Equity for the year then ended;
- the Statement of Cash Flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation is the accounting policies directed by the Secretary of State for Health with the consent of the Treasury as being relevant to the National Health Service in England.

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

We have also audited the information in the Remuneration Report that is subject to audit, being:

- the table of salaries and allowances and senior managers and related narrative notes on page 45 of the Annual Report; and
- the table of pension benefits of senior managers and related narrative notes on page 47 of the Annual Report.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinions on other matters prescribed by the Code of Audit Practice

In our opinion:

- the information given in the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the requirements directed by the Secretary of State with the consent of the Treasury as being relevant to the National Health Service in England

Independent auditors' report to the Directors of the Board of London Ambulance Service NHS Trust (continued)

Other matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Code of Audit Practice issued by the Audit Commission requires us to report to you if:

- in our opinion, the Governance Statement does not comply with the Trust Development Authority's Guidance or is misleading or inconsistent with information of which we are aware from our audit;
- we refer a matter to the Secretary of State under section 19 of the Audit Commission Act 1998 because the Trust, or an officer of the Trust, is about to make, or has made, a decision involving unlawful expenditure, or is about to take, or has taken, unlawful action likely to cause a loss or deficiency; or
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 40 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view in accordance with the accounting policies directed by the Secretary of State, with the consent of the Treasury, as being relevant to the National Health Service in England.

Our responsibility is to audit and express an opinion on the financial statements in accordance with Part II of the Audit Commission Act 1998, the Code of Audit Practice 2010 for local NHS bodies issued by the Audit Commission and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Board of London Ambulance Service NHS Trust in accordance with Part II of the Audit Commission Act 1998 as set out in paragraph 44 of the Statement of Responsibilities of Auditors and of Audited Bodies (Local NHS bodies) published by the Audit Commission in April 2014, and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Conclusion on the Trust's arrangements for securing economy, efficiency and effectiveness in the use of resources

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission on 13 October 2014, we are satisfied that, in all significant respects, London Ambulance Service NHS Trust put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2015.

What a review of the arrangements for securing economy, efficiency and effectiveness in the use of resources involves

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission on 13 October 2014, as to whether the Trust has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Trust put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2015.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Trust had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Independent auditors' report to the Directors of the Board of London Ambulance Service NHS Trust (continued)

Our responsibilities and those of the Trust

The Trust is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Trust has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission on 13 October 2014.

We report if significant matters have come to our attention which prevent us from concluding that the Trust has put in place 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.

Certificate

We certify that we have completed the audit of the financial statements of London Ambulance Service NHS Trust in accordance with the requirements of Part II of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Heather Ancient(Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

3 June 2015

(a) The maintenance and integrity of the London Ambulance Service NHS Trust website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.
(b) Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Statement of Comprehensive Income for year ended 31 March 2015

	NOTE	2014-15 £000	2013-14 £000
Gross employee benefits	9.1	**(217,034)**	(208,717)
Other operating costs	7	**(97,284)**	(90,005)
Revenue from patient care activities	4	**313,925**	302,273
Other operating revenue	5	**10,127**	1,554
Operating surplus/(deficit)		**9,734**	5,105
Investment revenue	11	**178**	112
Other gains	12	**40**	41
Finance costs	13	**(282)**	(381)
Surplus for the financial year		**9,670**	4,877
Public dividend capital dividends payable		**(3,390)**	(3,391)
Transfers by absorption - gains		**46**	39
Net gain on transfers by absorption		**46**	39
Retained surplus for the year		**6,326**	1,525

Other Comprehensive Income

	2014-15 £000	2013-14 £000
Impairments and reversals taken to the revaluation reserve	**199**	(1,247)
Net gain/(loss) on revaluation of property, plant & equipment	**8,179**	9,614
Total comprehensive income for the year	**14,704**	9,892

Financial performance for the year

Retained surplus for the year	**6,326**	1,525
Impairments (excluding IFRIC 12 impairments)	**(237)**	(1,235)
Adjustments in respect of donated government grant asset reserve elimination	**5**	11
Adjustment re absorption accounting	**(46)**	(39)
Adjusted retained surplus	**6,048**	262

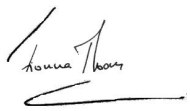
The notes on pages 47 to 77 form part of this account.

Statement of Financial Position as at 31 March 2015

	NOTE	31 March 2015 £000	31 March 2014 £000
Non-current assets:			
Property, plant and equipment	14.1	**134,668**	121,627
Intangible assets	15.1	**10,634**	12,296
Total non-current assets		**145,302**	133,923
Current assets:			
Inventories	19	**3,026**	3,498
Trade and other receivables	20	**33,813**	22,804
Cash and cash equivalents	21	**14,701**	6,436
Sub-total current assets		**51,540**	32,738
Non-current assets held for sale	22	**101**	0
Total current assets		**51,641**	32,738
Total assets		**196,943**	166,661
Current liabilities			
Trade and other payables	23	**(39,303)**	(22,840)
Provisions	27	**(7,357)**	(4,750)
Borrowings	24	**(2)**	0
DH Capital Loan	24	**0**	(1,244)
Total current liabilities		**(46,662)**	(28,834)
Net current assets		**4,979**	3,904
Total assets less current liabilities		**150,281**	137,827
Non-current liabilities			
Trade and other payables		**0**	0
Other liabilities		**0**	0
Provisions	27	**(9,963)**	(9,114)
Borrowings	24	**(107)**	(107)
DH capital loan		**0**	(3,099)
Total non-current liabilities		**(10,070)**	(12,320)
Total assets employed:		**140,211**	125,507
FINANCED BY:			
Public Dividend Capital		**62,516**	62,516
Retained earnings		**30,746**	22,675
Revaluation reserve		**47,368**	40,735
Other reserves		**(419)**	(419)
Total Taxpayers' Equity:		**140,211**	125,507

The notes on pages 47 to 77 form part of this account.

The financial statements on pages 43 to 77 were approved by the Board on 2 June 2015 and signed on its behalf by

Chief Executive:  Date: 2 June 2015

Statement of Changes in Taxpayers' Equity
For the year ending 31 March 2015

	NOTE	Public Dividend capital £000	Retained earnings £000	Revaluation reserve £000	Other reserves £000	Total reserves £000
Balance at 1 April 2014		**62,516**	**22,675**	**40,735**	**(419)**	**125,507**
Changes in taxpayers' equity for the year ended 31 March 2015						
Retained surplus for the year		0	6,326	0	0	**6,326**
Net gain on revaluation of property, plant, equipment	14.1	0	0	8,179	0	**8,179**
Impairments and reversals	14.1	0	0	199	0	**199**
Transfers between reserves		0	1,745	(1,745)	0	**0**
Net recognised revenue for the year		**0**	**8,071**	**6,633**	**0**	**14,704**
Balance at 31 March 2015		**62,516**	**30,746**	**47,368**	**(419)**	**140,211**
Balance at 1 April 2013		**62,516**	**20,053**	**33,426**	**(419)**	**115,576**
Changes in taxpayers' equity for the year ended 31 March 2014						
Retained surplus for the year		0	1,525	0	0	1,525
Net gain on revaluation of property, plant, equipment	14.2	0	0	9,614	0	9,614
Impairments and reversals	14.2	0	0	(1,247)	0	(1,247)
Transfers between reserves		0	1,058	(1,058)	0	0
Transfers under Modified Absorption Accounting - PCTs & SHAs		0	39		0	**39**
Net recognised revenue for the year		**0**	**2,622**	**7,309**	**0**	**9,931**
Balance at 31 March 2014		**62,516**	**22,675**	**40,735**	**(419)**	**125,507**

Statement of Cash Flows for the Year ended 31 March 2015

	NOTE	2014-15 £000	2013-14 £000
Cash Flows from Operating Activities			
Operating surplus		**9,734**	5,105
Depreciation and amortisation	14 & 15	**12,101**	15,202
Impairments and reversals		**(237)**	(1,235)
Interest paid	13	**(108)**	(168)
Dividend paid		**(3,556)**	(3,406)
(Increase)/Decrease in Inventories		**472**	(234)
Increase in Trade and Other Receivables		**(10,985)**	(6,733)
Increase/(Decrease) in Trade and Other Payables		**11,466**	(609)
Provisions utilised	27	**(1,201)**	(924)
Increase in movement in non cash provisions		**4,657**	3,264
Net Cash Inflow from Operating Activities		**22,343**	10,262
Cash Flows from Investing Activities			
Interest Received		**199**	82
Payments for Property, Plant and Equipment		**(9,321)**	(6,277)
Payments for Intangible Assets		**(615)**	(1,112)
Proceeds of disposal of assets held for sale (PPE)		**0**	41
Net Cash Outflow from Investing Activities		**(9,737)**	(7,266)
Net Cash Inflow before Financing		**12,606**	2,996
Cash Flows from Financing Activities			
Loans repaid to DH - Capital Investment Loans Repayment of Principal		**(4,343)**	(1,244)
Capital Element of Payments in Respect of Finance Leases and On-SoFP PFI and LIFT		**0**	(816)
Net Cash Outflow from Financing Activities		**(4,343)**	(2,060)
NET INCREASE IN CASH AND CASH EQUIVALENTS		**8,263**	936
Cash and Cash Equivalents at Beginning of the Period		**6,436**	5,500
Cash and Cash Equivalents (and Bank Overdraft) at year end	21	**14,699**	6,436

NOTES TO THE ACCOUNTS

1. Accounting Policies

The Secretary of State for Health has directed that the financial statements of NHS trusts shall meet the accounting requirements of the Department of Health Group Manual for Accounts, which shall be agreed with HM Treasury. Consequently, the following financial statements have been prepared in accordance with the DH Group Manual for Accounts 2014-15 issued by the Department of Health. The accounting policies contained in that manual 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 Manual for Accounts permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the trust for the purpose of giving a true and fair view has been selected. The particular policies adopted by the trust are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

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

1.2 Acquisitions and discontinued operations

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

1.3 Movement of assets within the DH Group

Transfers as part of reorganisation fall to be accounted for by use of absorption accounting in line with the HM Treasury FReM. The FReM does not require retrospective adoption, so prior year transactions (which have been accounted for under merger accounting) have not been restated. Absorption accounting requires that entities account for their transactions in the period in which they took place, with no restatement of performance required when functions transfer within the public sector. Where assets and liabilities transfer, the gain or loss resulting is recognised in the SOCNE/SOCNI, and is disclosed separately from operating costs.

