

Annual Report

2019-2020

flying to save lives.



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The Trustees, who are also Directors of the Charity for the purposes of the Companies Act, submit their annual report and audited financial statements for the year ended 31 March 2020. The Trustees have adopted the provisions of the Statement of Recommended Practice 2015 (SORP) Accounting and Reporting for Charities published in July 2014 in preparing the annual report and financial statements of the Charity.

The North West Air Ambulance (NWAA) was set up as a company limited by guarantee in 1999. It is governed by a Memorandum and Articles of Association, which were amended in 2017 to update the appointment and tenure of Trustees, objectives and inclusion of training as a future area where the Charity could be involved. Further changes covering election terms and voting processes were made in 2019.

The objects for which the Charity is established are:

- The relief of sickness and injury and the protection of human life by the provision or support of an air ambulance service in Lancashire, Cumbria, Greater Manchester, Merseyside, Cheshire and such other areas as the Trustees may in their absolute discretion determine from time to time; and
- The provision of training and education in matters relating to the relief of sickness and injury and the protection of human life



The Charity is supported by North West Air Ambulance Promotions Limited, a trading company (primarily retail shops) and the Friends of the NW Air Ambulance Lottery CIC which runs the Charity's lottery. Both companies were set up and have the objective of raising funds and/or generating awareness of the Charity and are subsidiaries of the Charity.

PERFORMANCE SUMMARY



Clinical Impact

The Enhanced Pre-Hospital Care (EPHC) service, operational since August 2017, is fully embedded within the service, principally operating on the Consultant led H72 helicopter out of Barton airbase, complementing the Paramedic led skills provided on the H08 helicopter based at Blackpool and the H75 helicopter, also based at Barton.

The development of the Consultant led service has been run in parallel with the progression of the H08 and H75 provision. This has consisted of deployment of LUCAS devices to allow mechanical CPR, access to ECMO (Extra Corporeal Membrane Oxygenation) pathways, ability for independent paramedic thoracostomy (incising hole in side of chest to allow potentially life-threatening injuries to be treated) and crucially the ability of HEMS and Consultant Paramedics to perform their additional skills and practice whilst operational on H08 and H75.

In September 2019, NWAA entered into a revised and strengthened three-year Service Level Agreement (SLA) with North West Ambulance Service (NWAS) for the provision of clinical staff, clinical strategy and clinical governance. The clinical leadership team within NWAA consists of a Lead HEMS Paramedic and two Senior Paramedic Team Leaders. As Paramedics, they are accountable to the NWAA Corporate Consultant Paramedic, as opposed to the Medical Director, there is a close working relationship at this level, commensurate with the leadership skills required. They manage the team of 11 HEMS paramedics, this was increased in year to provide consistent staffing. In addition, a team

of sixteen Consultant level Doctors, accountable to the Medical Director, provide the required skillset to deliver EPHC. Rather than one point of contact into NWAS, there are now multiple touch points between the clinical leadership structures. The NWAS management responsibility has also changed to be part of the medical directorate, led by the NWAS Medical Director. This demonstrates a progressive step change and further supports the clinical aspirations of the service provided by facilitating a greater clinical focus and creates an accountability which clearly integrates into the medical accountability framework.

Further plans are established to create an upskilling pathway for our HEMS paramedics, this will see the introduction in September 2020 of a Critical Care Paramedic training programme, hosted by Bangor University. On completion of the 12-month training paramedics will then be able to deliver additional clinical interventions to patients, therefore increasing the capabilities of NWAA delivery.

Blood on Board, successfully launched into the EPHC service in January 2019, is typically administered twice a month and is a key example of our collaborative approach. This was introduced following collaboration with Salford Royal Trust, NWAS, Henry Surtees Foundation, Blood Bikers and NWAA. An annual review has been conducted by a member of Clinical SMT to evaluate the use of blood and to ensure the appropriate level of governance is maintained. In addition, a series of Hemsbase (clinical database) KPI dashboards have been developed with blood being the first one to be initiated. This provides a live overview of the number of patients, type of blood product used (packed blood cell/plasma) and job time/date information.

With the onset of the Covid-19 pandemic, the Charity was quick to adapt the service it offered to reflect the changing landscape.

NWAA embarked on a diverse new challenge to further support the NHS, so that together we can save lives during the nation's time of need. Our highly-skilled HEMS paramedics, alongside North West Ambulance Service (NWAS) colleagues have been working on the frontline tackling Covid-19 by enabling an inter-hospital patient land transfer service

This new additional service saw the charity's HEMS paramedics (who are experienced and familiar with working alongside a doctor-led team) provide monitors, ventilators, and in-line transfusion capabilities, whilst utilising NWAA rapid response vehicles and working to NWAS clinical governance protocols. This will help to minimise staff and public exposure to Covid-19 when responding to positive patients, whilst also helping to protect and support the NHS clinical staff caring for them. We have also been able to ensure that our team are fully protected with PPE requirements during this time.

In order to support this collaborative project, some of our previously furloughed retail drivers enabled the movement of NHS Doctors between transfer hospitals, using NWAA rapid response vehicles. During this time North West Air Ambulance's consultant-level doctors and paramedics will continue to provide enhanced pre-hospital care via helicopter and a rapid response vehicle, to the critically ill and injured, improving outcomes for patients across the North West.

This significant change critically ensures the availability of key frontline NHS resource during the crisis by enabling this resource to be retained in hospital settings.

The adaptation of our service, during a time of National Crisis, highlights the key benefit of our collaborative agreement with the NHS and our nimble approach will enable us to continue to support them and the country if and when needed.

“Our nimble approach will enable us to continue to support (the NHS) and the country if and when needed.”



Activity

The tables below show the activity levels for the last two years.

