

National Waiting Times Centre Board
(also known as the Golden Jubilee Foundation)

Annual report and accounts

For Year ended 31 March 2019



Contents

| | Page |
|-----------------------------------------------------------------|-------------|
| Chair Foreword | 3 |
| Statement from the Chief Executive | 4 |
| Overview | 6 |
| Performance Analysis | 11 |
| Financial Performance | 15 |
| Accountability Report | 19 |
| Corporate Governance Report | 19 |
| • Governance Statement | 23 |
| • Remuneration Report | 28 |
| • Staff Report | 34 |
| • Parliamentary Accountability Report | 38 |
| • Approval and signing of report | 38 |
| Audit Report | 39 |
| Financial Statements: | |
| Consolidated Statement of Comprehensive Net Expenditure (SOCNE) | 42 |
| Summary of Core Revenue Resource Outturn | 43 |
| Consolidated Statement of Financial Position | 44 |
| Consolidated Statement of Cash Flows | 45 |
| Consolidated Statement of Changes in Taxpayers' Equity | 46 |
| Notes | 47 |
| Direction by the Scottish Ministers | 78 |

Chair Foreword



The Golden Jubilee has always had a unique role within NHSScotland. In 2002, it became the flagship hospital with a mandate to reduce patient waiting times. From day one, we have collaborated with NHS Boards across Scotland, helping patients from Stranraer to Stornoway to be treated or diagnosed faster than ever before.

Fast forward 17 years and the Golden Jubilee now provides vital cardiothoracic services as well as being one of Europe's largest and best known planned care hospitals, having increased capacity every year to meet the needs of NHSScotland.

Here at the Golden Jubilee, we pride ourselves on being an organisation that is at the forefront of innovation and at the same time delivering truly person centred care for the people who use our services. Our primary focus is to deliver the best quality healthcare to the people of Scotland – care that is person centred, safe and effective.

With a well established track record of delivering increased capacity for the people of Scotland, we have expanded our range of services and grown our expertise with the support of a workforce keen to embrace transformation and change.

This expansion is continuing with plans to deliver more 'in demand' services such as cataract operations, hip and knee replacements and diagnostic procedures. The Golden Jubilee is also working collaboratively to shape planned care through the National Elective Centres programme.

Throughout the years, we have maintained high standards in clinical governance, good clinical outcomes, and importantly, our patients consistently tell us they are very satisfied with the quality of service provided.

The Golden Jubilee has always aimed to ensure that we support the delivery of NHSScotland's national health priorities. We can only do this with the support of all of our partners.

Our focus has always been to meet NHS Board demands and deliver equal access to high quality healthcare so that as many patients as possible benefit from our clinical expertise and excellent facilities. We hope to continue this legacy far into the future.

A handwritten signature in black ink that reads "Susan Douglas-Scott".

Susan Douglas-Scott, Chair

Annual accounts and notes for year ended 31 March 2019

In accordance with the Financial Reporting Manual (FRM) the Board is required to prepare an annual report and accounts which comprises:

- **Performance Report**
- **Financial Statements**
- **Accountability Report**

Performance Report

Overview

The purpose of the Overview is to provide a brief summary that provides sufficient information to understand the NHS Board, its purpose, the key risks to the achievement of its objectives and how it has performed during the year. The Overview provides the lay user with enough information that there is no requirement to look further into the rest of the annual report and accounts unless they specifically wish to do so.

- our NHS Board;
- its purpose;
- the key risks to achieving our objectives; and
- how we have performed during the year.

Statement from the Chief Executive



Expansion and improvement remains at the heart of the Golden Jubilee Foundation's progress as we help deliver the National Elective Centres Programme.

During 2018/19, we gained Full Business Case approval for our Phase One expansion plans for our Golden Jubilee Eye Unit. We will start treating patients in the Eye Unit from June 2020 and will increase the number of cataract operations carried out year on year in line with projected demand across the West of Scotland. By 2035, the Golden Jubilee will be treating a minimum of 18,000 people a year in this specialty alone.

Last year, work also progressed to further expand capacity through the Golden Jubilee's Phase Two expansion plans. The Scottish Government approved our Initial Agreement, allowing us to move forward on our Outline Business Case to treat more orthopaedic, general surgery and diagnostic endoscopy patients.

We continue to grow our research portfolio with approximately 100 active research projects across all of the Golden Jubilee specialties, including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics. Research activity improves knowledge and understanding of health and conditions and can lead to improvements in healthcare quality, better outcomes and care for patients, and improved performance.

National Waiting Times Centre Board

We are proud to manage NHSScotland's only four star hotel and conference centre, which was named the most Accessible Hotel at the Scottish Hotel Awards. The Golden Jubilee Conference Hotel continues to support our hospital by providing facilities to assist and support access for patients and relatives from all over Scotland, as well as offering services to a broad range of customers from the NHS and beyond.

Over the last year, the Golden Jubilee:

- Invested in a new state-of-the-art Computer Tomography scanner to further reduce waiting times across Scotland by providing an extra 10,500 diagnostic examinations.
- Introduced NSTEMI (Non-ST-elevation myocardial infarction) service and re-designed chest pain pathways to ensure high risk heart attack patients come direct to the Golden Jubilee. This has resulted in faster treatment for patients, maximising the clinical benefit of treatment, and shorter stay in hospital with a saving of £1.1 million.
- Introduced our Thoracic Robotic Surgery programme. As we expand minimally invasive care through robot assisted surgery, we will continue to develop as a UK leader in this field.
- Implemented a UK first technique to help critically ill inpatients on the heart transplant list get vital exercise.
- Introduced the Organ Care System to Scotland, extending the amount of time a donated organ can remain outside the body in a condition suitable for transplantation, giving surgeons the opportunity to assess an organ's function.
- Received the Investors in Young People Gold accreditation – the first NHS organisation in Scotland to do so – and recognition from West Dunbartonshire Council for our commitment to their Schools Employability Skills Programme.
- Ranked in the Stonewall Top 100 UK employers for the fifth year in a row – we continue to be the only Scottish NHS Board in the list.

The next year will be exciting but challenging as we work towards making our expansion plans a reality and evolving our collaborations across NHSScotland. We have been engaging staff and key stakeholders in the development of our Board Strategy which sets out our future direction and priorities for the next three years.

As we continue to expand our services, treat more patients and ensure our finances are in good health, our dedicated team continue to make the greatest possible contribution to Scotland's health. With their care, compassion and consistent 'can do' attitude, our staff are our greatest asset.

Our values and the NHSScotland Quality Ambitions are at the heart of everything we do. Our primary focus is to deliver the best quality healthcare to the people of Scotland – care that is person centred, safe and effective.

These continue to be our key drivers as we set out our future direction.



Jann Gardner, Chief Executive

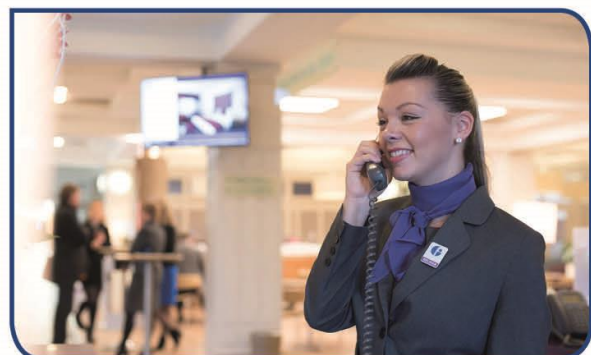
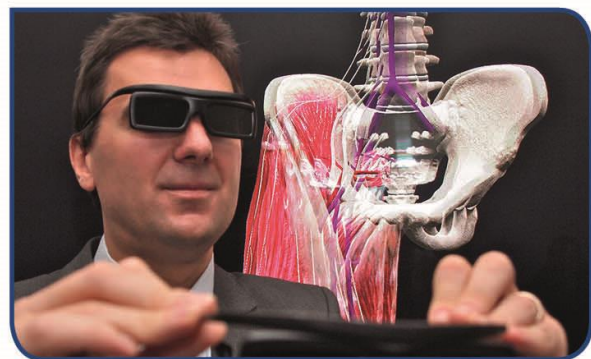
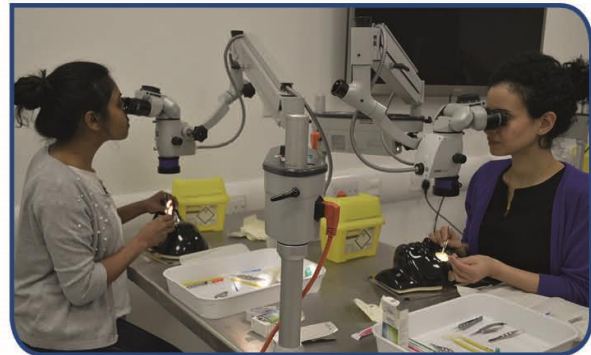
Golden Jubilee Foundation

The NHS Golden Jubilee is the portfolio of facilities which includes the:

- Golden Jubilee National Hospital;
- Golden Jubilee Research Institute;
- Golden Jubilee Innovation Centre; and
- Golden Jubilee Conference Hotel.

One of Scotland's National NHS Boards, the NHS Golden Jubilee is committed to "putting people first to achieve and sustain excellence in care, performance, quality, innovation and values".

By having all these facilities integrated on one campus, together with a focus on continuous learning and strong links to academia and industry, the Golden Jubilee has created a crucible for innovation and a vibrant network for the spread of learning, continuous improvement and best practice ensuring that patients are firmly at the heart of everything they do.



Golden Jubilee National Hospital

Scotland's flagship hospital for reducing waiting times, the Golden Jubilee National Hospital is home to major centres for orthopaedics, ophthalmology, diagnostic imaging and general surgery and also provides specialist regional and national heart and lung services.

The hospital's extensive purpose-built infrastructure includes:

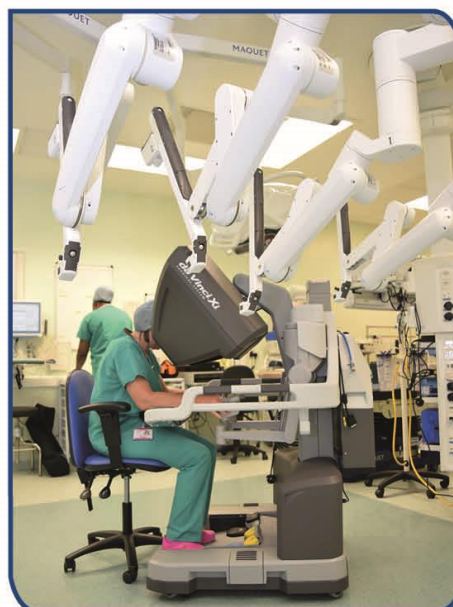
- 200+ beds
- 15 theatres,
- four cardiac catheterisation laboratories,
- four magnetic resonance imaging scanners, and
- two computer tomography scanners.

Serving the whole of Scotland, the Golden Jubilee:

- Performs more than 25% of all hip and knee replacements, it is one of Europe's largest and best known elective orthopaedic centres.
- Carries out 18-20% of all cataract operations, it is Scotland's largest ophthalmic unit.
- Delivers a comprehensive in-house service and a standalone centre reducing patient waiting times for Magnetic Resonance Imaging, Computer Tomography, ultrasound and other scans, it is a major centre for specialist diagnostic imaging centre.
- Provides all heart and lung surgery for the West of Scotland and managing three national services (Scottish National Advanced Heart Failure Service including the heart transplant unit, Scottish Pulmonary Vascular Unit, Scottish Adult Congenital Cardiac Service), it is one the UK's busiest heart and lung units.

Summary of our clinical services

- Cardiac Surgery
- Thoracic Surgery
- National Cardiac Services
- Diagnostic cardiology
- Interventional cardiology
- Orthopaedic surgery
- General surgery, including Endoscopy
- Ophthalmic surgery
- Plastic surgery
- X-ray
- Magnetic Resonance Imaging (MRI) scanning
- Computer Tomography (CT) scanning
- Bone densitometry
- Barium exams
- Ultrasound



Golden Jubilee Conference Hotel

The four-star Golden Jubilee Conference Hotel is NHSScotland's only conference hotel, providing award-winning meeting and hospitality services for local and international guests and delegates.

The Golden Jubilee Conference Hotel is a key element of the NHS Golden Jubilee with a commitment to deliver excellence through high quality and ambient hotel, meeting and leisure facilities to enable inspiration and innovation. It also supports hospital services as it, not only provides meeting and conference spaces, but much needed patient, relative and staff on-call bedrooms.

Cutting edge technology enables creative and collaborative work and provides unique and dynamic meeting spaces. Fibre optic audio visual links from the auditorium to the hospital's operating theatres, catheterisation laboratories and imaging suites providing a rich learning experience, with delegates able to view medical or surgical procedures and interact with the medical team.



Golden Jubilee Research Institute

The Golden Jubilee Research Institute continues to deliver world-leading research, ensuring it is taken from 'bench to bedside' to benefit patients.

We firmly believe that research is crucial to health in two ways. Research activity helps us investigate, test out and develop responses to the challenges we face. It also improves the sum of our knowledge and understanding and can lead to improvements in healthcare quality, better outcomes and care for patients, and improved performance.

The Institute currently undertakes ground-breaking research across all of the Golden Jubilee specialties including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics – and host a significant number of commercial and non-commercial research trials and studies.



Awards gained in 2018/19

The NHS Golden Jubilee received the following awards:



- First NHSScotland Board to achieve Investors in Young People Gold accreditation.
- Received a special recognition award from West Dunbartonshire Council for supporting their Schools Employability Skills Programme.
- Retained a place in the top 100 UK employers for the fifth year in a row, ranking at number 37 in the Stonewall Scotland Workplace Equality Index (WEI).
- Stonewall Scotland Star Performer award recognising 10 years as a Stonewall Diversity Champion.
- Carole Anderson, Head of Strategy and Performance, was included in the Financial Times' inaugural OUTstanding Leading LGBT+ Public Sector Executives List for the second year.
- Susan Douglas-Scott, Chairperson of the Independent Living Fund (ILF) Scotland and the NHS Golden Jubilee Board, was awarded Commander of the British Empire (CBE) in the Queen's New Year's Honours List 2019 for her service to public life and commitment to promoting diversity, inclusivity and equality with a focus on improving the lives of individuals.
- Royal College of Physicians and Surgeons Glasgow (RCPSG) award for supporting medical students to complete their Practical Assessment of Clinical Examination Skills (PACES).