Other transfers of assets and liabilities within the Group are accounted for in line with IAS20 and similarly give rise to income and expenditure entries.

For transfers of assets and liabilities from those NHS bodies that closed on 1 April 2013, HM Treasury agreed that a modified absorption approach should be applied. For these transactions and only in the prior-period, gains and losses are recognised in reserves rather than the SOCNE/SOCNI.

1.4 Charitable Funds

Under the provisions of IFRS 10 *Consolidated Financial Statements* , those Charitable Funds that fall under common control with NHS bodies are consolidated within the entity's financial statements. In accordance with IAS 1 *Presentation of Financial Statements* , restated prior period accounts are presented where the adoption of the new policy has a material impact. The Trust Charitable Funds are not considered material and therefore not consolidated with the Trust financial statements for 2014-15.

1.5 Critical accounting judgements and key sources of estimation uncertainty

In the application of the NHS 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 current and future periods.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.5.1 Critical judgements in applying accounting policies

There were no critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Trust's accounting policies.

1.5.2 Key sources of estimation uncertainty

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

Asset Valuations

All land and buildings are restated to fair value by way of professional valuations. Full revaluation will be provided every five years. In the intervening years the fair values are updated by way of annual desktop revaluations. For the desktop revaluation the specialised operational values are updated in line with the current Tender Price Index published by the Building Cost Information Service (BCIS). The value of the land, non specialised assets and market values are reviewed by the valuer in line with analysis of market movements during the period.

The reported amounts for depreciation of property, plant and equipment and amortisation of non-current intangible assets can be materially affected by the judgements exercised in determining their estimated economic lives. The estimated economic lives are disclosed in note 1.11 and the carrying values of property, plant and equipment and intangible assets in notes 14.1 and 15.1 respectively.

Provisions

Provisions are made for liabilities that are uncertain in amount. These include provisions for the cost of pensions relating to other staff, legal claims, restructuring and other provisions. Calculations of these provisions are based on estimated cash flows relating to these costs, discounted at an appropriate rate where significant. The costs and timings of cash flows relating to these liabilities are based on management estimates supported by external advisors. The carrying values of provisions are shown in note 27.

Annual Leave Accrual

The accrual is based on management's estimation of untaken leave as at 31 March 2015. The carrying value of the accrual is £4.27m (31 March 2014 £3.77m) within note 23 under accruals and deferred income.

Injury Cost Recovery Scheme Accrual

The Trust receives income from the NHS injury cost recovery scheme for the recovery of ambulance journey costs relating to road traffic accidents. Accruals are made for receivables that are uncertain in amount. The receivables are based on "management estimates supported by the number of cases" supplied by hospitals. The carrying value of the receivables is £3.1m within note 20.1 under non-NHS accrued income.

1.6 Revenue

Revenue in respect of services provided is recognised when, and to the extent that, performance occurs, and is measured at the fair value of the consideration receivable. The main source of revenue for the Trust is from commissioners for healthcare services.

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

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 e.g. by an insurer. The Trust recognises the income when it receives notification from the Department of Work and Pension's Compensation Recovery Unit that the individual has lodged a compensation claim. The income is measured at the agreed tariff for the treatments provided to the injured individual, less a provision for unsuccessful compensation claims and doubtful debts.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.7 Employee Benefits

Short-term employee benefits
Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health, the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the Trust commits itself to the retirement, regardless of the method of payment.

1.8 Other expenses

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

1.9 Property, plant and equipment

Recognition
Property, plant and equipment is capitalised if:
- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to the Trust;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

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

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

Land and buildings used for the Trust's services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any impairment.

Notes to the Accounts - 1. Accounting Policies (Continued)

Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:
- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Gains and losses recognised in the revaluation reserve are reported as other comprehensive income in the Statement of Comprehensive Income.

Subsequent expenditure
Where subsequent expenditure enhances an asset beyond its original specification, the directly attributable cost is capitalised. Where subsequent expenditure restores the asset to its original specification, the expenditure is capitalised and any existing carrying value of the item replaced is written-out and charged to operating expenses.

1.10 Intangible assets

Recognition
Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the Trust's business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the Trust; where the cost of the asset can be measured reliably, and where the cost is at least £5,000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:
- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to sell or use the intangible asset
- how the intangible asset will generate probable future economic benefits or service potential
- the availability of adequate technical, financial and other resources to complete the intangible asset and sell or use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Notes to the Accounts - 1. Accounting Policies (Continued)

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

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

1.11 Depreciation, amortisation and impairments
Freehold land, properties under construction, and assets held for sale are not depreciated. Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the NHS trust expects to obtain economic benefits or service potential from the asset. This is specific to the NHS trust and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over their estimated useful lives.

The estimated useful lives are as follows:	Years
Medical equipment & engineering plant & equipment	5 to 15
Furniture	10
Set up costs in new buildings	10
Fork Lift Trucks	10
A&E Ambulances	7
Other Vehicles	7
Command Point	7
Defibrillators Lifepak 15	7
Defibrillators Lifepak 12	5
Rapid Response Vehicles	5
Office Equipment	5
PTS Vehicles	3
Information Technology Equipment	3
Internally Generated Software	3 to 7
Second-Hand Vans	2

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

A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit are taken to expenditure. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of the recoverable amount but capped at the amount that would have been determined had there been no initial impairment loss. The reversal of the impairment loss is credited to expenditure to the extent of the decrease previously charged there and thereafter to the revaluation reserve.

Impairments are analysed between Departmental Expenditure Limits (DEL) and Annually Managed Expenditure (AME). This is necessary to comply with the Treasury's budgeting guidance. DEL limits are set in the Spending Review and Departments may not exceed the limits that they have been set.
AME budgets are set by the Treasury and may be reviewed with departments in the run-up to the Budget. Departments need to monitor AME closely and inform Treasury if they expect AME spending to rise above forecast. Whilst Treasury accepts that in some areas of AME inherent volatility may mean departments do not have the ability to manage the spending within budgets in that financial year, any expected increases in AME require Treasury approval.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.12 Donated assets

Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Income. They are valued, depreciated and impaired as described above for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Donated income is deferred only where conditions attached to the donation have not been met.

1.13 Government grants

The value of assets received by means of a government grant are credited directly to income. Government grant income is deferred only where conditions attached to the grant have not been met.

1.14 Non-current assets held for sale

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

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Income. On disposal, the balance for the asset on the revaluation reserve is transferred to retained earnings.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead, it is retained as an operational asset and its economic life is adjusted. The asset is de-recognised when it is scrapped or demolished.

1.15 Leases

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

The Trust as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the trust's surplus/deficit.

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

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

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

1.16 Inventories

Inventories are valued at the lower of cost and net realisable value using the weighted average cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.17 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 the Trust's cash management.

1.18 Provisions

Provisions are recognised when the NHS trust has a present legal or constructive obligation as a result of a past event, it is probable that the NHS trust will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the end of the reporting period, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 1.5% in real terms (1.3% for employee early departure obligations).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

A restructuring provision is recognised when the Trust has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.19 Clinical negligence costs

The NHS Litigation Authority (NHSLA) operates a risk pooling scheme under which the trust pays an annual contribution to the NHSLA which in return settles all clinical negligence claims. The contribution is charged to expenditure. Although the NHSLA is administratively responsible for all clinical negligence cases, the legal liability remains with the Trust. The total value of clinical negligence provisions carried by the NHSLA on behalf of the trust is disclosed at note 27. The provision for clinical negligence claims is included in the financial statements of the NHSLA and is not included in these financial statements.

1.20 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 the NHS Litigation Authority 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 as and when they become due.

1.21 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the NHS trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

Notes to the Accounts - 1. Accounting Policies (Continued)

1.22 Financial assets

Financial assets are recognised when the Trust becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred. Financial assets are initially recognised at fair value.

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

Loans and receivables

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

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the initial fair value of the financial asset.

At the end of the reporting period, the Trust assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in expenditure and the carrying amount of the asset is reduced through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.23 Financial liabilities

Financial liabilities are recognised on the statement of financial position when the Trust becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

Loans from the Department of Health are recognised at historical cost. Otherwise, financial liabilities are initially recognised at fair value.

Other financial liabilities

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

Notes to the Accounts - 1. Accounting Policies (Continued)

1.24 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.

1.25 Foreign currencies

The Trust's functional currency and presentational currency is sterling. Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the spot exchange rate on 31 March. Resulting exchange gains and losses for either of these are recognised in the Trust's surplus/deficit in the period in which they arise.