	01/04/19 to 31/03/20	01/04/18 to 31/03/19
Number of jobs	2469	2565
Number of patients	1195	1344
Number of RSIs	49	77
Number of Intubations without drugs	114	130
Major hemorrhages	47	55
Blood plasma patients	44	8
Job Type		
Accidental Injury	644	814
Road Traffic Collision	645	752
Medical	697	474
Assault	160	133
Other	12	121
Intentional Self-Harm	151	106
Sport /Leisure	60	89
Transfer	29	53
Other Transfer	12	15
Exposure	10	8

The following table shows the number of missions each year. This, of course, is a measure of activity rather than impact. The Charity is investing effort in learning how its interventions have affected the survival and long-term recovery of its patients. This is far from a simple task and one which has challenged the wider air ambulance community. Work to establish formal Data Sharing Agreements (DSAs) with various hospital trusts are underway, this will enable NWAA to fully evidence the clinical patient impact of its service. The next step will be to ensure we achieve data outcomes.

There has been a small variance of 96 less jobs in the number of missions compared to that of the previous year.

Number of Missions

Counties	01/04/19 to 31/03/20	01/04/18 to 31/03/19
Cumbria	165	232
Lancashire	861	901
Gt Manchester	692	626
Merseyside & Cheshire	736	767
Other	15	39
Total	2469	2565



Operations Service Capacity and Capability

To ensure best use of resources, and to support the evidence-based approach to service development, the Charity entered into a collaborative working project with Lancaster University Data Science Institute. This has seen the use of academics to analyse relevant clinical patient data to inform the Charity as to the most effective use of helicopters, base locations, hours of operation, resource and dispatch allocation.

The critical driver to the project is to ensure that the Charity maximises patient impact. As a result of some initial findings, a clinical car trial, outside of normal working hours, was introduced from 1st February but was suspended due to Covid-19. Early indications are the trial met the desired predicted outcomes.

A Patient Aftercare facility has commenced, with an existing employee covering one day per week as a Patient Support Officer, dealing with patient/families queries and feedback. This is phase one of a two stage plan. The next phase will see the introduction of two clinical based Patient Aftercare Coordinators, based in our two busiest receiving hospitals of Preston and Aintree. The aim of these posts will be to provide patient impact outcomes from the time of admission to discharge and beyond. This second phase will be a trial for twelve months to commence in Autumn 2020.

The introduction of a quarterly Operations Sub Committee is providing additional focus and assurance on safety, compliance and service development and strategic partnerships such as our aviation provider Babcock and NWAS. The project work and outputs from Lancaster University academics, feeds into this group and that will ultimately help inform of an evidence-based decision-making model. This in turn, will assist with the procurement of helicopters, vehicles, equipment and any relevant required resources to fulfill the operational and strategic aims of the Charity.

A project to review and renew the existing aviation contract has commenced. The current contract with Babcock expires in December 2021. This currently covers the provision of three helicopters, Aircraft Operators Certificate, Pilots, Engineers, airbases and supporting services. A Subject Matter Expert is providing consultative level support to enable a full procurement process to be undertaken, including a full tender process, to ensure best value, futureproofing and to support the clinical strategy.





Financial Performance

The Charity had a consolidated surplus for the year of £1,778,912 (2018/19: £2,569,438) with a period of increased income but with a larger increase in costs and losses on investments.

Total income increased slightly from £11,471,592 to £12,021,518. This was largely driven by the increase in retail sales (due to an increase in the portfolio size), most other areas of fundraising remained similar to last year. Some areas of income were impacted by Covid-19 towards the end of the financial year: the shops closed in March with declining income in the weeks before this; community, events and individual giving fundraising slowed, and canvasser activity to recruit new players for the lottery was also halted. However, the main financial impacts, largely on income generation, are expected in 2020/21, and beyond.

Commercial trading costs increased due to increased retail costs from the increased portfolio.

Direct charitable costs increased compared to last year at similar levels to last year. Although activity levels were comparable, operating costs increased as the Trustees took the decision to fund the entire Enhanced Pre-Hospital Care (EPHC) service and helicopter provision based on the successful trial in the previous year. This is to the extent of the cost of Doctors, Paramedics, dispatch staff, consumables and relevant training. Therefore, the Charity was entirely charity funded for 2019/20. This also gives the Charity greater ability to be nimble with its decision making and future strategic direction. Although the group has received a government grant and staffing funding during the pandemic in 2020/21, it has not received any NHS funding.

Support costs have increased, largely due to higher staffing levels which will facilitate fundraising projects and development, and operational management.

There was a significant loss from the fall in market value of investments in the year – this was due to the impact of Covid-19 on financial markets in the final quarter.

These investments have shown signs of recovery in 2020/21, although markets inevitably remain volatile.

The capital spend identified in the cash flow has supported a wide range of areas – with openings within the retail subsidiary, investment in ICT and video technology across the sites, a refurbishment of the Head Office and a range of kit to support the clinical team – from helmets funded by restricted funds to medical equipment and two replacement vehicles.

Results of subsidiary companies and group

The results of the Charity Group are summarised on the Statement of Financial Activities, and those of the subsidiary companies in the notes to the Financial Statements.

Fundraising Performance

The Trustees of North West Air Ambulance are committed to an ethical approach to fundraising, treating donors and fundraisers respectfully and fairly, so they feel valued and free to donate if, when and how they wish to. We adhere to the Fundraising Regulator Code of Practice in all fundraising activity. The Charity is supported by North West Air Ambulance Promotions Limited, a trading company (primarily shops), and the Friends of the NW Air Ambulance Lottery CIC which runs the Charity's lottery, its largest income stream.

The Charity is registered with the Fundraising Regulator and complies with its Code of Fundraising Practice. The lottery company is licensed by the Gambling Commission.

The lottery company recruited players primarily door-to-door and in private venues. It provides extensive training to its representatives on areas of social responsibility, including dealing with vulnerable people, and all canvassers are registered with Dementia Friends. The Charity ensures high standards of ethical behaviour from external representatives at all times. Regular reports and details of each canvasser's training and meetings take place to review concerns and discuss performance, as well as updates on our charitable activities. In addition, NWAA runs inductions for canvassers on their role as Charity Ambassadors, and this includes strict protocols which mean they cannot enter people's homes or approach sheltered accommodation. Canvassers are instructed to walk away from anyone who does not engage or shows any sign of vulnerability. NWAA also has its own Social Responsibility in Gambling policy.