Within the hospitality sector, the Golden Jubilee Conference Hotel received:



- Conference Hotel of the Year, Scottish Hotel Awards 2018 (National and Regional titles).
- Most Accessible Hotel, Scottish Hotel Awards 2019 (National and Regional titles).
- Best Large Venue, Scottish Hotel Awards 2019 (Regional titles).
- Certificate of Excellence for eighth year in a row, Trip Advisor 2018.

Risk and good governance

The Risk Appetite was set across the 4 pillars of the Campus considering the clusters used across the Board in assessment of risk using 5 point scale ranging from averse to willing:

| | Hospital | Hotel | R&D | Innovation |
|--------------------|----------|----------|----------|------------|
| Strategic | Open | Open | Open | Open |
| Safety/ Experience | Cautious | Cautious | Cautious | Cautious |
| Reputation | Moderate | Moderate | Moderate | Moderate |
| Financial | Moderate | Open | Open | Open |
| Regulation | Moderate | Moderate | Cautious | Open |
| Operational | Moderate | Open | Open | Open |
| Workforce | Cautious | Open | Open | Open |

The Board vision is leading **Quality, Research and Innovation** for NHSScotland and aims to deliver world-class healthcare services that will be recognised both nationally and internationally. The acceptance of any risk is subject to ensuring the impact in benefits and risks of any decision are understood and managed through appropriate measures to mitigate risk and realise benefits. The Board recognises that any appetite for risk will vary according to the issue and therefore different appetites and tolerances to risks will apply. Delivery of clinical care is complex and challenging and in recognising this there is generally a more cautious approach to risk within the hospital setting.

In delivering our vision safety is at the forefront of what we do with a strong commitment to continually learn and improve. Risk is inherent in all that we do and we will continue to ensure this is robustly managed with a cautious approach to risk to patients, staff and guests.

Existing governance structures and control frameworks supported with the embedding of the 'Values' across the NHS Golden Jubilee provide the Board with confidence that it is open to taking risks in the development and execution of strategy across all pillars within the organisation.

The Board are focussed on maintaining the strong reputation of the NHS Golden Jubilee and enhancing the reputation in new areas within the UK and internationally. The Board is also committed to driving innovation and as such is open to taking considered operational and strategic risks, particularly where, through innovation, positive gains can be anticipated whilst however always mindful of managing reputational risks.









There are strong financial controls in place across the Board with different challenges faced across the campus bring a cautious risk appetite within the hospital but working with a more moderate appetite across research, innovation and the hotel. This reflects the requirement for transformational change and we explore new ways of collaborative working recognising the associated benefits.

There is a greater appetite for operational risk in developing innovative ways of delivering services. There is caution to ensure a sound evidence base to support this and ensure safety is not compromised. In responding to workforce challenges the Board is open to explore innovative workforce models, working in partnership to maximise the resources we have in delivery of services ensuring this does not compromise safety.

The Board recognises the need to place high importance on regulation and compliance but also be open to challenge where supported by evidence in pursuit of quality. The role of regulation in supporting safety within Research & Development is recognised with a more cautious approach here.

Local delivery plan standards

In addition to our Board priorities laid out in our Annual Operational Plan, and described in the pages to follow, we are required to continue to deliver against the existing Local Delivery Plan standards.

| What we said we would do | Examples of what we have achieved |  Status |
|------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| Staphylococcus Aureus Bacteraemia (SAB), including MRSA infections, to be maintained at less than 0.24 per 1000 acute occupied bed days. | <ul style="list-style-type: none"> Just six instances of Staphylococcus Aureus Bacteraemia (SAB) during 2018/19. An occurrence of 0.12 per 1000 occupied bed days which is 50% below the trajectory. |  Green |
| Clostridium Difficile Infections to be maintained at less than 0.32 per 1000 acute occupied bed days. | <ul style="list-style-type: none"> The Golden Jubilee recorded only one instance of Clostridium Difficile during 2018/19. An occurrence of 0.02 instances per 1000 occupied bed days; well below the 0.32 per 1000 occupied bed days trajectory. |  Green |
| Achieve a sickness absence rate of below 4%. | <ul style="list-style-type: none"> The sickness absence rate for 2018/19 was 5.03%. |  Red |
| At least 95% of patients on a cancer treatment pathway to be treated within 31 days. | <ul style="list-style-type: none"> During 2018/19, 100% of patients on a cancer treatment pathway were seen within 31 days. |  Green |
| Patients to receive an initial outpatient appointment within 12 weeks of referral. | <ul style="list-style-type: none"> 5,989 (83%) patients referred for a heart and lung procedure received their treatment within 12 weeks. |  Green |
| 90% of patients to be treated within 18 weeks of referral. | <ul style="list-style-type: none"> 1,935 (93%) heart and lung patients received were treated within 18 weeks of referral. |  Green |
| 100% of patients to be treated within 12 weeks of decision to treat. | <ul style="list-style-type: none"> 5,990 (83%) patients referred for a heart and lung procedure received their treatment within 12 weeks. |  Red |

Workforce

2020 Workforce Vision

What we have achieved so far

Healthy Organisation Culture

- Over 70% of our teams created an iMatter action plan, helping individuals and teams to understand and improve staff experience.
- Internal and external speakers share their expertise and passions through Equalities Sessions.
- Retained our Top 100 Employer status in Stonewall Workplace Equality Index.
- Human Factors and Quality Improvement training continue to be rolled out to all our staff.
- Our Workforce Policies have been reviewed and developed to ensure that they reflect best practice and enable our workforce to be treated fairly and consistently.

Sustainable Workforce

- Continued to review the skills required to provide safe, effective and person centred care.
- Continued to develop our advanced practice roles.
- Maintained the Ministry of Defence's highest badge of honour – the Employer Recognition Scheme (ERS) Gold Award.
- Maintained our 'Disability Confident Leader' accreditation and continue to work as a 'Disability Confident Employer'.
- Our Training Academies continue to be successful, ensuring a high quality source of staffing.

Capable Workforce

- Developed and implemented an Allied Health Professions (AHP) strategy aligned to the active independent living programme.
- Implemented eESS and TURAS appraisals throughout the Board.
- Embedded our values based recruitment process for senior appointments across NHS Scotland.
- Developed a workforce plan to support phase one expansion. Ensuring that the right staff will be in the right place at the right time.
- Ensure our staff met their mandatory training requirements to safely operate in their role.

Integrated Workforce

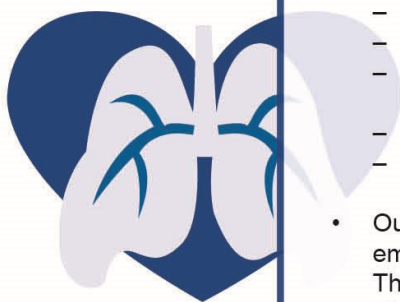
- Delivered sign language training to our staff in conjunction with West College Scotland.
- Supported our first graduate apprenticeship within the NHS Golden Jubilee.
- Continued to work with West Dunbartonshire Council and Job Centre Plus.
- Continued to work with the National Board Delivery Programme and West of Scotland Regional Boards to maximise effective use of resources.

Effective Leadership and Management

- Delivered a fourth cohort of our Regional Leadership programme.
- Participated and developed the new Management Development Programme for National Board employees.
- Supported staff to explore talent management through Project Lift.
- Developed an approach to coaching across the National Boards.

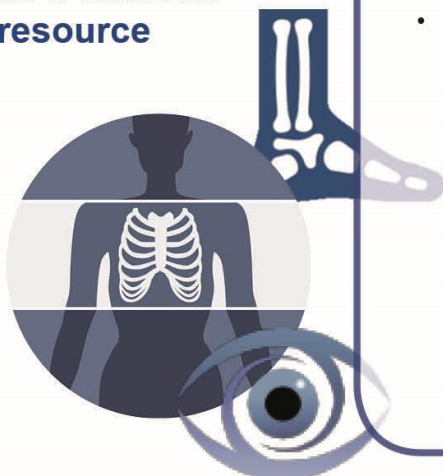
Performance key points

Heart and Lung



- Nine heart transplants were carried out during 2018/19.
- Following a number of successful retrievals using our Organ Care System (OCS) with Donation after Brain Death (DBD) the GJNH retrieval team will expand its use to Donations after Circulatory Death (DCD).
- We continue to participate with the National Organ Retrieval Service (NORS) as part of the formal scout rota.
- As of 9 April 2019 79 patients had been successfully treated with a planned Robotic Assisted Thoracic Surgery (RATS) procedure.
- Our innovative model of care allowing direct referral and admission for patients presenting with a NSTEMI (Non-ST-elevation myocardial infarction) heart attack won the Innovation Award prize from the National Cardiothoracic Benchmarking Collaborative.
- Our Interventional Cardiology Strategy has been approved, outlining the expectation of the future demands on the service and the current ability to react. The key recommendations included:
 - Increasing Cardiac Catheterisation Laboratory (Cath Lab) capacity
 - Improve patient flow challenges
 - Scope requirements for five year strategy to develop as an Interventional Centre of Excellence
 - Develop a Cardiac Physiology Training Academy
 - Develop capacity required to commence extended NSTEMI transformation project
- Our Transcatheter Aortic Valve Implantation (TAVI) service is now embedded with 85 patients being successfully treated during 2018/19. The TAVI service forms a key component of our Structural Heart Service alongside Left Atrial Appendage Closure (LAAC), Mitraclip and Patent Foramen Ovale (PFO) closure.

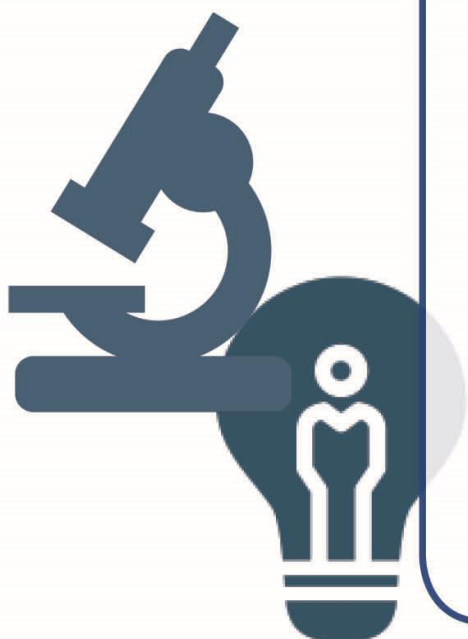
Elective Care Centres and commitment as a national resource



- Our activity plan for 2018/19 included capacity for orthopaedic joints, foot and ankle surgery, orthopaedic 'other' (intermediate and minor procedures), general surgery, plastic surgery, ophthalmology, endoscopy and diagnostic imaging.
- During 2018/19 we carried out 52,595 inpatient, day case and imaging procedures against a target of 48,419 (8.6% above plan).
- Work is progressing to deliver the Golden Jubilee Elective Care Centre programme. The programme is structured in two phases:
 - Phase One – delivery of additional ophthalmology elective care capacity is well underway. Enabling work began in November 2018 with construction starting in January 2019, completion is expected in summer 2020.
 - Phase Two – delivery of additional orthopaedic and other surgical elective care capacity has the potential for initial enabling work to begin onsite from November 2019 with the construction expected to be completed by the end of 2021.

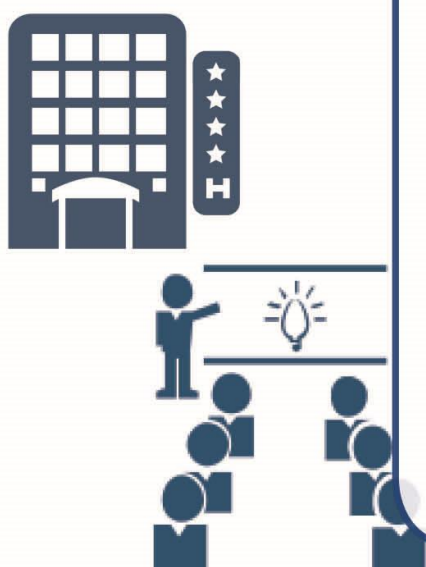
Performance key points

Increasing and supporting Innovation and Research



- The Golden Jubilee Research Institute (GJRI) continues to exceed its research targets.
- The GJRI had two Medicines and Healthcare products Regulatory Agency (MHRA) inspections during 2018/19 with very positive outcomes.
- A Golden Jubilee Research Quality Framework has been created to support fundamental aspects of research governance.
- Our strategic partnerships continue to expand and return excellent benefits. These partnerships with the NHS, industry, academia, innovation vehicles and investors help facilitate the development of our research and technical reputation and encourage economic growth within Scotland.
- The Alpha Defensin project, developing the only UK based Laboratory Service focusing on effective and early diagnosis of prosthetic joint infection, is in progress.
- The Motion Analysis Lab opened in May 2017. Motion analysis is now an established outcome for orthopaedic research projects.

Golden Jubilee Conference Hotel Strategy



- The Hotel was awarded the Scottish Conference Hotel of the Year 2018 and earned the highly regarded Venue Verdict Gold Standard 2018.
- For the first time the Hotel achieved a turnover of more than £5 million during 2019/20.
- We have been successful in our application to join ICCA (International Congress and Convention Association). ICCA members represent the top destinations worldwide and the most experienced specialist suppliers including venues.
- 8,523 rooms were provided to patients and patients' families during 2018/19.
- With most of the infrastructure now in place to deliver the Hotel's 2020 strategy the final phase is focusing on realising the business potential, completing the bedroom refurbishment and developing plans to increase conference and dining capacity.
- A new sustainable investment strategy is being considered as part of a five year financial plan for the Hotel.

National Waiting Times Centre Board

Financial Performance

1. Consolidated Accounts

The Annual Accounts consolidate the results of the Board, and Board Endowment Funds. The basis of consolidation, explained in note 1 Accounting Policies on page 49, is determined by the extent of control by the Board can effectively exercise over the charity. All Trustees of the Board Endowment funds are members of Health Board. The Board therefore has majority control and, using the principles stipulated by IFRS 10, must consolidate, in full, the financial results of the Board Endowment Funds in to the main Board accounts.