1.26 Public Dividend Capital (PDC) and PDC dividend

Public dividend capital represents taxpayers' equity in the NHS trust. At any time the Secretary of State can issue new PDC to, and require repayments of PDC from, the trust. PDC is recorded at the value received. As PDC is issued under legislation rather than under contract, it is not treated as an equity financial instrument.

An annual charge, reflecting the cost of capital utilised by the trust, is payable to the Department of Health as public dividend capital dividend. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets less liabilities (except for donated assets and cash balances with the Government Banking Service). The average carrying amount of assets is calculated as a simple average of opening and closing relevant net assets.

1.27 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, including losses which would have been made good through insurance cover had NHS Trusts not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure).

1.28 Subsidiaries

The Trust Charitable Funds are not considered material and are therefore not consolidated with the Trust financial statements for 2014-15.

1.29 Other reserve

This reserve was created when London Ambulance Service became an NHS Trust. The negative reserve balance was caused by the legal title of the property not being properly transferred from NHS Estates when the Trust was created. Once the error had been identified, the London Ambulance Service NHS Trust purchased the property from the NHS estates and thereby created a negative reserve.

1.30 Heritage assets

The London Ambulance Service NHS Trust Museum has a collection of vintage radio equipment, memorabilia from both World Wars and a photographic and document archive. There is also a collection of more than 20 vintage vehicles. The museum is currently closed to members of the public. The value of these assets cannot be obtained at a cost commensurate with the benefits to the users of the financial statements and therefore have not been included in the Statement of Financial Position.

1.31 Research and Development

Research and development expenditure is charged against income in the year in which it is incurred, except insofar as development expenditure relates to a clearly defined project and the benefits of it can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SOCNE/SOCI on a systematic basis over the period expected to benefit from the project. It should be revalued on the basis of current cost. The amortisation is calculated on the same basis as depreciation, on a quarterly basis.

Accounting Standards that have been issued but have not yet been adopted

The Treasury FReM does not require the undermentioned Standards and Interpretations to be applied in 2014-15. The application of the Standards as revised would not have a material impact on the accounts for 2014-15, were they applied in that year:

IFRS 9 Financial Instruments - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IFRS 15 Revenue from Contracts with Customers

2. Operating segments

The Trust Board considers that the Trust has only one segment which is the provision of accident and emergency services.

3. Income Generation Activities

The Trust undertook income generation activities of £54k (2013/14 £64k) during the financial year.

4. Revenue from Patient Care Activities

	2014-15 £000	2013-14 £000
NHS Trusts	**119**	4,989
NHS England	**9,918**	13,853
Clinical Commissioning Groups	**299,602**	276,800
Foundation Trusts	**76**	1,549
Department of Health	**0**	915
NHS Other (including Public Health England and Prop Co)	**4**	12
Non-NHS:		
Local Authorities	**14**	0
Injury costs recovery	**1,391**	1,288
Other	**2,801**	2,867
Total Revenue from patient care activities	**313,925**	302,273

5. Other Operating Revenue

	2014-15 £000	2013-14 £000
Recoveries in respect employee benefits	**546**	499
Patient transport services	**5,953**	0
Education, training and research	**3,574**	991
Income generation	**54**	64
Total Other Operating Revenue	**10,127**	1,554
Total operating revenue	**324,052**	303,827

Income arising on patient transport services amounting to £7,707k was shown within Revenue from Patient Care Activities in 2013/14, but has been reflected in Other Operating Revenue in 2014/15 because it does not relate directly to patient care.

6. Revenue

	2014-15 £000	2013-14 £000
From rendering of services	**324,052**	303,827

7. Operating Expenses

	2014-15 £000	2013-14 £000
Trust Chair and Non-executive Directors	**60**	61
Supplies and services - clinical	**8,039**	7,690
Supplies and services - general	**3,349**	1,538
Consultancy services	**4,316**	1,668
Establishment	**9,666**	7,929
Transport	**33,643**	32,617
Business Rates	**1,763**	2,135
Premises	**14,979**	14,755
Insurance	**812**	808
Legal Fees	**(71)**	1,635
Impairments and Reversals of Receivables	**881**	440
Depreciation	**9,533**	12,834
Amortisation	**2,568**	2,368
Impairments and reversals of property, plant and equipment	**(237)**	(1,235)
Audit fees*	**66**	95
Other auditor's remuneration (relates to the National Fraud Initiative)	**1**	0
Clinical Negligence	**917**	833
Education and Training	**2,588**	622
Change in Discount Rate	**530**	482
Other	**3,881**	2,730
Total Operating Expenses (excluding employee benefits)	**97,284**	90,005

*The Trust received a rebate of £25k during 2014/15 from the Audit Commission relating to earlier years.

Employee Benefits		
Employee benefits excluding Board members	**216,280**	207,763
Board members	**754**	954
Total Employee Benefits	**217,034**	208,717
Total Operating Expenses	**314,318**	298,722

8. Operating Leases

The Trust rents various properties in London which are used as either ambulance stations or administrative offices. The Trust leases cars and ambulances on 3 year and 5 to 6 year terms respectively.

8.1 Trust as lessee	Land £000	Buildings £000	Other £000	2014-15 Total £000	2013-14 £000
Payments recognised as an expense					
Minimum lease payments				**6,642**	6,547
Total				**6,642**	6,547
Payable:					
No later than one year	24	2,021	3,848	**5,893**	6,504
Between one and five years	95	5,708	2,708	**8,511**	11,116
After five years	213	4,542	0	**4,755**	6,678
Total	**332**	**12,271**	**6,556**	**19,159**	24,298

9. Employee Benefits and Staff Numbers

9.1 Employee benefits

	Total £000	2014-15 Permanently employed £000	Other £000
Employee Benefits - Gross Expenditure 2014-15			
Salaries and wages	**181,042**	172,548	8,494
Social security costs	**14,400**	14,400	0
Employer Contributions to NHS BSA - Pensions Division	**20,357**	20,357	0
Termination benefits	**1,235**	1,235	0
Total employee benefits	**217,034**	**208,540**	**8,494**
Employee costs capitalised	**0**	0	0
Gross Employee Benefits excluding capitalised costs	**217,034**	**208,540**	**8,494**

Employee Benefits - Gross Expenditure 2013-14	Total £000	2013-14 Permanently employed £000	Other £000
Salaries and wages	173,437	168,424	5,013
Social security costs	13,882	13,882	0
Employer Contributions to NHS BSA - Pensions Division	20,581	20,581	0
Termination benefits	817	817	0
Gross Employee Benefits excluding capitalised costs	208,717	203,704	5,013

9.2 Staff numbers

	Total Number	2014-15 Permanently employed Number	Other Number	2013-14 Total Number
Average Staff Numbers				
Ambulance staff	**3,269**	3,269	0	3,387
Administration and estates	**1,262**	1,139	123	1,138
TOTAL	**4,531**	**4,408**	**123**	4,525

9.3 Staff sickness absence and ill health retirements

	2014-15 Number	2013-14 Number
Total Days Lost	63,166	58,717
Total Staff Years	4,351	4,394
Average working Days Lost	14.52	13.36

	2014-15 Number	2013-14 Number
Number of persons retired early on ill health grounds	**8**	8

	£000s	£000s
Total additional pensions liabilities accrued in the year	**704**	700

9.4 Exit Packages Agreed in 2014-15

	2014-15			2013-14		
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	**Number**	**Number**	Number	Number	Number
Less than £10,000	1	1	2	0	0	0
£10,000-£25,000	0	1	1	0	0	0
£25,001-£50,000	3	1	4	0	2	2
£50,001-£100,000	0	1	1	0	9	9
£150,001 - £200,000	0	0	0	1	0	1
Total number of exit packages by type (total cost	**4**	**4**	**8**	1	11	12
Total resource cost (£s)	**127,014**	**126,578**	**253,592**	157,408	659,343	816,751

Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous year.

9.5 Exit packages - Other Departures Analysis

	2014-15		2013-14	
	Agreements	**Total value of agreements**	Agreements	Total value of agreements
	Number	**£000**	Number	£000
Voluntary redundancies including early retirement contractual costs	0	0	11	659
Contractual payments in lieu of notice	3	86	0	0
Exit payments following Employment Tribunals or court orders	1	41	0	0
Total	**4**	**127**	11	659
Non-contractual payments made to individuals where the payment value was more than 12 months of their annual salary	**1**	**35**	0	0

This disclosure reports the number and value of exit packages agreed in the year. The expense associated with these departures may have been recognised in part or in full in a previous year.

One non-contractual payment was made to an individual where the payment value was more than 12 months of their annual salary.

The Remuneration Report includes disclosures of exit payments payable to individuals named in that Report.

9.6 Pension costs

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

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

a) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary 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 are accepted as providing suitably robust figures for financial reporting purposes. The valuation of the scheme liability as at 31 March 2015, is based on valuation data as 31 March 2014, updated to 31 March 2015 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 scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. 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 scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last published actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2012.

The Scheme Regulations allow contribution rates to be set by the Secretary of State for Health, with the consent of HM Treasury, and consideration of the advice of the Scheme Actuary and appropriate employee and employer representatives as deemed appropriate.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) has been used and replaced the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

10. Better Payment Practice Code

10.1 Measure of compliance

	2014-15 Number	2014-15 £000	2013-14 Number	2013-14 £000
Non-NHS Payables				
Total Non-NHS Trade Invoices Paid in the Year	**56,336**	**82,145**	55,639	71,850
Total Non-NHS Trade Invoices Paid Within Target	**50,905**	**73,348**	47,874	57,223
Percentage of NHS Trade Invoices Paid Within Target	**90.36%**	**89.29%**	86.04%	79.64%
NHS Payables				
Total NHS Trade Invoices Paid in the Year	**410**	**3,263**	402	2,794
Total NHS Trade Invoices Paid Within Target	**316**	**2,165**	277	1,570
Percentage of NHS Trade Invoices Paid Within Target	**77.07%**	**66.35%**	68.91%	56.19%

The Better Payment Practice Code requires an NHS body to aim to pay all valid invoices by the due date or within 30 days of receipt of a valid invoice, whichever is later.