Canvasser activity was forced to stop in March 2020 due to Covid-19 and did not restart until late summer 2020. The lottery is a key source of income generation for the group and the reliance on this income has increased as other fundraising streams were greatly impacted. It was awarded a remote lottery license in May 2020. This enables the further growth and



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acquisition of the lottery through alternative routes to market such as telemarketing campaigns, social media and the website, which will all now be developed, in addition to further work with regards to retention and reactivation and looking at further initiatives regarding prize draw structures.

It is recognised that with the enhanced license comes further regulatory responsibility and therefore we have developed a wide-ranging lottery assurance plan, including the requirement for a further audit of processes, responsibilities, and procedures by a third party to ensure our processes and plans are robust. We are also strengthening our staffing resource in this area.

Considerable work had been undertaken with both fundraising and our retail operations which looked to diversify income streams and built sustainable income for the future of our service. Building on our profile and reputation we engaged with more community fundraising through third party events and collections as well as developing mailing campaigns to increase individual engagement and strengthened our corporate fundraising. We started to develop new income channels such as Corporate giving and Charitable Trust income, supported by the skill set of our revised departmental structure. Legacies continue to perform well for us.

Covid-19 has had a considerable impact on many of our fundraising income streams, especially those based in community and events and retail, as has been seen by most other charities and businesses.

Some staff were furloughed in response to this impact, but as they rejoin the business they are working on accelerating some project work – such as the use of contactless devices – and alternative fundraising initiatives – such as online retail offers, individual giving driven by telemarketing, and virtual events for major donors and fundraising.



Complaints

The Charity changed its complaints process during the year and launched a revised complaints policy. Previously issues that would be a concern, rather than a formal complaint, would have been logged. Customers are now taken through a formal complaints process if appropriate, although we strive to ensure we learn from all issues raised.

There were 16 items raised up to July 2019 (before the change) covering issues from lottery administration concerns to operational issues. Since the change in policy there have been 3 formal complaints with 1 case remaining open at the year end.

Marketing

The marketing of our work and social media presence was strengthened to support our fundraising ambition. We were able to engage with local, regional and national press and enjoyed coverage on the BBC1 “Ambulance” programme watched by over 5 million people, with a further 23 million reached through social media platforms. Our local ITV and BBC news programmes gave considerable exposure to new initiatives, such as Blood on Board and our EPHC work as well as our critical care response for Covid-19. We actively engaged local press to highlight our work across the North West and support the community fundraising of third party events.

We have invested heavily in marketing resource to improve our profile. We have brought marketing and social media in house and are actively using data analytics to ensure social media development. We have improved our internal and external communication, especially during the pandemic, to ensure supporters are aware of the impact on the Charity.

We celebrated our 21st birthday during lockdown on 19th May, we marked this in the best way we could in difficult times, thanking work done by supporters, volunteers and crew. Activities took place to celebrate this special birthday including a birthday e-card to all staff, a 21st birthday edition of Skylines and a website homepage takeover with animation and 21st birthday branding. In addition, there was a “We’re 21!” birthday page on the website with a Go21! Pack, and a Go21! fundraising campaign promoted via social media which challenged individuals to do something active, such as run one mile a day for 21 days, do a 21 minute dance off or 21 pushups. The birthday celebrations for each base were posted on social media, which included birthday cakes and decorations.

We have recognised the need to update our website for a number of years. Now that marketing is resourced internally, we are confident that we can complete our planned new website as a key priority in 2020/21.

We successfully completed the design and publication of the Charity’s 5-year Strategy document and also held staff events, before Covid-19, to publicise and launch this to our staff, which were very well received and also communicated to our volunteer base.



Retail Development

The expanse of the retail operation continued with a further 4 shops opening in the year. This included a discount outlet shop based in Liverpool which generates good average selling prices. We are working to ensure that we maximise all stock generously donated to our cause by the public through better stock rotation and choice across our shops, generating increased sales. We have also improved our stock rotation and furniture collections and deliveries. We recognise that we could further grow our furniture offer through increased marketing. Margins did come under pressure during the year due to costs such as the increases in the National Minimum wage and a period of consolidation and review was planned before further shops were to be opened.

As well as contributing to the group surplus the shops act as a catalyst for community development, volunteering program enhancement and increase the overall profile of the organisation across the North West.

To ensure we keep abreast with trends in retail, we developed our eBay offering and it went live in 2019/20. Given the level of online purchases and the increase in buying over the internet generally, we believe we can maximise some donations of goods from supporters by offering them for bid on popular auction sites. Not only is this likely to increase sales income but will enable the Charity to connect and engage with various audiences, including younger people, and therefore increase our profile. With low overheads to run our eBay project from the current warehouse, we hope to be able to grow this business further by the use of other online selling sites. We currently have attained excellent customer service feedback for the eBay offer and have been awarded grant and training support by eBay in recognition of our status.



The retail business was significantly impacted by Covid-19 with all shops, warehousing and online provision closing in March 2020, with decreased sales in the weeks before. The business received government support through grants and funding for staffing. Shops began to open again in June following extensive work and training to make premises and practices Covid-19 secure. The key requirement was that staff, volunteers and customers felt that the premises were safe. Further work is also being undertaken to further develop the online offer to adapt to a changing marketplace. However, at this stage the opening of further shops has been put on hold.

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Volunteers

Volunteers continue to support the vital fundraising work of the Charity, donating their time, energy and passion to support our life saving cause.