2. National Waiting Times Centre Board Endowment Fund

The primary objective of the charity as defined by the National Health Service (Scotland) Act 1978 is the advancement of health for the population for the whole of Scotland. The Act also says that Trustees should consider pursuing this through:

- Improvement in the physical and mental health of the local population for which this Board covers the whole of Scotland as defined in its constitution
- The prevention, diagnosis and treatment of illness
- The provision of services and facilities in connection to the above
- The research into any matters relating to the causation, prevention, diagnosis or treatment of illness, or into such other matters relating to the health service as the Trustees see fit
- Education and development in connection to the above

The charity's overall income for the year was £1,742K which represents an increase of £364K compared with a prior year total of £1,378K.

The income was generated from categories including: donations from individuals, corporate donations, income from sponsorship of research activity and fee income from courses, stall fees and other services provided by clinical staff.

3. Board performance against statutory financial targets

The results of the charity, although consolidated within the main Board accounts for group accounting purposes, do not form part of the statutory financial target set for NHS Boards by the Scottish Government Health and Social Care Directorate (SGHSCD) and are therefore not taken in to account when considering the Board's in year financial performance. The three annual financial targets set for each Health Board by the SGHSCD are:

Health Boards are expected to stay within these limits, and will report on any variation from the limits set.

| Statutory Financial Targets | Limit as set by Scottish Government Health and Social Care Directorate £000's | Actual Outturn £000's | Variance £000's |
|-----------------------------------------------------|----------------------------------------------------------------------------------|--------------------------|--------------------|
| Core Revenue Resource Limit | 71,097 | 71,095 | 2 |
| Non Core Revenue Resource Limit | 6,611 | 6,496 | 115 |
| Capital Resource Limit | 6,439 | 6,439 | - |
| Cash Requirement | 83,292 | 83,292 | - |
| Memorandum for in year outturn | | | £000 |
| Reported surplus in 2018/19 | | | 2 |
| Approved brought forward surplus from previous year | | | - |
| Surplus against in year Revenue Resource Limit | | | 2 |

National Waiting Times Centre Board

4. Property Valuation

All property was revalued by Avison Young (formerly James Barr), independent specialists in property valuation, on the basis of market value, depreciated replacement cost or existing use value as at 31 March 2019. The values were calculated in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS and applied to reflect local market conditions at 31 March 2019.

5. Infrastructure and Non Current Assets

At the year-end £6.439m of capital expenditure was incurred, this is in line with the plan for the year. Further detail on the spend in-year is included below.

| Area | Spend to 31 March £000s |
|-------------------|-------------------------|
| Property | 275 |
| Other equipment | 87 |
| Medical Equipment | 3,428 |
| IM&T | 301 |
| Formula | 4,091 |
| Capital Stimulus | 183 |
| Elective Centres | 2,165 |
| Total | 6,439 |

6. Efficiency Savings

At year-end, efficiency savings delivered were £4.267m against a Local Delivery Plan (LDP) target of £4.206m, reporting a small over achievement of £61k at financial year end. The savings achieved for financial year 2018/19 are split with recurring efficiency savings achieved of £2.776m and non recurring savings of £1.491m; this is in line with similar trends in previous years.

7. Fraud, Bribery and Corruption

The Board has a zero tolerance for fraud, bribery or corruption. Staff are briefed regularly on counter fraud matters including the confidential routes that are available to report suspected fraud, bribery or corruption. A range of fraud awareness initiatives were progressed during the year including targeted training in relation to procurement fraud and cybercrime. In addition the Board agreed revised arrangements for the disclosure of information in the corporate register of interests, gifts and hospitality.

8. Provisions for impairment of receivables

A provision of £1,211 has been provided in year in relation to bad/doubtful debts (prior year £790).

9. Legal obligations

The following provisions have been included in the accounts with regard to legal obligations:

- Clinical & Medical - £5,268,000 (prior year £3,881,000)
- Other - £65,000 (prior year £35,000)
- Participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) – £1,577,000 (prior year £1,633,000)
- Total for year – £6,910,000 (prior year £5,549,000)

The basis of these provisions is provided by the Central Legal Office.

Where no certainty has been attributed to claims these have been accounted for via contingent liabilities, current year £1,925,000 (prior year £1,553,000).

National Waiting Times Centre Board

10. Payment Policy

The Board is committed to supporting the Scottish Government in helping businesses during the current economic situation by paying bills more quickly. The intention is to achieve payment of all undisputed invoices within 10 working days, across all public bodies.

In 2018/19 average credit taken was 13 days (2017/18 – 12 days).

In 2018/19 the Board paid 86.97% by value (2017/18 – 86.75%) and 91.54% by volume within 30 days (2017/18 – 91.52%).

In 2018/19 the Board paid 73.92% by value (2017/18 – 72.90%) and 85.87% by volume within 10 days (2017/18 – 85.86%).

The calculations above only include payments to Non-NHS suppliers.

11. Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 16 and the Remuneration Report.

12. Social Matters

The Board strives to continually improve inclusiveness by creating a work environment that not only welcomes individuals of all backgrounds, but actively highlights and celebrates the unique mix of people and patients who work for us and use our services. We produce reports and statistics to reflect this such as reporting progress on mainstreaming the public sector equality duty, publish equality outcomes and report progress, assess and review policies and practice, gather and use employee information and publish in a manner that is accessible.

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

Over the previous 12 month period the Board has reviewed and updated our Whistleblowing Policy which has included the appointment of a new non-executive Whistleblowing Champion. This review has also included a refresh and updating of our staff and manager Whistleblowing guides. One anonymous case has been raised during 2018/19 which was fully investigated and has been concluded. Support is provided to individuals who have raised or are considering raising a concern via the Human Resources team, trade unions, Confidential Contacts and the Spiritual Care Advisor.

We also have a Conflicts of Interest Policy which covers detailed guidance on key elements of the Bribery Act (2010) and staff conduct with regard to reporting interests. The Board have also approved an Anti-Bribery Statement which is available on the intranet for all staff. No matters have been raised this year relating to anti-bribery legislation.

National Waiting Times Centre Board

13. Sustainability and environmental reporting

The Climate Change (Scotland) Act 2009 sets out measures adopted by the Scottish Government to reduce emissions in Scotland by at least 80% by 2050. In 2015, an Order was introduced requiring all designated Major Players (of which the National Waiting Times Centre Board is one) to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act. The information returned by the Board is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-32 while national reports can be found at the following resource:

<https://sustainablesotlandnetwork.org/reports>

Approval



J Gardner
Chief Executive

Date: 20 June 2019

The Accountable Officer authorised the Performance Report for issue on 20 June 2019

National Waiting Times Centre Board

ACCOUNTABILITY REPORT

The purpose of the accountability section of the annual report is to meet the key accountability requirements and contains three sections:

- Corporate Governance Report;
- Remuneration and Staff Report; and
- Parliamentary Accountability Report.

CORPORATE GOVERNANCE REPORT

Directors Report

The Directors present their report and the audited financial statements for the year ended 31 March 2019

Date of Issue

The Accountable Officer authorised these financial statements for issue on 20 June 2019.

Naming Convention

The National Waiting Times Centre Board is the common name for the Board – also known as the Golden Jubilee Foundation.

Appointment of auditors

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed Scott-Moncrieff to undertake the audit of the National Waiting Times Centre Board. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

Board Membership

Under the terms of the Scottish Health Plan, the Health Board is a board of governance whose membership will be conditioned by the functions of the Board. Members of Health Boards are selected on the basis of their position or the particular expertise which enables them to contribute to the decision making process at a strategic level.

The Health Board has collective responsibility for the performance of the local NHS system as a whole, and reflects the partnership approach, which is essential to improving health and health care.

The Directors during the period were as follows:

| | |
|---------------|--------------------------------------------------|
| Interim Chair | S MacKinnon – from 18 March 2016 to 4 April 2018 |
| Chair | S Douglas-Scott – from 4 April 2018 |
| Non-Executive | J Christie-Flight – Employee Director |
| | P Cox |
| | K Harriman |
| | M MacGregor |
| | K Kelly |
| | M Boyle |
| | L Semple – Started 1 October 2018 |
| | S McAllister – Started 1 October 2018 |

National Waiting Times Centre Board

| | | |
|---------------------|-------------|--------------------------------------------------------------------|
| Executive Directors | J W Young | – Chief Executive – left 30 November 2018 |
| | J Gardner | – Chief Executive – started 21 January 2019 |
| | J M Carter | – Director of Finance |
| | AM Cavanagh | – Director of Nursing |
| | M Higgins | – Medical Director – left 31 March 2019 |
| | G Adkins | – Director of Quality, Innovation and People – started 23 May 2018 |
| | A Harkness | – Director of Global Development and Strategic Partnerships |
| | J Rogers | – Director of Operations |

The statement of Board Members' responsibilities

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2019 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHSScotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where the effect of the departure is material.
- Prepare the accounts on the going concern basis unless it is inappropriate to presume that the Board will continue to operate.

The Health Board members are responsible for ensuring that proper accounting records are maintained which disclose with reasonable accuracy at any time the financial position of the Board and enable them to ensure that the accounts comply with the National Health Service (Scotland) Act 1978 and the requirements of the Scottish Ministers. They are also responsible for safeguarding the assets of the Board and hence taking reasonable steps for the prevention of fraud and other irregularities.

The NHS Board members confirm they have discharged the above responsibilities during the financial year and in preparing the accounts.

Board members' and senior managers' interests

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Board as required by IAS 24 are disclosed in note 18. The following interests have been declared:

| | Interest |
|-----------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| S Douglas-Scott | Celebrant and Chaplain –Celebrate People Board Chair - ILF Scotland |
| JW Young | Deputy Lord Lieutenant – West Dunbartonshire Board Director – Scottish Health Innovations Ltd (SHIL) |
| J Gardner | Board Director – Scottish Health Innovations Ltd (SHIL) |
| J Carter | Scottish Ambulance Service – Interim Director of Finance and Logistics; this is an agreed strategic Director of Finance Role shared between the Board and Scottish Ambulance Service Related to the owner of 21 Colour Ltd which is on the public sector contract list. Is removed from any negotiations with the company. |

National Waiting Times Centre Board

| | |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| J Rogers | Related to the Vice President of Vascuteck Limited which is a company supplying clinical goods to the NHS. Is removed from any negotiations with the company. |
| K Kelly | Gleniffer Solutions LTD; Freelance Consultancy, Interim Management and Training Member of the Board of Management – City of Glasgow College Institute Council Member – Chartered Institute of Public Finance and Accountancy (CIPFA) Apex Scotland - Non- executive Director and Trustee |
| S McAllister | NHS Forth Valley – Non-executive Director Risk Management Authority – Risk Management Samaritans – Trustee SARMAR - Director Lifeline - Trustee |
| L Semple | Non-executive Director – NHS Ayrshire and Arran HSE Ireland – Consultancy NHS Lanarkshire – consultancy Scottish National Party – Member National Trust for Scotland – Member RSPB – Member Woman for independence - member |
| K Harriman | HR Director – Hilton Hotels Trustee – Springboard Charity |
| P Cox | Tarbaxus Distillers LTD - Director |
| M MacGregor | Interim Medical Director – NHS Ayrshire and Arran NHS HIS – Scottish Medicines Consortium (0.4 wte) |
| J Christie-Flight | Lay representative/Branch Chair – Unite Non-executive Director – Scottish Pensions Advisory Board |

The following Directors did not declare any interests during 2018/19;

- M Boyle;
- AM Cavanagh;
- M Higgins;
- G Adkins; and
- A Harkness.

Directors third party indemnity provisions

Directors and officers indemnity insurance was in place during the period.

Remuneration for non-audit work

There has been no payment for non-audit work during 2018/19.

National Waiting Times Centre Board

Public Services Reform (Scotland) Act 2010

Sections 31 and 32 of the Public Services Reform (Scotland) Act 2010 impose duties on the Scottish Government and listed public bodies to publish information on expenditure and certain other matters as soon as is reasonably practicable after the end of each financial year, this information can be found via the following link:

<http://www.nhsgoldenjubilee.co.uk/about/our-board/public-spending-psra/>

Personal data related incidents

There were no personal data related incidents reported to the Information Commissioner during 2018/19.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Board's auditors are unaware; and each director has taken all the steps that he/she ought reasonably to have taken as a director to make himself/herself aware of any relevant audit information and to establish that the Board's auditors are aware of that information.

Statement of the Chief Executive's (Accountable Officer) responsibilities

Under Section 15 of the Public Finance and Accountability (Scotland) Act, 2000, the Principal Accountable Officer (PAO) of the Scottish Government has appointed me as Accountable Officer of the National Waiting Times Centre Board.

This designation carries with it, responsibility for:

- the propriety and regularity of financial transactions under my control;
- for the economical, efficient and effective use of resources placed at the Board's disposal; and
- safeguarding the assets of the Board.

In preparing the accounts I am required to comply with the requirements of the governments Financial Reporting Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the government Financial Reporting Manual have been followed and disclose and explain any material departures; and
- prepare the accounts on a going concern basis.

I confirm that the Annual Report and Accounts as a whole are fair, balanced and reasonable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me of the 23 January 2019.

National Waiting Times Centre Board

Governance Statement

Responsibility

As Accountable Officer, I am responsible for maintaining an adequate and effective system of internal control that supports compliance with the Board's policies and promotes achievement of the Board's aims and objectives, including those set by Scottish Ministers. Also I am responsible for safeguarding the public funds and assets assigned to the Board.

Purpose of Internal Control

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

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

This process within the Board accords with the guidance from the Scottish Ministers in the Scottish Public Finance Manual (SPFM) and supplementary NHS guidance and has been in place for the year up to the date of the approval of the annual report and accounts.

The SPFM is issued by Scottish Ministers to provide guidance to the Scottish Government and other relevant bodies on the proper handling and reporting of public funds. The SPFM sets out the relevant statutory, parliamentary and administrative requirements, emphasises the need for efficiency, effectiveness and economy and promotes good practice and high standards of propriety.