11. Investment Revenue

	2014-15 £000	2013-14 £000
Interest revenue		
Bank interest	**131**	82
Other loans and receivables	**47**	30
Sub-total	**178**	112
Total investment revenue	**178**	112

12. Other Gains and Losses

	2014-15 £000	2013-14 £000
Gain on disposal of assets other than by sale (PPE)	**40**	41
Total	**40**	41

13. Finance Costs

	2014-15 £000	2013-14 £000
Interest		
Interest on loans and overdrafts	**108**	140
Interest on obligations under finance leases	**0**	28
Total interest expense	**108**	168
Provisions - unwinding of discount	**174**	213
Total	**282**	381

14 Property, Plant and Equipment

14.1 Property, Plant and Equipment

2014-15	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 April 2014	**47,371**	**50,330**	**3,762**	**17,340**	**37,415**	**15,905**	**66**	**172,189**
Additions of Assets Under Construction	0	0	**2,913**	0	0	0	0	**2,913**
Additions Purchased	0	1,816	0	1,381	6,671	1,277	17	**11,162**
Reclassifications	0	121	(3,271)	564	2,333	231	0	**(22)**
Reclassifications as Held for Sale and reversals	(63)	(39)	0	0	0	0	0	**(102)**
Disposals other than for sale	0	(49)	0	(4,628)	(3,894)	(4,939)	0	**(13,510)**
Upward revaluation/positive indexation	4,236	1,081	0	0	0	0	0	**5,317**
Impairments/negative indexation	0	(110)	0	0	0	0	0	**(110)**
Reversal of Impairments	192	117	0	0	0	0	0	**309**
At 31 March 2015	**51,736**	**53,267**	**3,404**	**14,657**	**42,525**	**12,474**	**83**	**178,146**
Accumulated Depreciation								
At 1 April 2014	**0**	**0**	**0**	**10,885**	**28,353**	**11,258**	**66**	**50,562**
Reclassifications	0	0		22	(22)	(22)	0	**(22)**
Reclassifications as Held for Sale and reversals	0	(1)		0	0	0	0	**(1)**
Disposals other than for sale	0	(49)		(4,614)	(3,894)	(4,938)	0	**(13,495)**
Upward revaluation/positive indexation	0	(2,862)		0	0	0	0	**(2,862)**
Impairments	0	38	0	0	0	0	0	**38**
Reversal of Impairments	(18)	(257)	0	0	0	0	0	**(275)**
Charged During the Year	0	3,135		1,816	2,529	2,053	0	**9,533**
At 31 March 2015	**(18)**	**4**	**0**	**8,109**	**26,966**	**8,351**	**66**	**43,478**
Net Book Value at 31 March 2015	**51,754**	**53,263**	**3,404**	**6,548**	**15,559**	**4,123**	**17**	**134,668**
Asset financing:								
Owned - Purchased	51,754	53,263	3,404	6,548	15,530	4,123	17	**134,639**
Owned - Donated	0	0	0	0	29	0	0	**29**
Total at 31 March 2015	**51,754**	**53,263**	**3,404**	**6,548**	**15,559**	**4,123**	**17**	**134,668**

Revaluation Reserve Balance for Property, Plant & Equipment

	Land	Buildings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
At 1 April 2014	22,239	18,496	0	0	0	0	0	**40,735**
Movements (specify)	4,428	2,205	0	0	0	0	0	**6,633**
At 31 March 2015	**26,667**	**20,701**	**0**	**0**	**0**	**0**	**0**	**47,368**

Additions to Assets Under Construction in 2014-15

	£000
Buildings excl Dwellings	47
Plant & Machinery - Transport Equipment	2,866
Balance as at YTD	**2,913**

14.2 Property, Plant and Equipment - prior year

2013-14	Land	Buildings excluding dwellings	Assets under construction & payments on account	Plant & machinery	Transport equipment	Information technology	Furniture & fittings	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation:								
At 1 April 2013	45,045	44,575	1,543	18,116	44,131	14,981	109	**168,500**
Additions of Assets Under Construction	0	0	3,527	0	0	0	0	**3,527**
Additions Purchased	0	509	0	12	925	932	0	**2,378**
Reclassifications	0	0	(1,308)	829	226	214	0	**(39)**
Disposals other than for sale	0	(130)	0	(1,617)	(7,867)	(222)	(43)	**(9,879)**
Upward revaluation/positive indexation	2,923	6,691	0	0	0	0	0	**9,614**
Impairments/negative indexation	(491)	(756)	0	0	0	0	0	**(1,247)**
At 31 March 2014	**47,477**	**50,889**	**3,762**	**17,340**	**37,415**	**15,905**	**66**	**172,854**
Accumulated Depreciation								
At 1 April 2013	0	23	0	10,515	29,310	9,583	48	**49,479**
Reclassifications	0	0	0	0	0	(9)	0	**(9)**
Disposals other than for sale	0	(105)	0	(1,607)	(7,867)	(221)	(42)	**(9,842)**
Impairments	112	235	0	0	0	0	0	**347**
Reversal of Impairments	(6)	(1,576)	0	0	0	0	0	**(1,582)**
Charged During the Year	0	1,982	0	1,977	6,910	1,905	60	**12,834**
At 31 March 2014	**106**	**559**	**0**	**10,885**	**28,353**	**11,258**	**66**	**51,227**
Net Book Value at 31 March 2014	47,371	50,330	3,762	6,455	9,062	4,647	0	121,627
Asset financing:								
Owned - Purchased	47,371	50,330	3,762	6,455	9,027	4,647	0	**121,592**
Owned - Donated	0	0	0	0	35	0	0	**35**
Total at 31 March 2014	**47,371**	**50,330**	**3,762**	**6,455**	**9,062**	**4,647**	**0**	**121,627**

14.3 Property, Plant and Equipment - revaluation

A professional revaluation was undertaken on all land and buildings at 31 March 2015

The valuation was carried out by the District Valuers of the Revenue and Customs Government Department. The valuation was carried out in accordance with the terms of the Royal Institution of Chartered Surveyors (RICS), insofar as these terms are consistent with the requirement of HM Treasury, the National Services and the Department of Health.

The market value was used in arriving at fair value for the operational assets subject to the additional special assumptions that:

a) no adjustment has been made on the grounds of a hypothetical "flooding of the market" if a number of properties were to be marketed simultaneously;

b) in the respect of the Market Value of non-operational asset only the NHS is assumed not to be in the market for the property interest;

c) regard has been had to appropriate lotting to achieve the best price.

The revaluation model set out in IAS 16 was applied to value the capital assets to fair value.

Economic Life of Assets	**Years**
Buildings	5 to 99
Plant and machinery	5 to 15
Transport equipment	2 to 10
Information technology equipment	3 to 5
Furniture and fittings	10

14.4 Gross carrying value of fully depreciated assets still in use:

The gross carrying value of fully depreciated assets still in use:

	£m
Furniture & fittings	0.1
Transport equipment	20.2
Plant and machinery	1.4
Information technology	2.8
	24.5

15 Intangible Assets

15.1 Intangible Assets

2014-15	IT - in-house & 3rd party software £000	Computer Licenses £000	Development Expenditure - Internally Generated £000	Total £000
At 1 April 2014	**15,892**	**2,366**	**316**	**18,574**
Additions Purchased	160	181	519	**860**
Reclassifications	33	160	(171)	**22**
Disposals other than by sale	(172)	(250)	0	**(422)**
Transfer (to)/from Other Public Sector bodies under Absorption Accounting	0	46	0	**46**
At 31 March 2015	**15,913**	**2,503**	**664**	**19,080**
Accumulated Amortisation				
At 1 April 2014	**4,596**	**1,682**	**0**	**6,278**
Reclassifications	(8)	30	0	**22**
Disposals other than by sale	(172)	(250)	0	**(422)**
Charged during the year	2,230	338	0	**2,568**
At 31 March 2015	**6,646**	**1,800**	**0**	**8,446**
Net Book Value at 31 March 2015	**9,267**	**703**	**664**	**10,634**
Asset Financing: Net book value at 31 March 2015 comprises:				
Purchased	9,267	703	664	**10,634**
Total at 31 March 2015	**9,267**	**703**	**664**	**10,634**

15.2 Intangible Assets - prior year

2013-14	IT in-house & 3rd party software	Computer Licenses	Development Expenditure - Internally Generated	Total
	£000	£000	£000	£000
Cost or valuation:				
At 1 April 2013	15,492	1,906	167	17,565
Additions - purchased	267	451	288	1,006
Reclassifications	133	45	(139)	39
Disposals other than by sale	0	(36)	0	(36)
At 31 March 2014	15,892	2,366	316	18,574
Accumulated Amortisation				
At 1 April 2013	2,417	1,520	0	3,937
Reclassifications	0	9	0	9
Disposals other than by sale	0	(36)	0	(36)
Charged during the year	2,179	189	0	2,368
At 31 March 2014	4,596	1,682	0	6,278
Net book value at 31 March 2014	11,296	684	316	12,296
Net book value at 31 March 2014 comprises:				
Purchased	11,296	684	316	12,296
Total at 31 March 2014	11,296	684	316	12,296

The Trust does not revalue its intangible assets.