We have 408 registered volunteers in July 2020, 268 of which are currently active in retail roles supporting our shops, warehouse and eBay. We have 102 volunteers who are active in fundraising roles in the form of Speakers, Tin Collectors and Event volunteers. Fundraising roles include liaising with the public at events, meeting community groups and businesses with money to donate or who express interest in our mission. There are a significant number of volunteers who attend events as a one-off opportunity, currently these volunteers are not counted. We currently have 1 head office support volunteer. 371 of our volunteers are classed as active, up from 320 in January 2020, with the remaining 36 taking a leave of absence due to Covid-19 but have stated they will return.

In 2019/20 the Volunteer Team was recruited to capacity; a new Manager and two new volunteer coordinators joined the team. Soon after, projects with a focus on policy and process, recruitment, retention and reward and recognition were launched to cover the period January 2020-April 2021.

We held two "Thank You" events for volunteers to attend and meet some of our crew and learn about the latest developments in our life saving work. These took place in Summer 2019 and enabled us to truly connect with this important part of our Charity.

As a research piece, we initiated the first volunteer experience survey which saw 28% of active volunteers respond. Volunteer satisfaction was high, rated above 9/10 and the NPS score was 80. Volunteers enjoy their roles and areas for improvement over the next

12 months have been identified as communication, recruitment (numbers rather than process) and role specific training/resources.

There has been a review of current processes with interim amendments made to expense claim forms, the Volunteer Handbook, and the retail operations manual. A full review of role descriptions, recruitment strategy, website engagement and marketing collateral will continue. The review will align volunteers with our mission and strategy more closely and will improve the volunteer experience. Volunteers now also receive a copy of Skylines to bring them closer to current activities and closer to our mission.

We have recruited for and held our first ever volunteer forum, mirroring the staff forum, to gather feedback and insights into the volunteer experience and to better utilise the skills of volunteers who want to offer more. We value our people, our staff, volunteers, supporters and clinical team. We want to include volunteer voices in any changes we make in volunteering and the forum is an excellent way to collate formal feedback.

While volunteer hours are currently recorded on the chariot system for retail volunteers, we need to expand this so we have moved all volunteer details on to donorflex with a view to completely change the way we store and use information about volunteers.

There will be a significant drive to recruit new volunteers in 2020/21 and we have worked closely with retail to establish the volunteer requirements in each store, although of course this may be impacted significantly due to Covid-19. However, volunteer retention is currently above 70% despite volunteer suspension. There are reviews taking place for all fundraising roles to determine how these roles can work most effectively to generate income post Covid-19.

Although 'Thank you' events and training sessions planned for 2020 have been postponed, we have a range of other activities to recognise and reward volunteer input to the charity. We will be issuing milestone certificates to recognise volunteer length of service from October 2020 and will launch a region wide volunteer awards strategy which will recognise volunteers who have significantly contributed to the charity.

We will continue to work towards increasing the compliance of required training amongst volunteers. All volunteers reinducted post Covid-19 suspension will have refresher training to ensure all active retail volunteers have received basic training in each area.

At NWAA we immensely value our volunteers, they are vital to our delivery and we could not operate any of our fundraising or retail activity at our current levels without them.



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GOVERNANCE



Organisation Structure

The Charity and its subsidiaries (Promotions and Lottery) are governed by the Trustees who are also Directors because of their position as Trustees and the status of the organisations in being companies. They meet approximately every three months (known as Board meetings) and, where necessary, may also communicate and do business via tele and video conferences between official meetings.

Trustee Governance

Trustees are appointed by the Charity, candidates may be put forward for consideration by individual Trustees or the Chief Executive, together with a brief CV of their relevant experience. Trustees are unpaid and are appointed for a period of up to three years. At the end of their three-year term they may be re-appointed.

Trustees are selected for their abilities to make an effective contribution to the Charity. The key attributes and experience include:

- Business Management
- Marketing
- Financial Management
- Governance
- Medical/Clinical experience
- Personal Management
- Charity Management

The optimum number of Trustees is not fixed but needs to reflect the diverse range of skills needed. The Charity undertook a review of the composition of the Board and in particular the skills and experience mix required, and in place. This ensured that the Board has a good cross section of skills and is not over dependent on individual Trustees in the majority of areas and therefore can expect a good level of resilience and challenge. The Board recognises that on occasion this may require obtaining specialist input and assurance and has, for example, ensured that it has external Aviation support during the procurement of its helicopter provision in the coming year as noted by the work planned by the Operations Sub-Committee. It will also seek specialist support to review the challenges faced by the retail business during the pandemic.

The appraisal and self-assessment of Trustees was put in place which has fed into improving Training and Development for Trustees. Trustees are ultimately accountable for the operation of the Charity and its subsidiary companies, decisions regarding key risk, strategy, annual budget agreement and major purchases are reserved for the Board.

The overall Accountability Framework for the organisation showing the Board and Sub-Committee composition, and their Terms of Reference are agreed annually by the Board.

Finance Sub-Committee (FSC)

A Finance Sub-Committee, comprising of two Trustees and members of the Senior Management Team, meets quarterly to consider financial matters, risk management, investment management and information technology, and reports to the Board of Trustees accordingly. Particular progress has been made with consolidating the approach to risk and regular forecasting. The Trustees of this committee, and agreed other attendees, have met more frequently since the

pandemic, to carefully monitor the potential financial impact on the Charity. Details of the performance of investments, overall financial reports, financial plans for the following year and the development of the risk strategy are detailed later in the report.

Governance Sub-Committee (GSC)

The Governance Sub-Committee continues to review all aspects of governance. It comprises of two Trustees and members of the Senior Management Team, and now meets quarterly.

There has been further work on the development of the Compliance Framework Document (CFD). This is the internal framework which was created based on the Association of Air Ambulances (AAA) framework for a High Performing Air Ambulance Service 2013. The year-end position is that we have 82% achievement (prior year 78%) against the standards, this being the total of both evidenced and completed items, with further improvement anticipated. In addition, a program auditing compliance has commenced to ensure quality is maintained.