Governance Framework

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2019, with the key points of this framework detailed below:

- We are currently updating our Board Strategy with the ambition of **“putting people first to achieve and sustain excellence- in care, performance, quality, innovation and values”** This shapes our future way forward and our plans to support NHS Scotland.
- The Board measures the quality of its services on an ongoing basis via patient and customer satisfaction surveys and quality outcome measures reported on our Board dashboards.
- The Board's Performance and Planning Committee uses our corporate balanced scorecard to review how the Board is performing against set indicators, including the use of available resources. This information is also reviewed at every meeting of the Senior Management Team and the Board.
- The Board has developed and implemented a Quality Framework to provide assurance on patient care, staff governance and performance. Part of the framework includes Clinical Dashboards which have been fully implemented within clinical areas. Scrutiny of the dashboards is at local governance groups, and the Board including Board sub-committees. They aim to provide quality performance in a timely manner for all clinical service areas.
- The Audit and Risk Committee (effective) of the Board has terms of reference which govern its function in line with the requirements of the Government Audit and Assurance Committee Handbook and have been updated in 18/19 in line with the new guidance. The Committee meets a minimum of four times a year, with any documents which affect the overall governance arrangements in the Board being approved at the committee prior to being presented for Board approval. The Committee also considers all audit work relating to governance. The Staff Governance (person centred) and Clinical Governance (safe) Committees also function in line with clear terms of reference and review assurance in these specific areas, annual reports have been presented to reflect the work of these Committee's for 2018/19.
- The Board continues to annually review the role of each of the governance committees (audit and risk (effective), clinical (safe) and staff (person centred)) to ensure that they were fulfilling the governance requirements of the Board and were demonstrating clear links to the NHS in Scotland strategic direction.

National Waiting Times Centre Board

- The Committee receives updates regarding clinical education; this is reported to the Senior Nurse Forum. The education plan for the year is discussed and approved at the meeting.
- The Board risk register was revised in year reflecting the refreshed risk appetite. The enterprise risk approach has been applied to the EPR and Expansion programmes. Risk appetite has been agreed for both projects with a register developed and reporting and escalation in place aligned to the appetite. This has supported a detailed review of the EPR project risk via the Strategic Risk Committee which informed an internal audit review and progression of key risk areas. The expansion work has involved several stakeholder workshops to support agreement of the risk register for the Full Business Case submission. Discussions on tolerances at Board and project level are ongoing with regular reports to both project boards on the risk register ensuring the register remains live.
- A Risk Appetite statement was developed specifically for the charity via the Endowments Sub Committee. The overall approach is similar to the Board appetite with the risk clusters adjusted to reflect the different nature of risks.
- Each governance committee performs a 360 review of each meeting assessing the performance and content of each meeting, this is to ensure that any areas for improvement are identified and appropriate actions taken to address.
- In addition all committees have submitted formal annual reports regarding the work of the committee to the Board.
- The Board has in place the following policies which govern the work of core Board functions. These documents are reviewed on a regular basis and updated as required to reflect guidance issued by the Government or changes within the Board:
 - The role of the Board is clearly defined in the Standing Orders, which details how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements. The Board is working to the recommendations in the recently issued Blueprint for Good Governance. A self assessment audit tool has been completed by the Board with very positive results. The majority of questions received a response of 81% or more agreeing with the rates of exceptionally well or well.
 - Standing Financial Instructions, including authorised signatory list – these govern the financial related business of the Board and are approved by the Audit and Risk Committee following updates. These are updated as new guidance becomes available;
 - Procurement policy – this details the process for procurement within the Board in line with UK and European procurement rules. The policy is referred to in the Standing Financial Instructions with both being intrinsically linked. The Policy is reviewed on an ongoing basis.
- The Board has approved a Conflicts of Interest Policy which has been implemented across the Board, this policy covers all aspects of the Bribery Act (2010) and the gifts and hospitality policy, this will be further enhanced when the final guidance is issued by the Scottish Government.
- Assurance statements are signed by each executive Director detailing that all Board policies have been adhered to during the year 2018/19. In addition a statement was also signed by the former Accountable Officer giving assurance that all internal controls were working effectively
- The Board follows all applicable laws and regulations, with this being confirmed via internal and external audits. All policies and procedures are prepared, taking into account appropriate guidance issued by the Government.
- The Board's Whistle-blowing policy, which is overseen by the Staff Governance (Person Centred) Committee, details the processes to be followed by staff members. One of the Non-Executive Board Members also acts as the Board Whistle-blowing Champion.
- The Board has a Fraud Policy in line with the Counter Fraud Services partnership agreement. The Chair of the Audit and Risk Committee (a Non-Executive Board Member) acts our Counter Fraud Champion, and we also have a Fraud Liaison Officer. The new partnership agreement with CFS has been approved by the Audit and Risk Committee.
- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.

National Waiting Times Centre Board

- The Board Communications Strategy is continually reviewed and is due to be updated again following approval of the overarching Board Strategy. It will ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communication indicators are submitted to the Involving People Group and our Person Centred Committee. Communications representatives are involved in all major projects, most notably the Golden Jubilee expansion plans as part of the Scottish Government's National Elective Centre Programme. The team also attend the Partnership Forum, Volunteers Forum and all patient involvement events.
- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year a series of finance workshops have been undertaken for the Partnership Forum.
- Active participation is also demonstrated in regional and national groups, with particularly key involvement in leading the National Board and West Regional Board Delivery plans.
- The Board has in place strong governance to support the development of the expansion programme. This is overseen by a Programme Board for the elective centres, with involvement from relevant staff from the Board, the Government and other external stakeholders.
- In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. Arrangements have been made to secure Best Value as set out in the SPFM.

During the year, the Board assessed its own performance as follows:

The Board undertook an online self assessment with the results from this being presented to the Board along with areas for improvement and associated actions. The overall score for the self-assessment was positive with the majority of questions receiving a response of 81% or above.

A number of Board workshops have taken place which focussed on developing the Board strategy and the work of the regional and national delivery plans, supporting the expansion project, a focus on the Board risk appetite statement, and the output of the Board Diagnostic Assessment Tool. Further workshops are planned during 2019/20.

As per the guidance contained within the Scottish Public Finance Manual to the best of my knowledge the Board has followed the underlying principles of good governance as defined by the 'SPFM': accountability, transparency, probity and focus on sustainable success in conducting its business during the year, in conjunction with this work has been commenced to embed the principles of the 'Blueprint for Good Governance'.

Review of Adequacy and Effectiveness

As Accountable Officer, I am responsible for reviewing the adequacy and effectiveness of the system of internal control. My review is informed by:

- The executives and senior managers within the Board who have responsibility for developing, implementing and maintaining internal controls across their areas;
- Since taking up post in the last quarter of the financial year I gained assurance from the departing Accountable Officer in the robustness and effectiveness of the current governance system. I will work with Internal Audit during 19/20 to gain greater understanding and assurance;
- The work of the internal auditors, who submit to the organisation's Audit Committee (Audit and Risk Committee) regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- Comments by the external auditors in their management letters and other reports.

The Board has an internal mechanism for monitoring the implementation of recommendations made by both external audit and Audit Scotland. Updates are given to the Audit and Risk Committee, Clinical Governance and Risk Management Group and Clinical Governance Committee. In Partnership with the

National Waiting Times Centre Board

new Internal Auditors for the Board a detailed report on internal audit recommendations is presented to each Audit and Risk Committee. Audit Scotland attended the Audit and Risk Committee in February to provide detail on the work that they undertake during the year.

The Audit and Risk Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Group, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer. The role of the Audit and Risk committees' with regard to risk has remained unchanged during 2018/19 and therefore this committee provides additional assurance on risk as well as the internal control environment.

During the year the Board Strategic Risk Committee has met on a monthly basis and this has further embedded the role of Chief Risk Officer.

Additional assurance has been provided during 2018/19 via the receipt of formal reports relating to each of the governance committees. All executive directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

I have been advised on the implications of my review of the effectiveness of the system of internal control by the Board, the Audit and Risk Committee and the Clinical Governance and Risk Management Group. Plans to address any weaknesses are highlighted and ensure continuous improvement of the system are in place in line with best value principles.

Risk Assessment

NHS Scotland bodies are subject to the requirements of the SPFM and must operate a risk management strategy in accordance with relevant guidance issued by Scottish Ministers. The general principles for a successful risk management strategy are set out in the SPFM.

Overall leadership of risk management lies with the Chief Executive as accountable officer. Local leadership is devolved through Executive Directors to Assistant Directors of Operations and Nursing and Associate Medical Directors and their department managers, with appropriate training provided to staff as and when the need arises. All staff are made aware, through general and local induction, that it is their responsibility to ensure that they use and follow the risk management systems and processes.

There is a Board risk register in place which links with organisational objectives and performance management. The board risk register is presented to the Board quarterly and reviewed by the Senior Management Team at every meeting. The Board Risk Register is reviewed by the audit and risk committee prior to submission to the Board. The Strategic Risk Committee also supports this process.

The Senior Management Team ensures that all risks are addressed fully and in a timely manner. The Clinical Governance Risk Management Group supports the management of clinical risks with various sub-groups overseeing specific areas. The groups meet on a regular basis with updates being provided during 2018/19 via the Clinical Governance Committee to the Board and Audit and Risk Committee. This continues to be strengthened taking account of the enhanced role of the Audit and Risk Committee with regard to provision of assurance regarding risk management to the Board.

Risk controls are identified through the risk register process with escalation of risks through the organisational structure. Work is ongoing to review the guidance and format of risk registers across the organisation as we embed the enterprise risk approach and refine our governance arrangements. This process is reviewed by the Audit and Risk Committee.

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

- Completed the work associated with the Blueprint for Good Governance;
- Reviewed and implemented of the guidance in the Scottish Government Audit and Assurance.

National Waiting Times Centre Board

Disclosures

During the previous financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for good governance, risk management and control.

Grant Thornton, Board Internal Auditors, provided the annual opinion below:

“Our overall opinion for the period 1 April 2018 to 31 March 2019 is that based on the scope of reviews undertaken and the sample tests completed during the period, that reasonable assurance can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.”

It should be noted that whilst no significant control weaknesses have been identified one high risk recommendation was made by internal audit, regarding Consultant Job Planning; however this area would not have an impact on the achievement of the Corporate Objectives. A detailed action plan has been agreed to address this recommendation. A small number of medium and low risk recommendations were also made with action plans being put in place to address all recommendations.

Systems have been in place during the year to ensure that performance relating to Treatment Time Guarantees is effectively monitored and reported on. Updates are provided to each meeting of the Board. In addition to this a piece of work on Capacity Planning was undertaken as per of the Internal Audit Plan for the year which did not identify any significant weaknesses in the processes reviewed.

During the course of the year the Board provided all administration services for the Board Charity. An annual report for the charity will be submitted to OSCR following Trustees approval in June 2019. A full audit of all financial transactions and governance arrangements will be undertaken for the 2018/19 financial year prior to submission of the annual report and monitoring returns to OSCR. Due to the financial value of the funds held in the charity there is a requirement to consolidate the charity accounts into the Annual Accounts of the Board for 2018/19. An annual report from the Endowment Sub-Committee was presented to the Audit and Risk Committee for information and to the Board of Trustees for approval.

National Waiting Times Centre Board

REMUNERATION REPORT and STAFF REPORT **REMUNERATION REPORT**

Remuneration

Remuneration of Board Members and Senior Employees is determined in line with directions issued by the Scottish Government.

Notice Periods

As per guidance executive directors have to serve a three-month notice period and the Chief Executive has to serve a six-month notice period.

All Agenda for Change Staff and Medical Staff are required to serve the notice period in accordance with the requirements stated in their individual terms and conditions of service.

Remuneration Committee – Role and Purpose

The remuneration of the executive team is central to the organisation's ability to recruit and retain the type of executive team capable of delivering the substantial strategic agenda and responsibilities placed upon them by the Scottish Government.

Accountability for the efficient and effective use of public monies is paramount within the public sector. Therefore any decision on remuneration issues must be fully supportable in public.

The Remuneration Committee, as a stand-alone Committee to the Board (which also reports to the Staff Governance (Person Centred) Committee), is responsible for overseeing changes to the pay, terms and conditions of the Executive team and relevant senior managers in the above context and taking into account Scottish Government direction and guidance and standards of good corporate governance.

Remuneration Committee - Membership

The Remuneration Committee comprises of the Board Chairman and the Non-Executive Directors of the Board. The Chief Executive, Employee Director and the Director of Quality, Innovation and People will attend meetings of the Remuneration Committee as advisors and assessors and to provide administrative support.

A meeting with the Chairman of the remuneration committee (a Non-Executive member of the Board) and two Non-Executive Directors will constitute a quorum. When the Chairman of the remuneration committee is unavailable one other Non-Executive Director will be appointed to chair the meeting providing a quorum of three is present.

Remuneration Committee will seek specialist guidance and advice as appropriate.

Remuneration Committee - Conduct of Business:

- a) The Committee shall meet at least twice a year.
- b) The conduct of business will be in accordance with the Board's Standing Orders.
- c) In accordance with the principles of good corporate governance, members of the committee should declare and record if they have an interest in any agenda item and then withdraw while the item is being discussed.

Performance Appraisal

Performance appraisals for Executive Directors and Senior Managers are carried out in line with the guidance from the Scottish Government.

Performance Appraisal – for staff covered under Agenda for Change and Medical Staff

All staff covered under Agenda for Change require an up to date Personal Development Plan and annual appraisal in line with TURAS appraisal which was launched in April 2018 throughout the Board.

All medical staff require an annual appraisal which is reported through the Scottish Online Appraisal Resource (SOAR) which is a system which supports the appraisal process for doctors working in Scotland.

Payments to past senior managers

No significant payments were made to past senior managers during 2018/19.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

Board Members and Senior Employees Remuneration

In accordance with the Financial Reporting Manual (FRM) and the Companies Act, the publication of the 'pension benefits' is required. This calculation aims to bring public bodies in line with other industries in disclosing an assessed cumulative pension benefit for a standard 20 year period, which is the estimated life span following retirement.

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2018/19.