Economic lives of intangible assets

	Years
Software licences	3 to 7
IT: in-house and third party software	3 to 7

15.4 Gross carrying value of fully depreciated intangible assets still in use:

The gross carrying value of fully depreciated intangible assets is £1.95 million.

16. Analysis of impairments and reversals recognised in 2014-15

	2014-15 Total £000
Property, Plant and Equipment impairments and reversals taken to SoCI	
Total charged to Departmental Expenditure Limit	**0**
Changes in market price	(237)
Total charged to Annually Managed Expenditure	(237)
Total Impairments of Property, Plant and Equipment changed to SoCI	**(237)**
Total Impairments charged to SoCI - AME	(237)
Overall Total Impairments	**(237)**

	Total £000	Property Plant and Equipment £000
Impairments and reversals taken to SoCI		
Changes in market price	**(237)**	(237)
Total charged to Annually Managed Expenditure	**(237)**	(237)
Total Impairments of Property, Plant and Equipment changed to SoCI	**(237)**	(237)

17. Commitments

17.1 Capital commitments

Contracted capital commitments at 31 March not otherwise included in these financial statements:

	31 March 2015 £000	31 March 2014 £000
Property, plant and equipment	**3,045**	477
Intangible assets	**605**	533
Total	**3,650**	1,010

18. Intra-Government and Other Balances

	Current receivables £000	**Non-current receivables £000**	**Current payables £000**	**Non-current payables £000**
Balances with Other Central Government Bodies	2	0	4,385	0
Balances with NHS bodies inside the Departmental Group	25,902	0	883	0
Balances with Bodies External to Government	7,909	0	34,037	107
At 31 March 2015	**33,813**	**0**	**39,305**	**107**
prior year:				
Balances with Other Central Government Bodies	13,344	0	692	0
Balances with NHS bodies inside the Departmental Group*	1,559	0	528	0
Balances with Bodies External to Government	7,901	0	21,620	0
At 31 March 2014	22,804	0	22,840	0

* At 31 March 2014 the descriptor for this disclosure was "Balances with NHS Trusts and FTs".

19. Inventories

	Drugs £000	Consumables £000	Work in Progress £000	Energy £000	Total £000
Balance at 1 April 2014	**44**	**3,454**	**0**	**0**	**3,498**
Additions	721	15,005	0	0	**15,726**
Inventories recognised as an expense in the year	(700)	(15,498)	0	0	**(16,198)**
Balance at 31 March 2015	**65**	**2,961**	**0**	**0**	**3,026**

20 Trade and Other Receivables

20.1 Trade and Other Receivables

	Current		Non-current	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
NHS receivables - revenue	**22,011**	4,528	**0**	0
NHS prepayments and accrued income	**3,718**	6,654	**0**	0
Non-NHS receivables - revenue	**831**	808	**0**	0
Non-NHS receivables - capital	**0**	1	**0**	0
Non-NHS prepayments and accrued income	**7,907**	8,074	**0**	0
PDC Dividend prepaid to DH	**175**	0	**0**	0
Provision for the impairment of receivables	**(2,062)**	(1,181)	**0**	0
VAT	**1,000**	683	**0**	0
Interest receivables	**9**	32	**0**	0
Other receivables	**224**	3,205	**0**	0
Total	**33,813**	22,804	**0**	0
Total current and non current	**33,813**	22,804		

The great majority of trade is with Clinical Commissioning Groups (CCGs). As CCGs are funded by Government to buy NHS patient care services, no credit scoring of them is considered necessary.

20.2 Receivables past their due date but not impaired

	31 March 2015 £000	31 March 2014 £000
By up to three months	**602**	4,391
By three to six months	**0**	188
By more than six months	**0**	272
Total	**602**	4,851

20.3 Provision for impairment of receivables

	2014-15 £000	2013-14 £000
Balance at 1 April 2014	**(1,181)**	(741)
Amount recovered during the year	**335**	0
(Increase)/decrease in receivables impaired	**(1,216)**	(440)
Balance at 31 March 2015	**(2,062)**	(1,181)

21 Cash and Cash Equivalents

	31 March 2015	31 March 2014
	£000	£000
Opening balance	**6,436**	5,500
Net change in year	**8,265**	936
Closing balance	**14,701**	6,436
Made up of		
Cash with Government Banking Service	**14,694**	6,372
Commercial banks	**0**	57
Cash in hand	**7**	7
Cash and cash equivalents as in statement of financial position	**14,701**	6,436
Bank overdraft - Commercial banks	**(2)**	0
Cash and cash equivalents as in statement of cash flows	**14,699**	6,436

22. Non-current Assets Held for Sale

	Land	**Buildings, excl. dwellings**	**Total**
	£000	**£000**	**£000**
Balance at 1 April 2014	0	0	**0**
Plus assets classified as held for sale in the year	63	38	**101**
Balance at 31 March 2015	**63**	**38**	**101**
Balance at 1 April 2013	0	0	**0**
Balance at 31 March 2014	0	0	0

The assets comprise two radio transmitter sites which are surplus to requirements due to technology advances. No sale had been agreed by 31 March 2015 but it is anticipated that the sites will be sold during 2015/16.

23. Trade and Other Payables

	Current		Non-current	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
NHS payables - revenue	**791**	685	**0**	0
NHS accruals and deferred income	**92**	81	**0**	0
Non-NHS payables - revenue	**5,536**	4,032	**0**	0
Non-NHS payables - capital	**5,853**	856	**0**	0
Non-NHS accruals and deferred income	**19,802**	16,726	**0**	0
Social security costs	**2,311**	374	**0**	0
Tax	**2,074**	75	**0**	0
Other	**2,844**	11	**0**	0
Total	**39,303**	22,840	**0**	0
Total payables (current and non-current)	**39,303**	**22,840**		
Included above:				
Outstanding pension contributions at the year end	**2,834**	6		

24 Borrowings

	Current		Non-current	
	31 March 2015 £000	31 March 2014 £000	**31 March 2015 £000**	31 March 2014 £000
Bank overdraft - commercial banks	**2**	0	**0**	0
Loans from Department of Health	**0**	1,244	**0**	3,099
Loans from other entities	**0**	0	**107**	107
Total	**2**	**1,244**	**107**	**3,206**
Total other liabilities (current and non-current)	**109**	**4,450**		

Borrowings/Loans - repayments of principal falling due in:

	31 March 2015	
	Other Entities £000	**Total £000**
0-1 Years	2	**2**
2 - 5 Years	107	**107**
TOTAL	**109**	**109**

25. Deferred Revenue

	Current	
	31 March 2015 £000	31 March 2014 £000
Opening balance at 1 April 2014	**56**	92
Deferred revenue addition	**56**	56
Transfer of deferred revenue	**(56)**	(92)
Current deferred Income at 31 March 2015	**56**	56
Total deferred income (current and non-current)	**56**	56

26. Finance Lease Commitments

The Trust had no finance leases at 31 March 2014, and has not entered into any new finance lease arrangements during the year.

27. Provisions

	Total	Early Departure Costs	Legal Claims	Other	Redundancy
	£000	£000	£000	£000	£000
Balance at 1 April 2014	**13,864**	8,091	664	4,450	659
Arising during the year	**6,084**	751	851	2,761	1,721
Utilised during the year	**(1,201)**	(500)	(464)	(172)	(65)
Reversed unused	**(2,131)**	0	(205)	(1,332)	(594)
Unwinding of discount	**174**	146	0	28	0
Change in discount rate	**530**	484	0	46	0
Balance at 31 March 2015	**17,320**	**8,972**	**846**	**5,781**	**1,721**
Expected Timing of Cash Flows:					
No Later than One Year	**7,357**	491	846	4,299	1,721
Later than One Year and not later than Five Years	**2,544**	1,890	0	654	0
Later than Five Years	**7,419**	6,591	0	828	0

Amount Included in the Provisions of the NHS Litigation Authority in Respect of Clinical Negligence Liabilities:

As at 31 March 2015	21,456
As at 31 March 2014	14,770

The Early Departure Costs provision of £8,972k (2013/14 £8,091k) comprises pensions relating to claims for Personal Injury Benefits. The amounts are calculated by the NHS Pensions Agency following assessment of the individuals' claims. The sum provided is recalculated annually based on changes in annual rates and life expectancy; it is adjusted for inflation and a discounting factor of 1.8% is applied.

The Legal Claims provision of £846k (2013/14 £664k) relates to Employers Liability Claims based on estimates of costs and settlements provided by the NHS Litigation Authority.

The Other provision of £5,781k (2013/14 £4,450k) includes £2,109k for support received from the Police and Armed Forces during periods of industrial action in 2014/15, £1,524k for changes in VAT rules, and £1,644k in respect of pension payments due to employees made redundant prior to 1995 as a result of the restructuring of the Trust. The provisions are calculated using actuarial tables and are payable quarterly over the life of the employees.

The Redundancy provision relates primarily to an ongoing Operational Management Restructure. There are additional provisions for A&E support staff who have been issued with redundancy notices and other specific support staff groups and individuals whose posts have been removed.