A Mandatory Occurrence Register (MOR) has been established. The register covers all areas of the Charity and is based on two key aspects. The first being all mandatory incidents or events that are reportable to regulators/bodies such as HMRC or the HSE. The second, all other incidents or events that are not mandatory, but require action by NWAA. This covers internal events such as a process or procedural failure that requires escalation to either or both SMT and the Board of Trustees. All events in both areas also have reporting timelines and owners to allow a consistent and timely approach.

The GSC has also commenced an overview of compliance audits. To ensure adherence to compliance standards and provide reassurance to the Trustees an audit programme has commenced seeing an

External Aviation Expert (Aerossurance) carry out a four-day audit of our helicopter, Pilot and Engineering service provider Babcock. Subsequently an internal NWAS Sector Level Quality Visit inspection has been carried out at both Barton and Blackpool airbases. This forms part of the wider NWAS governance and audit programme and is aligned to the Care Quality Commission audit standards. The results of inspection were very positive with only minor rectifications required. The audit will continue to provide a continued governance oversight programme provided by NWAS under a service level agreement.

Ongoing improvements have been made to Health and Safety with the introduction of a Staff Forum and Safety Committee. This to date has been well attended and supports the required cultural embedding of Health and Safety. In addition, Ellis Whittam (HSE named accountable provider) has rolled out an E-Learning programme that will now also capture all volunteers. The new Ellis Whittam online Compliance Centre will be demonstrated, showing the tools and templates available to support our teams in delivering robust Health and Safety throughout the organisation. This allows individual premises to be viewed for Health and Safety audits/actions and updates. All premises except for one, (scheduled July/August) have had a full General Risk Assessment completed. An online reporting portal is also now fully operation across all areas of the charity. The portal facilitates any member of staff to report an accident, event or near miss in a timely and user-friendly manner.

An audit programme has been introduced that specifically looks at the security of our air bases and Head Quarters (HQ), areas of improvements identified have been actioned by way installation of improved access controls, CCTV and security alarm monitoring systems.

A Business Continuity Plan (BCP) has been developed after being identified as an area for improvement via

the NWAA risk register. The BCP was introduced in January 2020 and has helped to support the imposed change of operational model, seeing the impact of Covid-19 necessitate the need for HQ staff to work from home and meet in a virtual environment.

Clinical Governance Sub-Committee (CGSC)

As per the Service Level Agreement (SLA) and to demonstrate compliance within the accountability framework, the North West Ambulance Service (NWAS) provides clinical governance and CQC registration for North West Air Ambulance (NWAA); the purpose of the NWAA Clinical Governance Sub Committee (CGSC) is to monitor and provide assurance regarding clinical governance provided by NWAS and to report to the Board of Trustees on all clinical and quality aspects of service delivery. Supporting information for the CGSC is achieved via Clinical Governance review meetings, held monthly and chaired by a member of the Clinical SMT. This forum allows for case review, professional discussion and creates a positive learning environment. In addition, all clinicians, led by Clinical SMT, will be appointed a defined audit area to review and will support the methodology of and enable "Deep Dive" key topic audit review.

Operations Sub-Committee (OSC)

A number of proactive changes have been made to Operations, these being the introduction of an Operations Sub-Committee that meets on a quarterly basis. This committee will scrutinise and review systems in place to ensure, monitor and improve the quality of operational service provided to support and facilitate clinical service delivery and the wider Charity. The active reporting of Health and Safety requirements will also move to be overseen here, along with oversight and guidance in relation to the above-mentioned helicopter contract review and renewal.



Senior Management Team (SMT)

The day-to-day running of the Charity and subsidiaries is undertaken by the Senior Management Team (SMT) led by the Chief Executive. SMT comprises:

- Chief Executive
- Medical Director
- Director of Income and Engagement (role currently vacant)
- Operations Director
- Director of Finance and Resources

The remuneration packages of the SMT (excluding the Medical Director) are benchmarked against those of similar organisations and are reviewed annually by the Trustees. Company Secretarial and Governance advice is provided by Brabners.

The Medical Director is provided by North West Ambulance Service NHS Trust, a key strategic partner, as part of a service level agreement arrangement. The role is essential to manage and be held accountable for the clinical governance of the Charity. The position strengthens the revisions to the SLA and provides assurance to the Trustees that the Charity is operating in a compliant clinical manner and their approach to risk.

The Charity is a member of Air Ambulances UK. The Association was established as a membership body for those organisations which form the air ambulance services in the UK. Extensive use is being made of the contacts, primarily other air ambulance charities to learn and share best practice and in particular to understand the impact of Covid-19 on all aspects of the sector.



Staffing and Resources

The salary benchmark was completed in January 2020 to inform the 2020 review process. The decision was taken to put salary increases not related to mandatory government increases on hold due to Covid-19. This decision will be reviewed in September 2020.

The Employee Forum continues to meet quarterly. The decision was taken in September 2019 when two members of the forum needed to be recruited to introduce an additional member to ensure Retail is fully represented, we now have six forum members. Forum meetings have taken place throughout the year and they have been consulted on key decisions. The forum did not take place in April as it was not quorate due to staff on furlough leave. When the forum is available the meetings will recommence.

All vacant roles in relation to the I&E restructure were filled in 2019-20. Recruitment for the full time I&E Director commenced in March 2020 but this was put on hold due to Covid-19. This recommenced in July 2020 with a successful appointment made.

There was extensive staff turnover in 2019/20, predominantly driven by the restructure of the income generation team, but this reduced down to more acceptable levels later in the year and into 2020/21.

An annual Performance Review Process was introduced in 2019. The timings of the performance review process for 2020/21 has been adjusted due to Covid-19 to ensure this remains a meaningful process and so staff on furlough leave will be involved in this process when they return to work.

The benefits offered to employees continue to be enhanced; we provide all employees with life assurance cover of four times their annual salary, a Medicash 'cash back' scheme, the opportunity to participate in a Salary Sacrifice scheme for their pension contributions and a Cycle to Work scheme. We also provide an employee assistance helpline and counselling support which we

have encouraged the use of throughout the Covid-19 situation. We will look at our benefits offering again in 2020-21 to explore if we should enhance this further.