FOR THE YEAR ENDED 31 MARCH 2019

Remuneration Table (Subject of Audit Opinion)

| 2019 Name | Directors Gross Salary (bands of £5,000) | Benefits in Kind | Total Earnings in Year (bands of £5,000) | Pension Benefits | Total Remuneration (bands of £5,000) |
|------------------------------------------------------------------------------|------------------------------------------------------|---------------------|------------------------------------------------------|---------------------|-----------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Remuneration of: | | | | | |
| Executive Members | | | | | |
| Chief Executive: JW Young ^{Note 1} | 80-85 | 3.7 | 80-85 | - | 80-85 |
| Chief Executive: J Gardner – started 21 January 2019 ^{Note 2} | 20-25 | - | 20-25 | 74 | 90-95 |
| Director of Finance: J M Carter ^{Note 3} | 60-65 | 7.1 | 65-70 | 60 | 125-130 |
| J Rogers | 90-95 | 6.5 | 95-100 | 15 | 110-115 |
| M Higgins ^{Note 4} | 135-140 | 3 | 140-145 | - | 140-145 |
| H Eteiba ^{Note 5} | 55-60 | - | 55-60 | 8.2 | 65-70 |
| AM Cavanagh | 75-80 | 7.6 | 85-90 | 44 | 130-135 |
| G Adkins ^{Note 6} | 60-65 | - | 60-65 | 53.5 | 115-120 |
| A Harkness | 85-90 | 6.2 | 95-100 | 22.9 | 115-120 |
| Non-Executive Members | | | | | |
| Interim Chair- S MacKinnon – from 18 March 2016 to 4 April 2018 | 0-5 | - | 0-5 | - | 0-5 |
| Chair S Douglas-Scott – from 4 April 2018 ^{Note 7} | 25-30 | - | 25-30 | - | 25-30 |
| J Christie-Flight ^{Note 8} | 55-60 | - | 55-60 | 34 | 85-90 |
| L Semple – started 1 October 2018 ^{Note 9} | 0-5 | - | 0-5 | - | 0-5 |
| S McAllister – started 1 October 2018 ^{Note 10} | 0-5 | - | 0-5 | - | 0-5 |
| M Boyle | 5-10 | - | 5-10 | - | 5-10 |
| K Kelly | 5-10 | - | 5-10 | - | 5-10 |
| M MacGregor | 5-10 | - | 5-10 | - | 5-10 |
| K Harriman | 5-10 | - | 5-10 | - | 5-10 |
| P Cox | 5-10 | - | 5-10 | - | 5-10 |

Note 1 – figure quoted for the period 1/4/18-30/11/18. Full year equivalent is £150k-£155k in bands of £5,000

Note 2 – figure quoted for the period 21/01/19-31/03/19. Full year equivalent is £140k-£145k in bands of £5,000

National Waiting Times Centre Board

Note 3 - Figure quoted is for full year for the Board only. Full year two days per week at Scottish Ambulance Service (SAS) (£50-55k) invoiced.
R McNaught cover for 2 days per week from State Hospital April to November 2018 value is £30k-£35k.

Note 4 - Medical Director on long term sick leave, April –June 2018. The role has been covered in part by H Eteiba – April – June 2018.

Note 5 – salary is for period 01/04/18-29/06/18 as cover for Medical Director. Full year equivalent is £285-£290k.

Note 6 – Figure quoted is for the period 23/05/18-31/03/19. Full year equivalent is £70k-75k in bands of £5,000.

Note 7 – Figure quoted is for period 04/04/18-31/03/19. Full year equivalent is £25k-£30k in bands of £5,000.

Note 8- The Employee Director salary includes £45-£50k in respect of non-Board duties.

Note 9 – Figure quoted is for period 01/10/18-31/03/19. Full year equivalent is £5k-£10k in bands of £5,000.

Note 10 – Figure quoted is for period 01/10/18-31/03/19. Full year equivalent is £5k-£10k in bands of £5,000.

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2018/19 and are included in the salary costs.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2019

Pension Values (Subject to Audit Opinion)

| 2019 Name | Accrued pension at age 60 as at 31/03/19 (bands of £5,000) | Real increase in pension at age 60 (bands of £2,500) | Accrued Lump Sum | Cash equivalent Transfer Value (CETV) at 31 March 2019 (bands of £5,000) | Cash equivalent Transfer Value (CETV) at 31 March 2018 | Real increase in cash equivalent Transfer Value (CETV) at 31 March |
|--------------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------|--------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Pension Values of: | | | | | | |
| Executive Members | | | | | | |
| Chief Executive: JW Young | 40-45 | (15-20) | 122 | 978 | 1,457 | (491) |
| Chief Executive: J Gardner – started 21 January 2019 | 25-30 | 2.5-5 | 58 | 449 | 378 | 72 |
| Director of Finance: J M Carter ** | 30-35 | 2.5-5 | 68 | 531 | 468 | 63 |
| J Rogers | 15-20 | 0-2.5 | 51 | 407 | 378 | 16 |
| M Higgins | 55-60 | (0-2.5) | 168 | 1,345 | 1,378 | (32) |
| H Eteiba | 40-45 | 0-2.5 | 131 | 1,055 | 1,025 | 10 |
| AM Cavanagh ** | 30-35 | 2.5-5 | 94 | 704 | 645 | 60 |
| G Adkins ** | 20-25 | 2.5-5 | 47 | 328 | 280 | 48 |
| A Harkness | 0-5 | 0-2.5 | - | 72 | 42 | 30 |
| Non-Executive Members | | | | | | |
| Interim Chair- S MacKinnon – from 18 March 2016 to 4 April 2018 | - | - | - | - | - | - |
| Chair S Douglas-Scott – from 4 April 2018 | - | - | - | - | - | - |
| J Christie-Flight ** | 20-25 | 0-2.5 | 54 | 393 | 357 | 36 |
| L Semple – started 1 October 2018 | - | - | - | - | - | - |
| S McAllister – started 1 October 2018 | - | - | - | - | - | - |
| M Boyle | - | - | - | - | - | - |
| K Kelly | - | - | - | - | - | - |
| M MacGregor | - | - | - | - | - | - |
| K Harriman | - | - | - | - | - | - |

** these staff members have transferred to the new 2015 pension scheme and therefore pension contributions have been calculated by SPPA for these staff.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2018

Remuneration Table (Subject of Audit Opinion)

| 2018 Name | Directors Gross Salary (bands of £5,000) | Benefits in Kind | Total Earnings in Year (bands of £5,000) | Pension Benefits | Total Remuneration (bands of £5,000) |
|--------------------------------------------------------------------------|------------------------------------------------------|---------------------|------------------------------------------------------|---------------------|-----------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Remuneration of: | | | | | |
| Executive Members | | | | | |
| Chief Executive: JW Young | 115-120 | 5.2 | 120-125 | - | 120-125 |
| Director of Finance: J M Carter ^{Note 1} | 90-95 | 6.3 | 95-100 | 19 | 115-120 |
| J Rogers | 90-95 | 6 | 95-100 | 15 | 110-115 |
| M Higgins ^{Note 2} | 145-150 | 6.2 | 150-155 | - | 150-155 |
| H Eteiba ^{Note 3} | 95-100 | - | 95-100 | - | 95-100 |
| AM Cavanagh | 75-80 | 6.8 | 80-85 | 19 | 100-105 |
| S Qureshi – resigned 18/02/2018 ^{Note 4} | 65-70 | 3.6 | 65-70 | - | 65-70 |
| Non-Executive Members | | | | | |
| Interim Chair- S MacKinnon – from 18 March 2016 to 4 April 2018 | 25-30 | - | 25-30 | - | 25-30 |
| J Christie-Flight ^{Note 5} | 50-55 | - | 50-55 | - | 50-55 |
| J Rae (left 31 July 2017) | 0-5 | - | 0-5 | - | 0-5 |
| M Whitehead (left 31 July 2017) | 0-5 | - | 0-5 | - | 0-5 |
| M Boyle (started 1 August 2017) | 5-10 | - | 5-10 | - | 5-10 |
| K Kelly (started 1 August 2017) | 5-10 | - | 5-10 | - | 5-10 |
| M MacGregor | 5-10 | - | 5-10 | - | 5-10 |
| K Harriman | 5-10 | - | 5-10 | - | 5-10 |
| P Cox | 5-10 | - | 5-10 | - | 5-10 |

Note 1 – Figure quoted is for full year. January to March 2018 two days per week at Scottish Ambulance Service (SAS) (£10k-15k) invoiced.

R McNaught cover for 2 days per week from State Hospital January to March 2018 value is £10k-£15k.

Note 2 – Medical Director on long term sick leave. The role has been covered in part by H Eteiba

Note 3 – salary is for period 01/10/17-31/03/18 as cover for Medical Director. Full year equivalent is £220k-£225k.

Note 4 – Salary is for period 01/04/2017-18/02/2018. Full year equivalent is £75k-£80k in Bands of

Note 5 – The Employee Director salary includes £40k-£45k in respect of non-Board duties.

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2017/18 and are included in the salary costs.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2018

Pension Values (Subject to Audit Opinion)

| 2018 Name | Accrued pension at age 60 as at 31/03/18 (bands of £5,000) | Real increase in pension at age 60 (bands of £2,500) | Accrued Lump Sum | Cash equivalent Transfer Value (CETV) at 31 March 2018 (bands of £5,000) | Cash equivalent Transfer Value (CETV) at 31 March 2017 | Real increase in cash equivalent Transfer Value (CETV) at 31 March |
|--------------------------------------------------------------------|------------------------------------------------------------|------------------------------------------------------|------------------|--------------------------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Pension Values of: | | | | | | |
| Executive Members | | | | | | |
| Chief Executive: JW Young | 55-60 | 0-2.5 | 177 | 1,389 | 1,344 | 27 |
| Director of Finance: J M Carter ** | 25-30 | 0-2.5 | 62 | 438 | 408 | 30 |
| J Rogers | 15-20 | 0-2.5 | 46 | 362 | 332 | 18 |
| M Higgins | 55-60 | - | 168 | 1,319 | 1,351 | - |
| H Eteiba | 40-45 | 0-2.5 | 125 | 909 | 909 | - |
| AM Cavanagh | 25-30 | 0-2.5 | 88 | 603 | 562 | 31 |
| S Qureshi – left 18 February 2018 ** | 15-20 | - | 39 | 299 | 302 | - |
| Non-Executive Members | | | | | | |
| Interim Chair- S MacKinnon – from 18 March 2016 to 4 April 2018 | - | - | - | - | - | - |
| J Christie-Flight ** | 15-20 | - | 50 | 331 | 336 | - |
| J Rae | - | - | - | - | - | - |
| M Whitehead | - | - | - | - | - | - |
| M MacGregor | - | - | - | - | - | - |
| K Harriman | - | - | - | - | - | - |
| P Cox | - | - | - | - | - | - |

** these staff members have transferred to the new 2015 pension scheme and therefore pension contributions have been calculated by SPPA for these staff.

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings 2016/17.

National Waiting Times Centre Board

STAFF REPORT

Number of senior staff by band

The definition of senior staff under FReM defines that senior employees are individuals that influence the decisions of the entity as a whole, within the accounts this has been defined as the Executive and Non-Executive members of the Board.

This information is contained within the remuneration report.

FAIR PAY DISCLOSURE

In addition to the information contained in the remuneration report and the subsequent notes to the account the Board are required to make the additional disclosure detailed below in line with the Hutton guidance relating to fair pay. The highest earning director is the Medical Director. The table below includes full employer's costs.

| 2018/19 | £000s | 2017/18 | £000s |
|-----------------------------------------------|---------|-----------------------------------------------|---------|
| Range of staff remuneration | 8>189 | Range of staff remuneration | 15>200 |
| Highest earning Director's total remuneration | 155-160 | Highest earning Director's total remuneration | 155-160 |
| Median Total remuneration | 31,055 | Median Total remuneration | 30,010 |
| Ratio | 5.09 | Ratio | 5.32 |

Higher Paid Employees Remuneration

The following number of employees (excluding Board members) received remuneration (excluding pension contributions) falling within the following ranges:

| | 2019 | 2018 |
|---------------------|------|------|
| <i>Clinicians</i> | | |
| £70,001 - £80,000 | 6 | 4 |
| £80,001 - £90,000 | 6 | 6 |
| £90,001 - £100,000 | 4 | 5 |
| £100,001 - £110,000 | 4 | 3 |
| £110,001 - £120,000 | 3 | 10 |
| £120,001 - £130,000 | 8 | 6 |
| £130,001 - £140,000 | 15 | 10 |
| £140,001 - £150,000 | 11 | 8 |
| £150,001 - £160,000 | 9 | 7 |
| £160,001 - £170,000 | 5 | 10 |
| £170,001 - £180,000 | 1 | 4 |
| £180,001 - £190,000 | 5 | 1 |
| £190,001 - £200,000 | 3 | 4 |
| £200,001 and above | 10 | 7 |
| <i>Other</i> | | |
| £70,001 - £80,000 | 8 | 7 |
| £80,001 - £90,000 | 3 | 5 |
| £90,001 - £100,000 | 1 | - |

National Waiting Times Centre Board

STAFF REPORT (continued)

The number of clinical staff earning over £200k primarily relates to payments received for distinction awards and some additional payments in relation to waiting list initiatives for hard to fill posts.

The numbers above are exclusive of the six Executive Directors of the Board who are disclosed separately within the remuneration report. For the current year the interim Medical Director is included in the numbers above.

Staff Numbers and Costs

| 2019 | Executive Board Members £'000 | Non Executive Members £'000 | Permanent Staff £'000 | Inward Secondees £'000 | Other Staff £'000 | Outward Secondees £'000 | Total £'000 | 2018 £'000 |
|----------------------------------|----------------------------------|--------------------------------|--------------------------|---------------------------|----------------------|----------------------------|----------------|---------------|
| Salaries and wages | 634 | 85 | 66,208 | - | 1,056 | - | 67,854 | 63,561 |
| Taxation & social security costs | 85 | 4 | 7,382 | - | 58 | - | 7,512 | 7,024 |
| NHS Scheme employers' costs | 70 | - | 7,998 | - | 50 | - | 8,101 | 7,613 |
| Other employers' pension costs | - | - | 20 | - | 1 | - | 21 | 11 |
| Secondees | - | - | - | 306 | - | (163) | 143 | 278 |
| Agency staff | - | - | - | - | 2,421 | - | 2,421 | 2,418 |
| Total | 789 | 89 | 81,608 | 306 | 3,586 | (163) | 86,215 | 80,906 |

| Reconciliation to income and Expenditure | |
|-------------------------------------------------------|---------------|
| | £'000 |
| Total Employee Expenditure as above | 86,216 |
| Add: employee income included in Note 4 | 163 |
| Total employee expenditure disclosed in Note 3 | 86,379 |

Staff Numbers

| | | | | | | | | |
|-----------------------------|---|---|-------|----|----|-----|-------|-------|
| Whole time equivalent (WTE) | 6 | 8 | 1,649 | 10 | 79 | (3) | 1,749 | 1,696 |
|-----------------------------|---|---|-------|----|----|-----|-------|-------|

Staff composition

The table below includes the breakdown of the number of persons of each gender who were Directors and employees of the Board.

| | 2019 | | | 2018 | | |
|-----------------------------------------------|------------|--------------|--------------|------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total |
| Executive Directors | 2 | 4 | 6 | 1 | 5 | 6 |
| Non-Executive Directors and Employee Director | 3 | 5 | 8 | 4 | 5 | 9 |
| Senior Employees (as per remuneration Report) | 5 | 7 | 12 | 5 | 7 | 12 |
| Other | 661 | 1,677 | 2,338 | 641 | 1,585 | 2,226 |
| Total Headcount | 671 | 1,694 | 2,365 | 651 | 1,602 | 2,253 |

The manual for accounts requires that the number of senior employees in the Board be disclosed in this analysis, we have defined the "Higher Paid Employees – Other" to represent this, this is disclosed on page 36.