28. Contingencies

	31 March 2015	31 March 2014
	£000	£000
Contingent liabilities		
NHS Litigation Authority legal claims	**(296)**	(272)
Net value of contingent liabilities	**(296)**	(272)

Following a recent case taken to the Employment Appeal Tribunal in relation to Working Time Regulations, the Trust has identified that there may be a historic liability relating to statutory annual leave arising on compulsory overtime worked by employees. Due to uncertainty as to how this may affect the Trust and which employees may be affected, the quantum of any potential liability cannot be determined accurately and at the year end the Trust is unable to determine the level of contingent liability that should be disclosed.

29. Financial Instruments

29.1 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 Trust has with commissioners and the way those commissioners are financed, the 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 reporting standards mainly apply. The 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 Trust's treasury management operations are carried out by the Finance department, within parameters defined formally within the Trust's standing financial instructions and policies agreed by the Board of Directors. The Trust's treasury activity is subject to review by the Trust's internal auditors.

Currency risk

The Trust is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and sterling based. The Trust has no overseas operations and therefore has low exposure to currency rate fluctuations.

Interest rate risk

The Trust borrows from government for capital expenditure, subject to affordability as confirmed by the NHS Trust Development Authority. The borrowings are for 1 – 25 years, in line with the life of the associated assets, and interest is charged at the National Loans Fund rate, fixed for the life of the loan. The Trust therefore has low exposure to interest rate fluctuations.

Credit risk

Because the majority of the Trust's revenue derives from contracts with other public sector bodies, the Trust has low exposure to credit risk. The maximum exposures as at 31 March 2015 are in receivables from customers, as disclosed in the trade and other receivables note 20.1.

Liquidity risk

The Trust's operating costs are incurred under contracts with Clinical Commissioning Groups, which are financed from resources voted annually by Parliament . The Trust funds its capital expenditure from funds obtained within its prudential borrowing limit. The Trust is not therefore exposed to significant liquidity risks.

29.2 Financial assets

	Loans and receivables	Available for sale	Total
	£000	£000	£000
Receivables - NHS	22,011	0	**22,011**
Receivables - non-NHS	831	0	**831**
Cash at bank and in hand	14,699	0	**14,699**
Other financial assets	7,066	0	**7,066**
Total at 31 March 2015	**44,607**	**0**	**44,607**
Receivables - NHS	4,504	0	4,504
Receivables - non-NHS	2,853	0	2,853
Cash at bank and in hand	6,436	0	6,436
Other financial assets	7,439	0	7,439
Total at 31 March 2014	21,232	0	21,232

29.3 Financial liabilities

	Other	Total
	£000	£000
NHS payables	791	**791**
Non-NHS payables	11,389	**11,389**
Other borrowings	109	**109**
Other financial liabilities	22,682	**22,682**
Total at 31 March 2015	**34,971**	**34,971**
NHS payables	766	766
Non-NHS payables	4,944	4,944
Other borrowings	4,450	4,450
Other financial liabilities	20,901	20,901
Total at 31 March 2014	31,061	31,061

30. Events after the end of the reporting period

There have been no events after the reporting period that need to be disclosed in the financial statements.

31. Related Party Transactions

During the year none of the Department of Health Ministers, Trust board members or members of the key management staff, or parties related to any of them, has undertaken any material transactions with the London Ambulance NHS Trust.

The Department of Health is regarded as a related party. The Trust obtained a £10m capital investment loan from the Department in 2009-10; the loan was fully paid off during the year. It also 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 where receipts exceed £10m:

	2014/15 Payments to related party £000	2014/15 Receipts from related party £000	2014/15 Owed to related party £000	2014/15 Owed by related party £000
Barnet CCG	0	10,652	0	139
Brent CCG	1	14,289	0	3,617
Bromley CCG	0	10,538	0	152
Camden CCG	0	11,394	0	2,469
Central London CCG	0	14,015	0	3,965
City & Hackney CCG	0	10,404	0	644
Croydon CCG	0	13,101	0	785
Ealing CCG	0	10,561	0	128
Enfield CCG	0	10,012	0	136
Hillingdon CCG	0	10,897	0	130
Lambeth CCG	0	12,005	0	135
Lewisham CCG	0	10,112	0	113
Newham CCG	0	11,005	0	504
Southwark CCG	0	14,664	0	2,980

	2013/14 Payments to related party £000	2013/14 Receipts from related party £000	2013/14 Owed to related party £000	2013/14 Owed by related party £000
Barnet CCG	0	10,473	0	127
Brent CCG	0	13,097	23	2,625
Bromley CCG	0	11,618	169	0
Central London CCG	0	10,316	0	125
Croydon CCG	0	12,131	0	142
Ealing CCG	0	10,500	0	126
Hillingdon CCG	0	10,503	0	124
Lambeth CCG	0	11,235	0	132
Newham CCG	0	10,702	0	227
NHS England	0	13,898	0	3,456
Southwark CCG	0	11,059	0	147

The Trust has a number of staff who do voluntary work for the St John Ambulance Service. The transactions with St John Ambulance Service during the year comprised expenditure of £1,521k (2013/14 £1,631k) and the amount owed by the Trust as at 31 March 2015 was £nil (31 March 2014 £116k).

Theo de Pencier, a non Executive Director, who joined the Trust on 1 March 2014, is also the Chief Executive of Freight Transport Association Limited from whom the Trust purchased services to the value of £13k (2013/14 £13k) during the financial year. There were no amounts owing at 31 March 2015 (31 March 2014 £nil).

32. Losses and Special Payments

The total number of losses cases in 2014-15 and their total value was as follows:

	Total Value of Cases £	Total Number of Cases
Losses	1,783,364	1,016
Special payments	724,170	67
Total losses and special payments	2,507,534	1,083

There were no cases totalling over £300k individually.

The total number of losses cases in 2013-14 and their total value was as follows:

	Total Value of Cases £	Total Number of Cases
Losses	1,644,140	1,287
Special payments	1,433,966	25
Total losses and special payments	3,078,106	1,312

33. Financial Performance Targets

The figures given for periods prior to 2009-10 are on a UK GAAP basis as that is the basis on which the targets were set for those years.

33.1 Breakeven performance	**2005-06 £000**	**2006-07 £000**	**2007-08 £000**	**2008-09 £000**	**2009-10 £000**	**2010-11 £000**	**2011-12 £000**	**2012-13 £000**	**2013-14 £000**	**2014-15 £000**
Turnover	215,947	215,941	236,130	261,532	279,864	283,617	281,731	303,109	303,827	**324,052**
Retained surplus/(deficit) for the year	1,258	113	398	725	(420)	740	2,527	(417)	1,525	**6,326**
Adjustment for:										
Timing/non-cash impacting distortions:										
Pre FDL(97)24 agreements	0	0	0	0	0	0	0	0	0	**0**
2006/07 PPA (relating to 1997/98 to 2005/06)	0	0	0	0	0	0	0	0	0	0
2007/08 PPA (relating to 1997/98 to 2006/07)	0	0	0	0	0	0	0	0	0	0
2008/09 PPA (relating to 1997/98 to 2007/08)	0	0	0	0	0	0	0	0	0	0
Adjustments for impairments	0	0	0	0	1,845	262	247	723	(1,235)	**(237)**
Adjustments for impact of policy change re donated/government grants assets*	0	0	0	0	0	0	(23)	(44)	11	**5**
Consolidated Budgetary Guidance - adjustment for dual accounting under IFRIC12*	0	0	0	0	0	0	0	0	0	**0**
Absorption accounting adjustment	0	0	0	0	0	0	0	0	(39)	**(46)**
Other agreed adjustments	0	0	0	0	0	0	0	**0**	0	**0**
Break-even in-year position	**1,258**	**113**	**398**	**725**	**1,425**	**1,002**	**2,751**	**262**	**262**	**6,048**
Break-even cumulative position	**1,333**	**1,446**	**1,844**	**2,569**	**3,994**	**4,996**	**7,747**	**8,009**	**8,271**	**14,319**

* Due to the introduction of International Financial Reporting Standards (IFRS) accounting in 2009-10, the Trust's financial performance measurement needs to be aligned with the guidance issued by HM Treasury measuring Departmental expenditure. Therefore, the incremental revenue expenditure resulting from the application of IFRS to IFRIC 12 schemes (which would include PFI schemes), which has no cash impact and is not chargeable for overall budgeting purposes, is excluded when measuring breakeven performance. Other adjustments are made in respect of accounting policy changes (impairments and the removal of the donated asset and government grant reserves) to maintain comparability on a year to year basis.

	2005-06 %	**2006-07 %**	**2007-08 %**	**2008-09 %**	**2009-10 %**	**2010-11 %**	**2011-12 %**	**2012-13 %**	**2013-14 %**	**2014-15 %**
Materiality test (I.e. is it equal to or less than 0.5%):										
Break-even in-year position as a percentage of turnover	0.58	0.05	0.17	0.28	0.51	0.35	0.98	0.09	0.09	**1.87**
Break-even cumulative position as a percentage of turnover	0.62	0.67	0.78	0.98	1.43	1.76	2.75	2.64	2.72	**4.42**

33.2 Capital cost absorption rate

The dividend payable on public dividend capital is based on the actual (rather than forecast) average relevant net assets and therefore the actual capital cost absorption rate is automatically 3.5%.

33.3 External financing

The Trust is given an external financing limit which it is permitted to undershoot.

	2014-15	2013-14
	£000	£000
External financing limit (EFL)	**(12,606)**	(1,983)
Cash flow financing	**(12,606)**	(2,996)
Unwinding of discount adjustment	**0**	213
External financing requirement	**(12,606)**	(2,783)
Under spend against EFL	**0**	800

33.4 Capital resource limit

The Trust is given a capital resource limit which it is not permitted to exceed.