We met with staff in 2020 to gain feedback on what values and behaviours represent NWAA. We aim to finalise core values and behaviours in 2020-21 and embed these within our processes.

A management development programme for Charity and Retail Managers was carried out in 2019-20. This consisted of four workshops for Retail Managers and four workshops for Charity Managers.

A new HR and Payroll system was identified in 2019-20 and implementation of this system is now complete. This will provide all our employees with a self-service facility and eliminate unnecessary administrative tasks in processing our payroll and staff expenses. The system will be used for the first pay-run in July 2020.

Planned initiatives saw the Knowsley Charity headquarters undergo a modest improvement programme to support the revised staffing restructure. This project created an open plan working area, improved rest facilities, provided an additional meeting room, soundproofing of some key areas plus the installation of fit for purpose IT screens/desk workstations. In addition, the airbase at Blackpool relocated from a shared hangar facility to a stand-alone hangar still within the footprint of the airport providing much more needed space, improved staff welfare facilities and an environment much more aligned to the existing base at Barton. The change was brought about due to Babcock's change of contract position with the old hangarage provider, thus necessitating a move. The costs overall were covered by Babcock (our strategic aviation partner), with support of £18k from NWAA to create a suitable working and rest environment for the HEMS team. Further works are scheduled at both airbases and HQ to improve security, this will see the installation of CCTV, alarms, access controls and remote site monitoring systems.

“The benefits offered to employees continue to be enhanced; we provide all employees with life assurance cover of four times their annual salary, a Medicash ‘cash back’ scheme, the opportunity to participate in a Salary Sacrifice scheme for their pension contributions and a Cycle to Work scheme.”





ICT and GDPR

There has been extensive work with ICT during the year. We moved to a new, more reliable ICT provider at the start of the year and further work has been undertaken to address the over reliance on the terminal server. Projects ensured the installation of video technology across key sites during the year. In addition, several audits (covering lottery license requirements, phishing and pen testing) have taken place with an action plan to deal with key issues arising. Work also took place to enhance business continuity planning resilience this year. All this work proved timely and put the group in a good position when Covid-19 caused substantial changes to working practices across the group and meant that these changes were relatively seamless.

Work has also taken place on the development of the HEMS base medical system integrity and reporting, with dashboards presenting key data to evaluate the impact of projects such as Blood on Board. Further work was undertaken to implement the new asset management system which allows the clinical team to efficiently control and maintain medical assets.

Work continues on other projects such as the upgrade to the financial system, replacement of the HR / payroll system, website redesign and implementation and the tendering of the provision of internet and telephone systems, ensuring they are fit for purpose in a changing world. Projects will also consider the use of ICT in the wider business such as the shops (handheld tablets) and fundraising (e.g. use of contactless devices) and developing paperless systems and processes in other areas of the business.

GDPR compliance is under regular review under a cross functional group which meets at least quarterly. Key focuses during the year have been staff and volunteer training and awareness, policy review and more recently considering the impact of Covid-19 and ensure that the group should be compliant whilst undertaking different modes of working. We use an external advisor to act as a critical friend for this work.

Public Benefit Statement

The Trustees confirm that they have due regard to the Charity Commission's guidance on public benefit and that the Charity meets the requirements in the advancement of its objectives.

The Charity exists to provide free of charge emergency clinical care services to the people of the North West of England during daylight hours. Three helicopters are manned by highly skilled Doctors and Paramedics. In 2017 we introduced Consultant level Doctors to operate from one helicopter. This provides enhanced medical care services having the capacity to save lives by conducting advanced medical interventions at the scene of the accident or incident.





“Key focuses during the year have been staff and volunteer training and awareness.”



“The overall strategic aim, to maximise patient impact, remains at the core of the strategy.”



Impact of Covid-19

The worldwide pandemic has had a significant impact on the Charity, as it has on most businesses.

Operationally, the Charity was quick to adapt the service it offered to reflect the changing landscape. Our highly skilled HEMS paramedics, alongside North West Ambulance Service (NWS) colleagues have been working on the frontline tackling Covid-19 by enabling an inter-hospital patient land transfer service. This new additional service saw the Charity's HEMS paramedics (who are experienced and familiar with working alongside a doctor-led team) provide monitors, ventilators, and in-line transfusion capabilities, whilst utilising NWS rapid response vehicles and working to NWS clinical governance protocols. This will help to minimise staff and public exposure to Covid-19 when responding to positive patients, whilst also helping to protect and support the NHS clinical staff caring for them.

During this time North West Air Ambulance's consultant-level doctors and paramedics also continue to provide enhanced pre-hospital care via helicopter and a rapid response vehicle, to the critically ill and injured, improving outcomes for patients across the North West.

This significant change critically ensures the availability of key frontline NHS resource during the crisis by enabling this resource to be retained in hospital settings.

Financially the pandemic has had an impact on the income of the Charity:

- Canvasser activity was forced to stop in March 2020 due to Covid-19 and only restarted on a gradual basis in August 2020. The lottery is a key source of income generation for the group and the reliance on this income has increased as other fundraising streams were greatly impacted. It was awarded a remote lottery license in May 2020. This enables the further growth and acquisition of the lottery through alternative routes to market such as telemarketing campaigns, social media and the website, which will all now be developed as well as further work with regards to retention and reactivation and looking at further initiatives regarding prize draw structures. Therefore, although the profitability of the CIC has been impacted, it is expected to remain relatively resilient and a key source of income for the Charity during this crisis.
- Covid-19 has had a considerable impact on many of our other fundraising income streams, especially those based in community and events. Some staff were furloughed in response to this impact, but as they re-join the business they are working on accelerating some project work – such as the use of contactless devices – and alternative fundraising initiatives – such as online retail offers, individual regular giving driven by telemarketing, and virtual events for major donors and fundraising. The development of the online offer for fundraising has never been so essential.