Sickness Absence

The annual sickness absence rate for 2018/19 was 5.03% (5.07% for 2017/18).

National Waiting Times Centre Board

STAFF REPORT (continued)

Staff policies

In 2017 Equality Outcomes for 2017 – 21 were developed and published. These closely align with our strategic direction and focus on patient facing services and initiatives planned to improve the experience of our workforce. The development of the equality outcomes provided the assurance that the Board meets the equality and diversity needs of people with the nine protected characteristics (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation) whether they are patients, members of the public, carers or staff.

In keeping with the Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 we have also published an Equality Outcomes Progress Report 2017/19 and Mainstreaming Report 2019.

Our staff policies are continually reviewed to ensure that they are up to date and we have invested significant effort in promoting a positive workplace culture within the Board. Our Organisational Values place dignity and respect at the heart of everything we do and our work on equality, diversity and inclusion is an important part of our staff policies and how we influence behaviours within the organisation. Our policies are intended to support the delivery of the organisational values to support employee experience.

All policies are developed and agreed in partnership with our staff side colleagues and are also equality impact assessed. During 2018 we reviewed and updated our equality impact assessment process and paperwork. We also provide guidance, advice and training to all our staff in order that they understand equality, human rights, health inequalities and the impact that this has on their role within the Board.

All staff within the Board have an annual appraisal where they have the opportunity to sit down with their manager for a face to face discussion to identify support and any further development required. All recruiting managers are also provided with a local competency and values based recruitment training within the Board. A Staff Guide: Preparing for Interview has also been developed to support all staff in their readiness for interview.

Staff policies relating specifically to staff with a disability

As a Disability Confident Leader since February 2018 we promote best practice in the employment, retention and development of disabled staff. We welcome applications for employment from people with disabilities and support them through the job interview guarantee scheme as well as actively identifying and removing barriers in their recruitment.

We continue to provide an environment where any employee who becomes disabled can continue to contribute to the work of the Board and can gain support to manage their disabilities by ensuring that reasonable adjustments are put in place. We work closely with managers, Occupational Health, HR and trade unions to ensure that all reasonable adjustments are considered to support our staff. This can range from the purchase of specialist computer equipment or systems to changes in hours or shift patterns and even redeployment to a more suitable role which will assist and support staff members.

Other Employee Matters

The recognised principles of fairness, respect, equality, dignity and autonomy are firmly embedded in our organisational values. The Board's Equality, Diversity and Human Rights and Recruitment and Selection policies support these principles for staff ensuring there are fair and equitable processes in place and these apply to all who work with the Service. This is regardless of employment status and includes permanent and fixed term contracts, members of staff on zero hours contracts, those working on behalf of other agencies, those on secondment to the Board, volunteers and those on work experience.

National Waiting Times Centre Board

Exit packages

2018/19

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|-------------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------|
| £10,000 - £25,000 | - | 1 | 1 |
| Total number exit packages by type | | 1 | 1 |
| Total resource cost (£'000) | - | 12 | 12 |

2017/18

| Exit package cost band | Number of compulsory redundancies | Number of other departures agreed | Total number of exit packages by cost band |
|-------------------------------------------|-----------------------------------|-----------------------------------|--------------------------------------------|
| £25,000 - £50,000 | - | 1 | 1 |
| Total number exit packages by type | | 1 | 1 |
| Total resource cost (£'000) | - | 47 | 47 |

Trade Union (Facility Time)

The Trade Union (Facility Time Publication Requirements) Regulations 2017 came into force on 1 April 2017. The regulations place a legislative requirement on relevant public sector employers to collate and publish, on an annual basis, a range of data on the amount and cost of facility time within their organisation. Following guidance issued by the Scottish Government in June 2018 to support the regulations, the Board's facilities time request form has been updated on our local policy and all information on facilities time is recorded on the SSTS payroll system.

The data is required to be published on a website maintained by or on behalf of the employer before 31st July each year. We intend to publish this data at the following link: <https://www.goldenjubileefoundation.org>

Relevant Trade Union Officials

| Number of employees who were relevant union officials during the period 1 April 2018 to 31 March 2019 | Full-time equivalent employee number |
|-------------------------------------------------------------------------------------------------------|--------------------------------------|
| 8 | 6.8 |

Percentage of Time spent on Facility time

| Percentage of time | Number of representatives |
|--------------------|---------------------------|
| 0% | 1 |
| 1-50% | 6 |
| 51-99% | 1 |
| 100% | 0 |

Percentage of Paybill spent of Facility time

| | |
|-------------------------------------------------------|---------------|
| Total cost of Facility time | £9,471 |
| Total Paybill | £86,215,000 |
| Percentage of total pay spend on Facility time | 0.011% |

National Waiting Times Centre Board

Paid Trade Union activities

| | |
|---------------------------------------------------------------------------------------------|---|
| Time spent on paid trade union activities as a percentage of total paid facility time hours | - |
|---------------------------------------------------------------------------------------------|---|

Parliamentary Accountability Report

The Parliamentary Accountability Report collates the key Parliamentary accountability documents into the annual report and accounts.

Losses and Special Payments not over £250,000

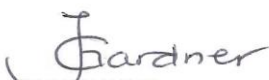
No write-off for losses or special payments were approved by the board during 2018/19.

During the year the Board was aware of a Legal Claim estimated at £750k, the actual value was not confirmed by 31 March 2019. This claim has now been progressed and the Scottish Government have approved settlement, final settlement is ongoing.

Fees and Charges

As required in the fees and charges guidance in the Scottish Public Finance Manual, charges for services provided on a full costs basis, wherever applicable. No fees or charges over £1 million pounds were provided for by the Board.

Approval



J Gardner
Chief Executive

Date: 20 June 2019

The Accountable Officer authorised the Accountability Report for issue on 20 June 2019

National Waiting Times Centre Board

Independent auditor's report to the members of National Waiting Times Centre Board, the Auditor General for Scotland and the Scottish Parliament

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of National Waiting Times Centre Board and its group for the year ended 31 March 2019 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2018/19 Government Financial Reporting Manual (the 2018/19 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2019 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2018/19 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 8 years. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern basis of accounting

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

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

National Waiting Times Centre Board

Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the Audit Scotland website, the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Accountable Officer is responsible for assessing the ability of the board and its group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements, the audited part of the Remuneration and Staff Report, and our independent auditor's report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

National Waiting Times Centre Board

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on matters prescribed by the Auditor General for Scotland

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

In our opinion, based on the work undertaken in the course of the audit

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the audited part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit
- there has been a failure to achieve a prescribed financial objective.

We have nothing to report in respect of these matters.

Conclusions on wider scope responsibilities

In addition to our responsibilities for the annual report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

Use of our report

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



Chris Brown (for and on behalf of Scott-Moncrieff Audit Services)
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date... 26 JUNE 2019

National Waiting Times Centre Board

Consolidated Statement of Comprehensive Net Expenditure (SOCNE)

For the year ended 31 March 2019

| | Note | 2019 £'000 | 2018 £'000 |
|-------------------------------------|------|----------------|----------------|
| Staff Costs | 3a | 86,716 | 82,975 |
| Other Operating Expenditure | 3b | | |
| Drugs and medical supplies | | 29,038 | 25,244 |
| Other Health care expenditure | | 27,954 | 26,502 |
| Gross expenditure in year | | 143,708 | 134,721 |
| Less: operating Income | 4 | (66,569) | (62,147) |
| Net Expenditure for the year | | 77,139 | 72,574 |

Other Comprehensive Net Expenditure

| | Note | 2018 £'000 | 2018 £'000 |
|-----------------------------------------------------------------|------|----------------|----------------|
| Net (gain)/loss on revaluation of property, plant and equipment | | (2,626) | (2,593) |
| Other comprehensive expenditure | | (2,626) | (2,593) |
| Comprehensive net expenditure | | 74,513 | 69,981 |

The presentation of the Consolidated Statement of Comprehensive Net Expenditure was changed 2017/18 in order to provide information which better reflects the activities of the Board.

Comparative information in respect of 2017/18 has not been restated.

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

National Waiting Times Centre Board

| SUMMARY OF CORE REVENUE RESOURCE OUTTURN | Note | 2019 | 2019 |
|------------------------------------------------------------|--------------|--------------|---------------|
| | | £'000 | £'000 |
| Net Expenditure | SoCNE | | 77,139 |
| Total Non Core Expenditure (see below) | | | (6,496) |
| Endowment Net Expenditure | | | 452 |
| Total Core Expenditure | | | 71,095 |
| Core Revenue Resource Limit | | | 71,097 |
| Saving/(excess) against Core Revenue Resource Limit | | | 2 |

| SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN | | | |
|----------------------------------------------------------------|--|--------------|------------|
| Depreciation/Amortisation | | 6,459 | |
| Annually Managed Expenditure – Impairments | | - | |
| Annually Managed Expenditure – Creation of Provisions | | 36 | |
| Annually Managed Expenditure – Depreciation of Donated assets | | 1 | |
| Total Non Core Expenditure | | 6,496 | |
| Non-Core Revenue Resource Limit | | | 6,611 |
| Saving/(excess) against Non Core Revenue Resource Limit | | | 115 |

| SUMMARY RESOURCE OUTTURN | Resource | Expenditure | Saving/(Excess) |
|---------------------------------|-----------------|--------------------|------------------------|
| | £'000 | £'000 | £'000 |
| Core | 71,097 | 71,095 | 2 |
| Non Core | 6,611 | 6,496 | 115 |
| Total | 77,708 | 77,591 | 117 |

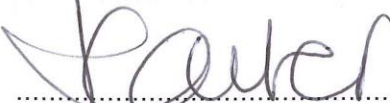
The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

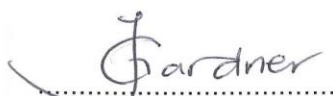
National Waiting Times Centre Board

Consolidated Statement of Financial Position As at 31 March 2019

| | Note | 2019 Consolidated £'000 | 2019 Board £'000 | 2018 Consolidated £'000 | 2018 Board £'000 |
|--------------------------------------------------------------------|-------|-------------------------------|------------------------|-------------------------------|------------------------|
| Non-Current Assets | | | | | |
| Property, plant and equipment | 7c | 140,187 | 140,187 | 137,610 | 137,610 |
| Intangible Assets | 6a | 5 | 5 | 59 | 59 |
| Trade and Other receivables | 9 | 3,575 | 3,575 | 3,250 | 3,250 |
| Total Non-current Assets | | 143,767 | 143,767 | 140,919 | 140,919 |
| Current assets | | | | | |
| Inventories | 8 | 3,196 | 3,196 | 3,120 | 3,120 |
| Financial Assets: | | | | | |
| - Trade and other receivables | 9 | 7,362 | 6,708 | 4,151 | 3,302 |
| - Cash and cash equivalents | 10 | 5,955 | 3,354 | 3,003 | 1,654 |
| Assets classified as held for sale | 7b | - | - | - | - |
| Total Current Assets | | 16,513 | 13,258 | 10,274 | 8,076 |
| Total Assets | | 160,280 | 157,025 | 151,193 | 148,995 |
| Current Liabilities | | | | | |
| Provisions | 12 | (2,767) | (2,767) | (1,212) | (1,212) |
| Financial Liabilities: | | | | | |
| - Trade and other payables | 11 | (21,028) | (20,418) | (20,383) | (20,378) |
| Total Current Liabilities | | (23,795) | (23,185) | (21,595) | (21,590) |
| Non-current assets plus/less net current assets/liabilities | | 136,485 | 133,840 | 129,598 | 127,405 |
| Non-Current Liabilities | | | | | |
| Provisions | 12 | (4,143) | (4,143) | (4,337) | (4,337) |
| Total Non-current liabilities | | (4,143) | (4,143) | (4,337) | (4,337) |
| Assets less liabilities | | 132,342 | 129,697 | 125,261 | 123,068 |
| Taxpayers' Equity | | | | | |
| General Fund | SOCTE | 45,282 | 45,282 | 40,167 | 40,167 |
| Revaluation reserve | SOCTE | 84,415 | 84,415 | 82,901 | 82,901 |
| Funds held on Trust | SOCTE | 2,645 | - | 2,193 | - |
| Total Taxpayers' Equity | | 132,342 | 129,697 | 125,261 | 123,068 |

The financial statements were approved by the Board on 20 June 2019 and signed on their behalf by