	2014-15	2013-14
	£000	£000
Gross capital expenditure	**14,937**	6,911
Less: book value of assets disposed of	**(15)**	(37)
Charge against the capital resource limit	**14,922**	6,874
Capital Resource Limit	**15,900**	10,250
Underspend against the capital resource limit	**978**	3,376

34. Third Party Assets

The Trust held cash and cash equivalents of £nil at 31 March 2015 (£nil at 31 March 2014) relating to monies held on behalf of patients or other parties.

Remuneration report

Our Remuneration and Nominations Committee consists of the Chairman and the six non-executive directors. The Chief Executive is usually in attendance but is not present when his own remuneration is discussed.

The Remuneration and Nominations Committee is responsible for advising the Board about appropriate remunerations and terms of service for the Chief Executive and executive directors. It makes recommendations to the Board on all aspects of salary, provisions for other benefits, including pensions and cars, as well as arrangements for termination of employment and other contractual terms.

In formulating their recommendations to the Board, the Committee takes into account a number of factors, including the requirement of the role, the performance of the individuals, market rates, affordability, and the NHS Very Senior Managers Pay Framework.

Executive directors are subject to normal terms and conditions of employment. They are employed on permanent contracts which can be terminated by either party with six months' notice.

Their performance is assessed against individually set objectives and monitored through an appraisal process.

For the purposes of this report, the disclosure of remuneration to senior managers is limited to our executive and non-executive directors. Details of remuneration, including salaries and pension entitlements, are published on pages 79 to 81**.**

The banded remuneration of the highest paid director in the London Ambulance Service in the financial year 2014/15 was in the range of £200,001 to £205,000. This was 5.27 times the median remuneration of the workforce, which was £38,662. In 2013/14, the banded remuneration of the highest paid director £216,001 to £220,000. This was 5.63 times the median remuneration of the workforce, which was £38,415.

In 2014/15, as in the previous year, none of the employees received remuneration in excess of the highest paid director.

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

The change in ratio was due to:

- a change to the remuneration of the most highly-paid individual through a reduction in pay received in 2014/15
- a change in the workforce composition in 2014/15 leading to a small decrease in median pay.

The appointment and remuneration of the Chairman and the non-executive directors are set nationally. Non-executive directors are normally appointed for a period of four years and usually serve two terms in office.

The information contained below in the Salary and Pension Entitlement of Senior Managers has been audited by our external auditors.

Salary and pension entitlements of senior managers

A) Remuneration 2014/15

Name and Title	Salary (bands of £5000) £'000	Expense payments (taxable) total to nearest £100 £00	Performance pay and bonuses (bands of £5000) £'000	Long term performance pay and bonuses (bands of £5000) £'000	All pension related benefits (bands of £2,500) £'000	Total (bands of £5000) £'000
Richard Hunt, Chairman	£20,001-£25,000	£0	£0	£0	£0	£20,001-£25,000
Jessica Cecil, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Robert McFarland, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Nicholas Martin, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
John Jones, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Fergus Cass, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Theo de Pencier, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Ann Radmore, Chief Executive (to 23rd January 2015)	£135,001-£140,000	£0	£0	£0	£0	£135,001-£140,000
Andrew Grimshaw, Finance Director	£130,001-£135,000	£0	£0	£0	£0-£5,000	£135,001-£140,000
Jason Killens, Director of Operations	£110,001-£115,000	£2,000	£0	£0	£30,001-£35,000	£145,001-£150,000
** Fenella Wrigley, Acting Medical Director	£10,001-£15,000	£0	£0	£0	£55,001-£60,000	£65,001-£70,000
* Stephen Lennox, Director of Nursing and Quality	£65,001-£70,000	£0	£0	£0	£45,001-£50,000	£115,001-£120,000
** Zoe Packman, Acting Director of Nursing and Quality	£20,001-£25,000	£0	£0	£0	£20,001-£25,000	£45,001-£50,000
*** Fionna Moore, Medical Director (Acting Chief Executive from 24 January 2015)	£120,001-£125,000	£0	£0	£0	£0	£120,001-£125,000

The figures shown under the heading 'expense payments' refer to the provision of lease car.
* The following director left the Trust: Stephen Lennox on 21st November 2014.
** The following director joined the Trust: Zoe Packman on 24th November 2014, she is an employee of Croydon Health Services NHS Trust. Fenella Wrigley was appointed acting Medical Director on 24th January 2015 and is seconded from Barts Healthcare NHS Trust.
*** Fionna Moore is an employee of Imperial College Healthcare NHS Trust who works full-time for the London Ambulance Service as Medical Director (Acting Chief Executive from 24th January 2015).

Remuneration 2013/14

Name and Title	Salary (bands of £5000) £'000	Expense payments (taxable) total to nearest £100 £00	Performance pay and bonuses (bands of £5000) £'000	Long term performance pay and bonuses (bands of £5000) £'000	All pension related benefits (bands of £2,500) £'000	Total (bands of £5000) £'000
Richard Hunt, Chairman	£20,001-£25,000	£0	£0	£0	£0	£20,001-£25,000
Jessica Cecil, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Fergus Cass, Non-Executive Director	£0-£5,000	£0	£0	£0	£0	£5,001-£10,000
Theo de Pencier, Non-Executive Director	£0-£5,000	£0	£0	£0	£0	£0-£5,000
Robert McFarland, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Nicholas Martin, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
John Jones, Non-Executive Director	£5,001-£10,000	£0	£0	£0	£0	£5,001-£10,000
Ann Radmore, Chief Executive	£190,001-£195,000	£0	£0	£0	£167,501-£170,000	£355,001-£360,000
Andrew Grimshaw, Finance Director	£135,001-£140,000	£0	£0	£0	£55,001-£57,500	£195,001-£200,000
Jason Killens, Director of Operations	£55,001-£60,000	£3,700	£0	£0	£42,501,45,000	£105,001-£110,000
Stephen Lennox, Director of Health Promotion & Quality	£90,001-£95,000	£0	£0	£0	£0	£90,001-£95,000
Fionna Moore, Medical Director	£80,001-£85,000	£0	£0	£0	£0	£80,001-£85,000

Salary and pension entitlements of senior managers (continued)

B) Pension benefits

Name and title	Real increase in pension at age 60 (bands of £2,500)	Lump sum at aged 60 related to real increase in pension (bands of £2,500)	Total accrued pension at age 60 at 31 March 2015 (bands of £5,000)	Lump sum at age 60 at related to accrued pension at 31 March 2015 (bands of £5,000)	Cash equivalent transfer value at 31 March 2015	Cash equivalent transfer value at 31 March 2014	Real increase in cash equivalent transfer value	Employers contribution to stakeholder pension To nearest £100
Richard Hunt, Chairman	**	**	**	**	**	**	**	
Jessica Cecil, Non-Executive Director	**	**	**	**	**	**	**	
Robert McFarland, Non-Executive Director	**	**	**	**	**	**	**	
Nicholas Martin, Non-Executive Director	**	**	**	**	**	**	**	
John Jones, Non-Executive Director	**	**	**	**	**	**	**	
Fergus Cass, Non-Executive Director	**	**	**	**	**	**	**	
Theo de Pencier, Non-Executive Director	**	**	**	**	**	**	**	
Ann Radmore, Chief Executive	£0-£2,500	£0-£2,500	£65,001-£70,000	£200,001-£205,000	£1,383,084	1,347,564	£3,357	
Andrew Grimshaw, Director of Finance	£0-£2,500	£2,501-£5,000	£30,001-£35,000	£95,001-£100,000	£550,998	£509,077	£21,505	
Jason Killens, Director of Operations	£0-£2,500	£5,001-£7,500	£25,001-£30,000	£75,001-£80,000	£359,360	£314,495	£26,563	
Fenella Wrigley, Acting Medical Director	£0-£2,500	£2,501-£5,000	£25,001-£30,000	£80,001-£85,000	£439,011	£381,544	£6,306	
Stephen Lennox, Director of Nursing & Quality	£2,501-£5,000	£7,501-£10,000	£35,001-£40,000	£115,001-£120,000	£703,438	£624,871	£45,374	
Zoe Packman, Director of Nursing & Quality	£0-£2,500	£0-£2,500	£40,001-£45,000	£120,001-£125,000	£741,296	£857,764	£0	
Fionna Moore, Medical Director	*	*	*	*	*	*	*	

* Fionna Moore has opted out of the NHS pension scheme.

** As non-executive directors do not receive pensionable remuneration, there are no disclosures in respect of pensions for non-executive directors.

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed 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 the 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 pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

“A change in the Government Actuarial Department’s (GAD) actuarial factors has occurred during the year, following revised guidance from HM Treasury. NHS Pensions are using the most recent set of actuarial factors produced.”

Reporting of other compensation schemes – Exit packages Note 10.4

	2014-15			2013-14		
Exit package cost band (including any special payment element)	**Number of compulsory redundancies**	**Number of other departures agreed**	**Total number of exit packages by cost band**	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
	Number	**Number**	**Number**	Number	Number	Number
Less than £10,000	1	1	2	0	0	0
£10,000-£25,000	0	1	1	0	0	0
£25,001-£50,000	3	1	4	0	2	2
£50,001-£100,000	0	1	1	0	9	9
£150,001-£200,000	0	0	0	1	0	1
Total number of exit packages by type (total cost	**4**	**4**	**8**	1	11	12
Total resource cost (£000s)	**127**	**127**	**254**	157	659	817

Redundancy and other departure costs have been paid in accordance with the provisions of Agenda for Change. Exit costs in this note are accounted for in full in the year of departure. Where the Trust has agreed early retirements, the additional costs are met by the Trust and not by the NHS pensions scheme. Ill-health retirement costs are met by the NHS pensions scheme and are not included in the table.