- Legacy is another key income stream, and this has remained reliable throughout the crisis and will potentially increase in future years.
- Investments have shown sign of recovery in 2020/21, although markets inevitably remain volatile.
- The Promotions business has been significantly impacted by Covid-19 with all shops, warehousing and online provision closing in March 2020, with decreased sales in the weeks before. The business received government support through grants and funding for staffing. Shops began to open again in June following extensive work and training to make premises and practices Covid-19 secure. The key requirement was that staff, volunteers and customers felt that the premises were safe. Further work is also being undertaken to further develop the online offer to adapt to a changing marketplace. At this stage the opening of additional shops has been put on hold. Although retail is expected to be profitable in this year this is largely due to government funding and sales will inevitably be impacted by the impact of the pandemic on consumer confidence.

The Trustees have assessed their financial position and plan to continue to progress their strategic plans and ambitions, despite the impact of Covid-19, where practically possible. The overall strategic aim, to maximise patient impact, remains at the core of the strategy.

As part of this specific review Trustees recognised that income generated by fundraising will be impacted for some time and that alternative routes to market to generate income will need to be developed.

Conversely, they recognise the relative resilience of the income from the CIC and legacies. It has considered that it will likely continue to plan for operational and clinical development and also may face some cost increases from the impact of Covid-19. A range of forecasts and scenarios have been reviewed, and headroom / capacity have been considered, as has the ability to utilise its reserves, through its investments, if required.

The reserves policy has given the Charity the reliance to be able to continue meeting its charitable objectives and service provision, even within times of great uncertainty, in order to ensure that its operational plans can continue unheeded where possible.

The Board will carefully monitor the cash flow and financial position of Promotions on a regular basis. It has also recognised that it will need to take external advice as and when necessary to provide advice regarding decision making and key actions ensure that decisions regarding the strategic direction and future of the retail business are well informed and consider key factors and uncertainties.

Risk

The organisation has developed a revised risk strategy and methodology. The Board is accountable for risk and will review key and high-level risks on a regular basis but the FSC will provide the oversight to the process and ensure that progress, accountability and consistency are maintained. Each committee will review and challenge the risk assessments for its own area as necessary.

The strategic risk register is used with a clear outline of the risk assessment process followed: this considered the unmitigated risk, the levels of existing controls and assurance and therefore the current risk, and finally action plans to mitigate risk further where required. The Board are fully aware of the highest rated risks and the plans to reduce their current levels and what residual risks will remain.

A “5x5” risk assessment matrix of likelihood and consequence is in place. Roles and responsibilities have been defined and the reporting structure, based on a RAG system, has been established.

Covid-19 has inevitably had a significant impact on the risk register across many areas, in particular relating to the economic environment, resourcing, income generation growth and protection and the retail business. In addition, there is a potential risk to the operational provision. It has had an impact on the inherent risk, the current risk ratings and the target risk levels and plans.

The risk register has been reviewed at both Board and Committee level. In addition, in order to manage risks and decisions as they evolved due to Covid-19, some Trustees have been meeting SMT on a fortnightly basis.

The current top 2 strategic risks identified are regarding the risk of decline in sustainable fundraised income and now the impact of economic uncertainty driven by Covid-19. However, the impact on other risks as noted above is significant. Revised action plans have been put in place to gradually mitigate these risks, although it is recognised that this will not all be within the control of the Charity.

Reserves Policy

Funds per the balance sheet

The total reserves/funds for the group at the end of 2019/20 is £16,033,384. Of this the restricted funds for nominated specific use totals £194,279 which are analysed in more detail in the notes to the accounts leaving unrestricted funds of £15,839,105.

Unrestricted designated funds are based upon the need to earmark funds to meet two years’ annual lease commitments (for property and helicopters) as described in the notes to the accounts, which gives a value of £5,891,586. This leaves a value of £9,947,519 of unrestricted general funds.

A further allowance must be made to discount for tangible functional fixed assets, to reflect the fact that these funds cannot be freely spent. This reduction of £674,163 then leaves a free reserves balance of £9,273,356.

Review of available reserves

The Charity’s policy is to hold two years of operational expenditure as reserves to ensure continued financial security and to provide for contingencies. The reserves considered are those that are unrestricted funds, less the tangible assets.

The total annual operational expenditure for 2019/20 was £6,128,009 which was all from unrestricted funds. This is comprised of the direct costs of the operations (lease costs, fuel, clinical staffing, training etc.) plus a proportion of indirect costs (such as staffing, depreciation and governance costs) as detailed in the notes to the accounts.

To assess the reserves policy position at the end of the year it will be necessary to compare the total funds above and planned operational spend for the next two years. It will be also necessary to any forecast change in reserves.

The funds available under the reserves policy as at 31st March 2020 are therefore £15,164,942 (being unrestricted funds less the tangible assets). This is in excess of two years of the 2019/20 total unrestricted operational expenditure at current levels and therefore Trustees should therefore consider if it remains within its reserves policy.

However, the direct operational spend for 2020/21, under the latest forecast, is c £5.8m. Allowing for indirect operational spend of a similar level to previous years would give an expected total operational spend of approx. £6.7m.

The Charity’s forecast position for 2020/21 is for a small surplus due to the impact of Covid-19 on income generation levels. Trustees are committed to continuing evidence led operational and clinical development and therefore there may well be a period of annual deficits before income growth is restored to meet operational demands. Therefore, reserve levels would fall during this period.

Given this context the reserves of £15,164,942 are in line with holding 2 years of operational funds and therefore the organisation is operating within its reserves policy.

Review of reserves policy under Covid-19

The Charity's policy is to hold two years of operational expenditure as reserves to ensure continued financial security and to provide for contingencies. As required by the SORP, the Trustees have particularly reviewed this policy to consider the impact of Covid-19 on the policy, and also on the level of reserves held.

As part of this specific review Trustees recognised that income generated by fundraising will be impacted for some time and that alternative methods of generating income will need to be developed. Conversely, they recognise the relative resilience of the income from the lottery and legacies. It has considered that it will likely continue to plan for operational and clinical development and also may face some cost increases from the impact of coronavirus. A range of forecasts and scenarios have been reviewed, and headroom / capacity have been considered, as has the ability to realise its reserves, through its investments, if required. The reserves policy has given the charity the reliance to be able to continue meeting its charitable objectives and service provision, even within times of great uncertainty.

The Charity also holds designated funds earmarked to cover two years' annual lease commitments (property and helicopters) and Trustees have also considered if this is still appropriate.

Overall, therefore the Trustees consider the reserves policy and designated reserves to still be appropriate.



Financial Investments

Trustees completed their review of the investment policy under the guidance of professional independent financial advisors and implemented it during 2016/2017.

The Charity is reliant on fundraising donations for its activities. Investment assets are held as reserves. A key risk to the long-term reserves is inflation. The Charity's investment objective is to generate a return in excess of inflation. The Charity is aiming to achieve and maintain a real portfolio value of £10m over the medium to long term. The portfolio aims to preserve capital value as much as practically possible while seeking to achieve the above objective and maintaining liquidity necessary to support operational requirements.

The target and actual investment allocations as at 31 March 2020 were as follows:

Asset Class	Fund	Strategic Allocation	31 March 2020
Diversified Growth Fund	Black Rock Dynamic Diversified Growth Fund	25%	26.5%
Diversified Growth Fund	Investec Diversified Growth Fund	25%	22.4%
Cash	ASI Liquidity Fund	50%	51.1%
Total		100%	

The Trustees have appointed Isio as investment advisors (with Isio being formed out of the sale of KPMG's Pensions Advisory business). The performance of the funds are kept under review by Isio and reviewed twice a year by the Trustees. The Trustees made the strategic decision to disinvest from the ASI GARS fund at the beginning of the year due to a lack of conviction in the abilities of the team to meet their long-term objective. The proceeds of the disinvestment were invested into Investec DGF in May 2019.

The total return is estimated at -3.3% compared with the investment manager's objective returns of 2.5% and RPI inflation of 2.6%.

The total return to 31 March 2020 can be broken down between mandates as follows:

	BlackRock DDG fund	ASI GARS (31st March 2019 - 3 May 2019)	ASI Sterling Liquidity fund	Investec DGF (Since inception 3rd May 2019)	Total
12-month net return	-4.4%	-0.9%	0.7%	-11.7%	-3.3%
12-month net objective	3.8%	0.5%	0.5%	4.7%	2.5%
Net objective description	3-month LIBOR + 3%	6-month LIBOR + 4.3%	7-day LIBOR	CPI +4.3%	

During the year, the funds conformed with the objective of capital preservation but did not initially achieve the objective of increasing in line with/exceeding RPI inflation. During the year, the growth funds underperformed their respective targets due to the large sell off in growth assets driven by the Covid-19 pandemic in early 2020. In contrast, the cash fund which has the objective of preserving capital, has performed as expected.

Although the impact of Covid-19 on the investments has been significant, to date in 2020/21 they have shown signs of considerable recovery, although markets can remain volatile.

Returns are shown net of investment manager fees.

Going concern section

In the light of the financial outlook outlined above, the Directors have considered the financial forecasts for the CIC and are confident that it remains a going concern, and for the accounts to be prepared on this basis.

Similarly the financial forecasts for the Charity, with the potential to utilise reserves in the medium term if required, enable the Trustees to remain confident that it has the means to remain a going concern and to adapt as necessary to changes required.

Covid-19 had significantly impacted the retail business with the shops and online business closing in March 2020, with a gradual reopening from June 2020. Sales are impacted and there are additional running costs of being Covid-19 secure. The business secured the available government grants and JRS funding offered and has arranged an overdraft facility under the government backed CBILS scheme. It will also look to attain specialist external advice where appropriate.

However, the future trading environment remains uncertain as it does for many retail businesses. In particular the key risk is the financial impact of a potential second wave and further lockdowns, and

the impact on consumer confidence, without sufficient further government funding being available as mitigation.

On this basis, the Directors have considered the forecasts for the retail business and consider there to be material uncertainties as to the future, although the business remains a going concern.

Statement of Trustees' Responsibilities

The Trustees (who are also Directors of North West Air Ambulance Charity for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group, and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution. They are also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as the Trustees are aware, there is no relevant audit information (as defined by section 418 of the Companies Act 2006) of which the Charity's auditor is unaware and the Trustees have each taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.





PLANS FOR FUTURE PERIOD AND LONG-TERM OBJECTIVES

Plans for future period

The report gives a detailed outline of the immediate future which include:

- obtaining and analysing data to enable enhanced evidence led strategic decision making
- the development of the clinical strategy
- enhanced governance through the work of the committees and supporting structures, CFD development and work with our strategic partners
- to continue to protect, review and develop our income streams to adapt to the impact of coronavirus to ensure that we can continue to fund our life saving work
- to enhance our public profile and volunteering experience and to continue to improve the review the working environment and benefits for our staff



Long term objectives

The key aspects of our strategy are:

Impact – To deliver specialist and enhanced medical care to the critically ill and injured and transport patients to the most appropriate place to achieve the best outcomes for them

Forward Thinking – To actively encourage innovation and embrace technology to enhance our ability to provide innovative healthcare

Collaborative – To continue to work collaboratively with our partner organisations to provide the best possible outcomes for all

Transparent – To adhere to robust governance structures and ensure transparency and compliance

Our People – To create an environment where staff and volunteers will flourish

Sustainable – To ensure financial stability and ethical income generation

Profile – To continue to raise awareness with the public and all other stakeholders across the North West

Auditors

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditors.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies.

Approved by the Board of Trustees on
7th October 2020

and signed on its behalf by:

Mr A Jude, Trustee

Mrs K Spencer, Trustee





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