This disclosure reports the number and value of exit packages taken by staff leaving in the year. Note: The expense associated with these departures may have been recognised in part or in full in a previous period.

Reporting of other compensation schemes – Exit packages Note 10.5

	Agreements	Total value of agreements
	Number	£000s
Voluntary redundancies including early retirements contractual costs	0	0
Mutually agreed resignations (MARS) contractual costs	0	0
Early retirements in the efficiency of the service contractual costs	0	0
Contractual payments in lieu of notice	3	86
Exit payments following Employment Tribunals or court orders	1	41
Non-contractual payments requiring MHT approval	0	0
Total	**4**	**127**

As a single exit packages can be made up of several components each of which will be counted separately in this Note, the total number above will not necessarily match the total numbers in Note 10.4 which will be the number of individuals.

The Remuneration Report includes disclosure of exit payments payable to individuals named in that Report.

Off-Payroll engagements - Table 1

For all off-payroll engagements as of 31 March 2015, for more than £220 per day and that last longer than six months:

	Number
Number of existing engagements as of 31 March 2015	11
Of which, the number that have existed:	
for less than one year at the time of reporting	2
for between one and two years at the time of reporting	7
for between 2 and 3 years at the time of reporting	0
for between 3 and 4 years at the time of reporting	0
for 4 or more years at the time of reporting	2

All existing off-payroll engagements have been subject to a risk based assessment as to whether assurance is required that the individual is paying the right amount of tax and, where necessary, that assurance has been sought.

Off-Payroll engagements - Table 2

For all new off-payroll engagements between 1 April 2014 and 31 March 2015, for more than £220 per day and that last longer than six months:

	Number
Number of new engagements, or those that reached six months in duration, between 1 April 2014 and 31 March 2015	2
Number of new engagements which include contractual clauses giving the London Ambulance Service NHS Trust the right to request assurance in relation to income tax and National Insurance obligations	2
Number of new engagements for whom assurance has been requested	2
Of which:	
Assurance has been received	2
Assurance has not been received	0
Engagements terminated as a result of assurance not being received	0
Number of off-payroll engagements of board members, and/or senior officers with significant financial responsibility, during the year	None
Number of Individuals that have been deemed “board members, and/or senior officers with significant financial responsibility” during the financial year. This figure includes both off-payroll and on-payroll engagements	23

Accountable Officer: Fionna Moore, Chief Executive

Organisation: London Ambulance Service NHS Trust

Signature: 

Date: 2 June 2015

A copy of our full accounts is available from the Head of Financial Services at the following address:

Head of Financial Services
Finance Department
London Ambulance Service NHS Trust
220 Waterloo Road
London
SE1 8SD

Appendix - Glossary of Terms

(This glossary does not form a part of the statutory accounts)

STATEMENT OF COMPREHENSIVE INCOME

Statement Of Comprehensive Income (Income And Expenditure) Under UK GAAP used to be called a Profit and Loss account or an Income and Expenditure account. Public sector accounts tend to use the term Income and Expenditure to indicate that they are non-profit making organisations.

Revenue From Patient Care Activities Income from patient care activities of the Trust, usually from Clinical Commissioning Groups as the principle commissioner of services.

Income and Expenditure
Often called a Profit and Loss account or an Income and Expenditure account. Public sector accounts tend to use the term Income and Expenditure to indicate that they are non-profit making organisations.

Income from activities
Income from patient care activities of the Trust, usually from Clinical Commissioning Groups as the principle commissioner of services.

Other operating income
Income from non-patient care services such as commercial training, research funding etc.

Operating surplus
The surplus generated by the normal operations of the Trust before taking into account interest, depreciation and amortisation.

Depreciation
When a fixed asset is purchased, the cost of that asset needs to be charged to the income and expenditure account over the life of the asset to recognise the contribution of that asset to the work of the Trust in each year of ownership. On purchase of a fixed asset, the expected life is assessed and the cost is spread over that life. The value of the asset therefore diminishes, or depreciates, over time.

Amortisation
Where depreciation applies to tangible fixed assets, amortisation is the same process for non-tangible fixed assets, such as loans to the Trust.

Profit / (loss) on disposal of fixed assets
The difference between the value of an asset in the balance sheet and the actual sale price of the item. This could be equipment or buildings.

Public Dividend Capital (PDC)
PDC originated in NHS Trusts as the difference between the valuation of its assets and liabilities on establishment as an NHS Trust. This originating debt is deemed an asset of the Secretary of State, and equates to taxpayers equity in the organisation. The Trust has to make a return on this capital equivalent to 3.5% per annum, and this amount has to be paid over to the Treasury. The original debt can increase over time due to the allocation of additional capital funds, and is repayable over time.

STATEMENT OF FINANCIAL POSITION

Fixed Asset / Non-Current Assets
An asset that has a life that extends beyond the current financial year and that will generate economic benefits in future accounting periods – as opposed to current assets, which are realisable immediately or in the next accounting period. Fixed assets are typically equipment or buildings.

Current Assets
These are assets that are held on the balance sheet of the organisation that have an immediate cash value. These include stocks, that could be sold and realise cash quickly, debtors that can be collected quickly to realise cash or cash held in a bank account.

Stock / Inventories
Material held as stock which could be sold to realise cash quickly. Can either be valued at cost where stock is valued in the books at the purchase price or, net realisable value where stock is valued in the books at a value that it could reasonably be expected to fetch if it was sold on open market today.

Debtors / Receivables
Money owed to the Trust for services provided.

Creditors / Payables
Money owed by the Trust for goods and services received.

Total Taxpayers' Equity
See Public Dividend Capital

NOTES TO THE ACCOUNTS

Historical Cost Convention
The value of an asset carried in the balance sheet is the amount paid for it on the purchase date.

Accruals Convention
The accounts are prepared taking account of all income received and receivable, and all expenditure paid and payable for the goods and services delivered and received in the period, and are not based on cash receipts and payments in the period.

Off Balance Sheet
Refers to fixed assets that are in use by the trust but which are not technically 'owned' by the organisation, and therefore do not appear in the balance sheet. An example of this would be operating leases, where equipment, such as vehicles, is leased by the organisation but never comes into our ownership.

Liquid Resources
Resources that can be released quickly to enable the organisation to settle debts. Typically, cash in hand or in the bank in short term accounts.

Prepayment
Where the Trust has paid in advance for goods
or services – for example, quarterly payment in advance for telephone rentals.

Deferred Income
Income received in the financial year but deferred to a subsequent accounting period because the relevant services will be provided in that future accounting period.

Reserves
Funds set aside in recognition of a future event, project or change, where the need has been recognised but the event has not happened.

TERMINOLOGY

Going Concern Basis
The accounts are prepared on the basis that the Trust will still be in existence in the next financial year, and that it will therefore be in a position to recover any debtors due to it, and that it will be around to cover its long term liabilities. If it is likely that an organisation will not be in existence beyond this set of accounts, then long term liabilities would become immediately due, and the position of long term debtors would be called into question, resulting in the need to recognise that in the results presented in this set of accounts.

Capital Expenditure
The amount expended by the Trust that enhances the value of fixed assets whose useful life extends beyond the current accounting period.

Revenue Expenditure
Expenditure on the day to day operations of the Trust, pay and rations as opposed to capital expenditure.

Consumables
Non pay expenditure on items that have a life of less than one year and are therefore not fixed assets. The term relates to everything from drugs, uniform, stationery through to pieces of disposable equipment.

CCGs - Clinical Commissioning Groups
New organisation established from 1st April 2013.

Liability
A situation where an organisation has an obligation to pay for something that has already occurred, and around which there is certainty, but is not yet physically paid for.

Provisions
An allowance in the accounts for a known item, but where the value or timing of the event giving rise to it is uncertain. An example may be where a pay award from 1 January in a given year has not yet been agreed, and the settlement date is uncertain. The organisation would typically provide an estimate for inclusion in the accounts to ensure that the relevant charge to Income and Expenditure is made in the correct year.

Contingent Liability
A situation where a financial obligation to pay for something that has already happened may arise, but where there is uncertainty or where the final value is difficult to quantify due to dependencies on other things. For example, an outstanding legal claim against the organisation, where if the verdict goes against the organisation, there will be an obligation to pay for an unquantifiable amount. Amounts carried in the accounts under this heading will inevitably be estimates based on the best information available at the time.

Value Added Tax (VAT)
May be in the form of output tax – VAT charged on sales, or input tax – VAT paid on purchases. In the NHS, normal NHS healthcare activity does not attract VAT.

Post Balance Sheet Event
Something that is recognised after the accounts have been finalised, but before publication, which impacts on the results as they are presented, and has a significant impact on how the results should be interpreted.

Risk Pooling Scheme
This is essentially the NHS insurance scheme, where we pay an annual premium to cover any insurance claims that may arise during the year.
The scheme covers all the usual insurance risks around buildings, equipment, fire etc, as well as clinical negligence issues.

NHSLA
The NHS Litigation Authority is the body responsible for handling negligence claims against NHS organisations. The NHSLA also advises NHS organisations on risk management.

Losses and Special Payments
Any payments made in respect of bad debts, stock write offs, insurance excesses or compensation payments that are not considered a part of the normal business of the Trust.

HART
Hazardous Area Response Team

RRV
Rapid Response Vehicle

PTS
Patient Transport Service