..... Director of Finance
J M Carter


..... Chief Executive
J Gardner

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

National Waiting Times Centre Board

Consolidated Statement of Cashflows

For the year ended 31 March 2019

| | <i>Note</i> | 2019 | 2019 | 2018 | 2018 |
|---------------------------------------------------------------------|--------------|-----------------|--------------|---------------|-----------------|
| | | £'000 | £'000 | £'000 | £'000 |
| Cash flows from operating activities | | | | | |
| Net Expenditure | <i>SoCTE</i> | (77,139) | | (72,574) | |
| Adjustments for non-cash transactions | 2 | 6,543 | | 6,804 | |
| Add back: interest payable recognised in net operating expenditure | 2 | - | | - | |
| Movement in working capital | 2 | (3,305) | | 3,052 | |
| | 2 | <u>(73,901)</u> | | <u>3,052</u> | <u>(62,718)</u> |
| Cash flows from investing activities | | | | | |
| Purchase of property, plant and equipment | | (6,439) | | (7,436) | |
| Proceeds of disposal of property, plant and equipment | | - | | 138 | |
| Net cash outflow from investing activities | 2 | <u>(6,439)</u> | | <u>138</u> | <u>(7,298)</u> |
| Cash flows from financing activities | | | | | |
| Funding | <i>SoCTE</i> | 81,593 | | 70,894 | |
| Movement in general fund working capital | <i>SoCTE</i> | 1,699 | | (322) | |
| Interest Paid | 2 | - | | - | |
| Cash drawn down | | 83,292 | | 70,572 | |
| Net financing | | <u>83,292</u> | | <u>70,572</u> | <u>70,572</u> |
| Net Increase/(decrease) in cash and cash equivalents in the period | | | 2,952 | | 556 |
| Cash and cash equivalents at the beginning of the period | | | 3,003 | | 2,447 |
| Cash and cash equivalents at the end of the period | | | <u>5,955</u> | | <u>3,003</u> |
| Reconciliation of net cash flow to movement in net debt/cash | | | | | |
| Increase/(decrease) in cash in year | | | 2,952 | | 556 |
| Net debt/cash at 1 April | | | 3,003 | | 2,447 |
| Net debt/cash at 31 March | | | <u>5,955</u> | | <u>3,003</u> |

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

National Waiting Times Centre Board

Consolidated Statement of changes in taxpayers' equity for the year ended 31 March

| | Note | General Fund £'000 | Revaluation Reserve £'000 | Funds held on Trust £'00 | Total Reserves £'000 |
|-----------------------------------------------------------------------------|------|-----------------------|---------------------------------|--------------------------------|-------------------------|
| Balance at 31 March 2018 | | 40,167 | 82,901 | 2,193 | 125,261 |
| Prior year adjustments for changes in accounting policy and material errors | | - | - | - | - |
| Restated balance at 1 April 2018 | | 40,167 | 82,901 | 2,193 | 125,261 |
| Changes in taxpayers' equity for 2018/19 | | | | | |
| Net gain/(loss) on revaluation/indexation of property, plant and equipment | 7a | - | 2,627 | - | 2,627 |
| Impairments of property plant and equipment | | - | (84) | - | (84) |
| Revaluation & impairments taken to operating costs | 2 | - | 84 | - | 84 |
| Transfers between reserves | | 1,113 | (1,113) | - | - |
| Net operating cost for year | | (77,591) | - | 452 | (77,139) |
| Total recognised income and expense for 2017/18 | | (76,478) | 1,514 | 452 | (74,512) |
| Funding: | | | | | |
| Drawn Down | | 83,292 | - | - | 83,292 |
| Movement in General Fund (Creditor)/Debtor | | (1,699) | - | - | (1,699) |
| Balance at 31 March 2019 | | 45,282 | 84,415 | 2,645 | 132,342 |

Statement of changes in taxpayers' equity for the prior year

| | Note | General Fund £'000 | Revaluation Reserve £'000 | Funds held on Trust £'00 | Total Reserves £'000 |
|-----------------------------------------------------------------------------|------|-----------------------|------------------------------|-----------------------------|-------------------------|
| Balance at 31 March 2017 | | 40,867 | 82,084 | 1,397 | 124,348 |
| Prior year adjustments for changes in accounting policy and material errors | | - | - | - | - |
| Restated balance at 1 April 2017 | | 40,867 | 82,084 | 1,397 | 124,348 |
| Changes in taxpayers' equity for 2017/18 | | | | | |
| Net gain/(loss) on revaluation/indexation of property, plant and equipment | 7a | - | 2,593 | - | 2,593 |
| Impairments of property plant and equipment | | - | (353) | - | (353) |
| Revaluation & impairments taken to operating costs | 2 | - | 353 | - | 353 |
| Transfers between reserves | | 1,776 | (1,776) | - | - |
| Net operating cost for year | | (73,370) | - | 796 | (72,574) |
| Total recognised income and expense for 2017/18 | | (71,594) | 817 | 796 | (69,981) |
| Funding: | | | | | |
| Drawn Down | | 70,572 | - | - | 70,572 |
| Movement in General Fund (Creditor)/Debtor | | 322 | - | - | 322 |
| Balance at 31 March 2018 | | 40,167 | 82,901 | 2,193 | 125,261 |

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

National Waiting Times Centre Board

Notes to the Accounts

Note 1 Accounting Policies

1. Authority

In accordance with the accounts direction issued by Scottish Ministers under section 19(4) of the Public Finance and Accountability (Scotland) Act 2000 appended, these Accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury, which follows International Financial Reporting Standards as adopted by the European Union (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 28 below.

(a) Standards, amendments and interpretations effective in current year

The following accounting standards have been applied for the first time in 2018/19.

- IFRS 9 – Financial Instruments
This standard replaces IAS 39 and introduces a single approach to classification and measurement of financial instruments; a new forward-looking expected loss impairment model; and a revised approach to hedge accounting; and
- IFRS 15 – Revenue from Contracts with Customers
The standard introduces greater disclosure requirements, as well as a new five stage model for assessing and recognising revenue from contracts and customers.

Both standards have been applied retrospectively and without restatement of prior year figures,

(b) Standards, amendments and interpretations issued but not adopted in current year

At the date of authorisation of these financial statements, the following Standards and Interpretations which have not yet been applied were in issue but not yet effective:

- IFRS 16 Leases (this is subject to analysis and review by HM Treasury); and
- IAS 7 - Disclosure Initiative, Cash flow statements (this is subject to analysis and review by HM Treasury).

With the exception of IFRS 16 management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Board in future periods. Following review by HM Treasury IFRS 16 may have a financial impact on the Board.

2. Basis of Consolidation

In accordance with IFRS 10 – Consolidated Financial Statements, the Financial Statements consolidate the National Waiting Times Centre Board Endowment Fund (also known as the Golden Jubilee National Hospital (Scotland) Endowment Fund).

NHS Endowment Funds were established by the NHS (Scotland) Act 1978. The legal framework under which charities operate in Scotland is the Charities and Trustee Investment (Scotland) Act 2005. Under the 1978 Act Endowment Trustees are also members of the NHS Board. The Board members (who are also Trustees) are appointed by Scottish Ministers.

National Waiting Times Centre Board

The National Waiting Times Centre Board Endowment Fund (also known as the Golden Jubilee National Hospital (Scotland) Endowment Fund) is a Registered Charity with the Office of the Charity Regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis.

The basis of consolidation used is Merger Accounting. Any intragroup transactions between the Board and the Endowment Fund have been eliminated on consolidation.

3. Going Concern

The accounts are prepared on a going concern basis, which provides that the entity will continue in operational existence for the foreseeable future.

4. Accounting Convention

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

5. Funding

Most of the expenditure of the Health Board is met from funds advanced by the Scottish Government within an approved revenue resource limit. Cash drawn down to fund expenditure within this approved revenue resource limit is credited to the general fund.

All other income receivable by the Board that is not classed as funding is recognised in the period in which it is receivable.

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

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

Funding for the acquisition of capital assets received from the Scottish Government is credited against the general fund when cash is drawn down.

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services. Expenditure is recognised in the Statement of Comprehensive Net Expenditure except where it results in the creation of a non-current asset such as property plant and equipment.

6. Property, plant and equipment

The treatment of capital assets in the accounts (capitalisation, valuation, depreciation, particulars concerning donated assets) is in accordance with the NHS Capital Accounting Manual.

Title to properties included in the accounts is held by Scottish Ministers.

6.1 Recognition

Property, plant and equipment is capitalised where: it is held for use in delivering services or for administration purposes; it is probable that future economic benefits will flow to; or service potential be provided to, the Board; it is expected to be used for more than one financial year; and the cost of the item can be measured reliably.

All assets falling into the following categories are capitalised:

1. Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.

National Waiting Times Centre Board

2. Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial cost of equipping a new development and total over £20,000.

6.2 Measurement

Valuation

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

All assets that are not held for their service potential (ie investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent accesses to the market are measured subsequently at fair value as follows:

- 1) Specialised NHS land, buildings, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value as specified in the FReM.
- 2) Non-specialised land and buildings, such as offices, are stated fair value. The Golden Jubilee Conference Hotel is stated at fair value.
- 3) Valuations of all land and building assets within the Board are reassessed by valuers on an annual basis. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Manual insofar as these terms are consistent with the agreed requirements of the Scottish Government.
- 4) Non-specialised equipment, installations and fittings are valued at fair value. The Board values such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).
- 5) Assets under construction are valued at current cost. This is calculated as the level of expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.
- 6) To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use.

Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

Subsequent expenditure:

Subsequent expenditure is capitalised into an asset's carrying value when it is probable the future economic benefits associated with the item will flow to the Board and the cost can be measured reliably. Where subsequent expenditure does not meet these criteria the expenditure is charged to the Statement of Comprehensive Net Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

National Waiting Times Centre Board

Revaluation and Impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Permanent decreases in asset values and impairments are charged to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Gains and losses on revaluation are reported in the Statement of Comprehensive Net Expenditure.

6.3 Depreciation

Items of property, plant and equipment are depreciated to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Depreciation is charged on each main class of tangible asset as follows:

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction are not depreciated until the asset is brought into use.
- 3) Property, plant and equipment which has been classified as 'held for sale' ceases to be depreciated upon reclassification.
- 4) Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- 5) Equipment is depreciated over the estimated life of the asset.

Depreciation is charged on a straight-line basis.

The following asset lives have been used for the period:

| Asset Category/Component | Useful Life |
|----------------------------------------|----------------------------------------------------------------------------|
| Building - Structure | 30 – 68 years (the average life given is 34 years for the entire building) |
| Building - Landscaping & Surfacing | 13 – 34 years |
| Building - Engineering | 13 – 34 years |
| Medical Equipment | 10 years |
| Plant | 10 - 20 years |
| Information Systems & Office Equipment | 5 years |

7 Intangible Assets

7.1 Recognition

Intangible assets are non-monetary assets without physical substance which are capable of being sold separately from the rest of the Board's business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to, or service potential be provided to, the Board and where the cost of the asset can be measured reliably.

Intangible assets that meet the recognition criteria are capitalised when they are capable of being used in a Board's activities for more than one year and they have a cost of at least £5,000.

National Waiting Times Centre Board

The main classes of intangible assets recognised are:

Software

Software which is integral to the operation of hardware e.g. an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software which is not integral to the operation of hardware e.g. application software, is capitalised as an intangible asset.

Software licences:

Purchased computer software licences are capitalised as intangible assets where expenditure of at least £5,000 is incurred.

7.2 Measurement

Valuation:

Intangible assets are recognised initially at cost, comprising all directly attributable costs needed to create, produce and prepare the asset to the point that it is capable of operating in the manner intended by management.

Subsequently intangible assets are measured at fair value. Where an active (homogeneous) market exists, intangible assets are carried at fair value. Where no active market exists, the intangible asset is revalued, using indices or some suitable model, to the lower of depreciated replacement cost and value in use where the asset is income generating. Where there is no value in use, the intangible asset is valued using depreciated replacement cost. These measures are a proxy for fair value.

Revaluation and impairment:

Increases in asset values arising from revaluations are recognised in the revaluation reserve, except where, and to the extent that, they reverse an impairment previously recognised in the Statement of Comprehensive Net Expenditure, in which case they are recognised in income.

Permanent decreases in asset values and impairments are charged gross to the Statement of Comprehensive Net Expenditure. Any related balance on the revaluation reserve is transferred to the General Fund.

Temporary decreases in asset values or impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the Statement of Comprehensive Net Expenditure.

Intangible assets held for sale are reclassified to 'non-current assets held for sale' measured at the lower of their carrying amount or 'fair value less costs to sell'.

Operational assets which are in use delivering front line services or back office functions, and surplus assets with restrictions on their disposal, are valued at current value in existing use. Assets have been assessed as surplus where there is no clear plan to bring the asset back into future use as an operational asset.

7.3 Amortisation

Intangible assets are amortised to their estimated residual value over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

Amortisation is charged to the Statement of Comprehensive Net Expenditure on each main class of intangible asset as follows:

- Software licences 5 years

National Waiting Times Centre Board

8. Non-current assets held for sale

Non-current assets intended for disposal are reclassified as 'held for sale' once all the following criteria are met:

- The asset is available for immediate sale in its present condition subject only to terms which are usual and customary for such sales;
- The sale must be highly probable, ie:
 - Management are committed to a plan to sell the asset;
 - An active programme has begun to fund a buyer and complete the sale;
 - The asset is being actively marketed at a reasonable price;
 - The sale is expected to be completed within 12 months of the date of classification as 'held for sale'; and
- The actions needed to complete the plan indicate it is unlikely that the plan will be dropped or significant changes made to it.

Following reclassification, the assets are measured at the lower of their existing carrying amount and their 'fair value less costs to sell'. Depreciation ceases to be charged and the assets are not revalued, except where the 'fair value less costs to sell' falls below the carrying amount. Assets are de-recognised when all material sale contract conditions have been met.

Property, plant and equipment which is to be scrapped or demolished does not qualify for recognition as 'held for sale' and instead is retained as an operational asset and the asset's economic life is adjusted. The asset is de-recognised when scrapping or demolition occurs.

9. Donated Assets

Non-current assets that are donated or purchased using donated funds are included in the Statement of Financial Position initially at the current replacement cost of the asset. The accounting treatment, including the method of valuation, follows the rules in the NHS Capital Accounting Manual.

10. Sale of property, plant and equipment, intangible assets and non-current assets held for sale

Disposal of non-current assets is accounted for as a reduction to the value of assets equal to the net book value of the assets disposed. When set against any sales proceeds, the resulting gain or loss on disposal will be recorded in the Statement of Comprehensive Net Expenditure. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

11. Leasing

Leases other than finance leases are regarded as operating leases and the rentals are charged to expenditure on a straight-line basis over the term of the lease. Operating lease incentives received are added to the lease rentals and charged to expenditure over the life of the lease.

12. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the Statement of Comprehensive Net Expenditure are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

National Waiting Times Centre Board

13. General Fund Receivables and Payables

Where the Board has a positive net cashbook balance at the year-end, a corresponding creditor is created and the general fund debited with the same amount to indicate that this cash is repayable to the SGHSCD. Where the Board has a net overdrawn cash position at the year-end, a corresponding debtor is created and the general fund credited with the same amount to indicate that additional cash is to be drawn down from the SGHSCD.

14. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase prices is deemed to represent current cost. Work in progress is valued at the cost of the direct materials plus the conversion costs and other costs incurred to bring the goods up to their present location, condition and degree of completion.

15. Losses and Special Payments

Operating expenditure includes certain losses which would have been made good through insurance cover had the NHS not been bearing its own risks. Had the NHS provided insurance cover, the insurance premiums would have been included as normal revenue expenditure.

16. Employee Benefits

Short-term Employee Benefits

Salaries, wages and employment-related payments are recognised in the year in which the service is received from employees. The cost of annual leave and flexible working time entitlement earned but not taken by employees at the end of the year is recognised in the financial statements to the extent that employees are permitted to carry-forward leave into the following year.

Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the statement of comprehensive net expenditure represents the Board's employer contributions payable to the scheme in respect of the year. The contributions deducted from employees are reflected in the gross salaries charged and are similarly remitted to Exchequer.

The pension cost is assessed every four years by the Government Actuary and the valuation determines the rate of contributions required. The most recent actuarial valuation is published by the Scottish Public Pensions Agency and is available on their website.

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the Statement of Comprehensive Net Expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

17. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above this limit are reimbursed to Boards from a central fund held by the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) on behalf of the Scottish Government.

The Board provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'Category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims

National Waiting Times Centre Board

outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body.

The corresponding recovery in respect of amounts provided for is recorded as a debtor and that in respect of amounts disclosed as contingent liabilities are disclosed as contingent assets.

The Board also provides for its liability from participating in the scheme. The participation in CNORIS provision recognises the Board's respective share of the total liability of NHS Scotland as advised by the Scottish Government and based on information prepared by NHS Boards and the Central Legal Office. The movement in the provisions between financial years is matched by a corresponding adjustment in the AME provision and is classed as non-core expenditure.

18. Related Party Transactions

Material related party transactions are disclosed in the notes in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 3. Related Party Transactions are included at note 18.

19. Value Added Tax

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

20. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the Statement of Financial Position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

21. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 14 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 13, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

- possible obligations arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the entity's control; or
- present obligations arising from past events but for which it is not probable that a transfer of economic benefits will arise or for which the amount of the obligation cannot be measured with sufficient reliability.

22. Corresponding Amounts

Corresponding amounts are shown for the primary statements and notes to the financial statements. Where the corresponding amounts are not directly comparable with the amount to be shown in respect of the current financial year, IAS 1 'Presentation of Financial Statements', requires that they should be adjusted and the basis for the adjustment disclosed in a note to the financial statements.

National Waiting Times Centre Board

23. Financial Instruments

Financial assets

Business model

The Board's business model refers to how it manages its financial assets in order to generate cash flows and is determined at a level which reflects how groups of financial assets are managed to achieve a business objective, rather than assessment of individual instruments.

Classification

When the Board first recognises a financial asset, it classifies it based on its business model for managing the asset and the asset's contractual flow characteristics. The Board classifies its financial assets in the following categories: at fair value through profit or loss, amortised cost, and fair value through other comprehensive income. The default basis for financial assets is to be held at fair value through profit or loss, although alternative treatment may be designated where receivables are held to collect principal and interest and/or for sale.

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

This is the default basis for financial assets.

b) Financial Assets held at amortised cost

A financial asset may be held at amortised cost where both of the following conditions are met:

- i. the financial asset is held within a business model where the objective is to collect contractual cash flows; and
- ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

(c) Financial assets at fair value through other comprehensive income

A financial asset may be held at fair value through other comprehensive income where both of the following conditions are met:

- i. the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
- ii. the contractual terms of the financial asset give rise to cash flows that are solely payments of principal and related interest.

Impairment of financial assets

Provisions for impairment of financial assets are made on the basis of expected credit losses. The Board recognises a loss allowance for expected credit losses on financial assets and this is recognised in other comprehensive income, rather than reducing the carrying amount of the asset in the Statement of Financial Position.

Lifetime expected credit losses are recognised and applied to financial assets by the Board where there has been a significant increase in credit risk since the asset's initial recognition. Where the Board does not hold reasonable and supportable information to measure lifetime expected credit losses on an individual instrument basis, the losses are recognised on a collective basis which considers comprehensive credit risk information.

Recognition and measurement

Financial assets are recognised when the Board becomes party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the rights to receive cash flows from the asset have expired or have been transferred and the Board has transferred substantially all risks and rewards of ownership.

National Waiting Times Centre Board

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

Financial assets carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the Statement of Comprehensive Net Expenditure.

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Financial assets held at amortised cost

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of the asset.

(c) Financial assets held at fair value through other comprehensive income.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and amortised cost. The Board classifies all financial liabilities as measured at amortised cost, unless:

- i. these are measured at fair value on a portfolio basis in accordance with a documented risk management or investment strategy;
- ii. they contain embedded derivatives; and/or
- iii. it eliminates or reduces 'accounting mismatch' that would otherwise arise from measurement or recognition on an amortised costs basis.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss comprise derivatives. Liabilities in this category are classified as current liabilities. The NHS Board does not trade in derivatives and does not apply hedge accounting.

(b) Financial liabilities held at amortised cost

Financial liabilities held at amortised cost are disclosed in current liabilities, except for maturities greater than 12 months after the Statement of Financial Position date. These are classified as non-current liabilities. The NHS Board's financial liabilities held at amortised cost comprise trade and other payables in the Statement of Financial Position.

Recognition and measurement

Financial liabilities are recognised when the NHS Board becomes party to the contractual provisions of the financial instrument.

A financial liability is removed from the Statement of Financial Position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

(a) Financial liabilities at fair value through profit or loss

Financial liabilities carried at fair value through profit or loss are initially recognised at fair value, and transaction costs are expensed in the income statement.

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the Statement of Comprehensive Net Expenditure.

(b) Amortised costs

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

National Waiting Times Centre Board

24. Segmental Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating decision-maker who is responsible for allocating resources and assessing performance of the operating segments. This has been identified as the senior management of the Board.

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 5.

25. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, balances held in commercial banks and other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet. Where the Government Banking Service is using the Royal Bank of Scotland Group to provide the banking services, funds held in these accounts should not be classed as commercial bank balances.

26. Foreign exchange

The functional and presentational currencies of the Board are sterling.

A transaction which is denominated in a foreign currency is translated into the functional currency at the spot exchange rate on the date of the transaction.

27. Key Sources of judgement and estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Board makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The Board makes judgements in applying accounting policies. The estimates, assumptions and judgements that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are addressed below.

Impairments

The value of impairment included within the accounts was provided by the Boards Valuer as part of the valuation work undertaken. No impairment has been included in the current year however there will likely be impairment in the following year in relation to the phase one expansion; the appointed valuers will assess this closer to completion of the build.

Property Valuation

All property was revalued by Avison Young (formerly James Barr), independent specialists in property valuation, on the basis of market value, depreciated replacement cost or existing use value as at 31 March 2019. The values were calculated in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS and applied to reflect local market conditions at 31 March 2019. The assumptions used in the fair value of buildings are that advised by the appointed property advisor. Valuation of other assets is based on current list prices.

Asset Lives

The asset life used for the building is as advised by the appointed valuer all other assets lives are initially based on the capital accounting manual, however the life of each asset is risk assessed by the capital group when purchase is agreed.

Material Provisions

The Board has provisions in the accounts relating to job planning, this provision is considered material and is currently approximately £500k.

National Waiting Times Centre Board

Note 2 Notes to the Cash Flow Statement

| Expenditure Not Paid in Cash | | 2019 £'000 | 2018 £'000 |
|---------------------------------------------------------------|------------|---------------|---------------|
| Depreciation | 7a | 6,404 | 6,545 |
| Amortisation | 6 | 54 | 31 |
| Depreciation of Donated Assets | 7a | 1 | 1 |
| Impairments on property, plant and equipment charged to SOCNE | | 84 | 353 |
| | | - | - |
| Loss(profit) on disposal of property, plant and equipment | | - | (126) |
| Total Expenditure Not Paid in Cash | CFS | 6,543 | 6,804 |

Note 2b Interest Payable /Unwinding of discount on provisions

Interest paid during the year related to unwinding of provisions in respect of legal claims and in 2018/19 was £0 (2017/18 was £00)

Note 2c Consolidated movements in working capital

| | Opening Balances £'000 | Closing Balances £'000 | 2019 Net Movement £'000 | 2018 Net Movement £'000 |
|-----------------------------------------------|------------------------------|------------------------------|----------------------------------|----------------------------------|
| Inventories | | | | |
| Statement of Financial Position | 3,120 | 3,196 | | |
| Net Decrease/(Increase) | | | (76) | (156) |
| Trade and Other Receivables | | | | |
| Due within one year | 4,151 | 7,362 | | |
| Due after more than one year | 3,250 | 3,575 | | |
| | 7,401 | 10,937 | | |
| Net Decrease/(Increase) | | | (3,536) | (214) |
| Trade and Other Payables | | | | |
| Due within one year | 20,383 | 21,028 | | |
| Less: General Fund Creditor included in above | (1,654) | (3,353) | | |
| | 18,729 | 17,675 | | |
| Net (Decrease)/Increase | | | (1,054) | 2,827 |
| Provisions | | | | |
| Statement of Financial Position | 5,549 | 6,910 | | |
| Net (Decrease)/Increase | | | 1,361 | 595 |
| Net Movement (Decrease)/Increase | | | (3,305) | 3,052 |

National Waiting Times Centre Board

Note 3 Operating Expenses

3a Staff Costs

| | note | 2019 Board £'000 | 2019 Consolidated £'000 | 2018 Consolidated £'000 |
|--------------------|-------|---------------------------------|----------------------------------------|----------------------------------------|
| Medical And Dental | | 23,251 | 23,251 | 22,249 |
| Nursing | | 29,871 | 30,189 | 29,164 |
| Other staff | | 33,257 | 33,276 | 31,562 |
| Total | SoCNE | 86,379 | 86,716 | 82,975 |

Further detail and analysis of employee costs can be found in the Remuneration and Staff report, forming part of the Accountability Report.

3b Other Operating expenditure

| | note | 2019 Board £'000 | 2019 Consolidated £'000 | 2018 Consolidated £'000 |
|---------------------------------------------------|------|---------------------------------|----------------------------------------|----------------------------------------|
| Drugs and Medical supplies | | | | |
| Prescribed drugs, secondary care | | 3,440 | 3,440 | 2,824 |
| Medical Supplies | | 25,598 | 25,598 | 22,420 |
| Total | | 29,038 | 29,038 | 25,244 |
| Other Health Care Expenditure | | | | |
| Goods and services from other NHS Scotland Bodies | | 10,350 | 10,350 | 10,837 |
| Goods and services from private patients | | 88 | 88 | 455 |
| Resource Transfer | | 1,120 | 1,120 | 700 |
| Other operating expenses | | 15,372 | 15,404 | 14,373 |
| External Audit Remuneration – audit fee | | 72 | 72 | 74 |
| External Audit other services | | - | - | 12 |
| Endowment Fund Expenditure | | - | 920 | 50 |
| Total | | 27,002 | 27,954 | 26,502 |
| Total Other Operating Expenditure | | 56,040 | 56,992 | 51,746 |

National Waiting Times Centre Board

Note 4 Operating Income

| | 2019 Board £'000 | 2019 Consolidated £'000 | 2018 Consolidated £'000 |
|-------------------------------------------|---------------------------------|----------------------------------------|----------------------------------------|
| Income from Scottish Government | 209 | 209 | 620 |
| Income from other NHS Scotland Bodies | 55,623 | 55,623 | 53,123 |
| Income from other non NHS Scotland Bodies | 510 | 510 | 800 |
| Income from Private patients | 126 | 126 | 201 |
| Profit on disposal of assets | - | - | 126 |
| Donations | - | 183 | 169 |
| Contributions in respect of CNORIS | 3 | 3 | 260 |
| Non-NHS | | | |
| Endowment fund income | 144 | 174 | 369 |
| Other | 8,050 | 9,741 | 6,479 |
| Total income | 64,665 | 66,569 | 62,147 |

Note 5 Segmental Information

| | 2019 Board £'000 | 2018 Board £'000 |
|--------------------------------------------|---------------------------------|---------------------------------|
| Net Operating Cost | 77,139 | 73,370 |
| Total Assets | 157,025 | 148,995 |
| Total Liabilities | (27,328) | (25,927) |
| Impairment Loss recognised in SOCNE | - | 353 |
| Depreciation and Amortisation | 6,404 | 6,577 |

The Board currently reports as one segment

Note 6 Intangible Fixed Assets for year-ended 31 March 2017

| | Software Licences 2018/19 £'000 | Software Licences 2017/18 £'000 |
|--------------------------|------------------------------------------------|------------------------------------------------|
| Cost or valuation | | |
| At 1 April | 143 | 143 |
| At 31 March | 143 | 143 |
| Amortisation | | |
| At 1 April | 84 | 53 |
| Provided during year | 54 | 31 |
| At 31 March | 138 | 84 |

Net book value purchased assets

| | | |
|-------------|----|----|
| At 1 April | 59 | 90 |
| At 31 March | 5 | 59 |

National Waiting Times Centre Board

7 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2019 –

All Purchased Assets are held within the Board and therefore only the consolidated position is shown below

| | Land | Buildings | Plant and Machinery | Information Technology | Furniture & Fittings | Assets under construction | Total |
|------------------------------------------------------|--------------|----------------|------------------------|---------------------------|-------------------------|---------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | | | |
| At 1 April 2018 | 5,751 | 107,706 | 52,768 | 9,781 | 130 | 7,611 | 183,747 |
| Additions - | | | | | | | |
| Purchased | - | - | 1,103 | - | - | 5,336 | 6,439 |
| Completions | - | - | 6,091 | 319 | - | (6,410) | - |
| Transfers (to)/from non-current assets held for sale | - | - | - | - | - | - | - |
| Revaluation | - | (213) | - | - | - | - | (213) |
| Impairment charges | (65) | - | (19) | - | - | - | (84) |
| Disposals - purchase | - | - | - | - | - | - | - |
| At 31 March 2019 | 5,686 | 107,493 | 59,943 | 10,100 | 130 | 6,537 | 189,889 |
| Depreciation | | | | | | | |
| At 1 April 2018 | - | - | 37,385 | 8,641 | 111 | - | 46,137 |
| Provided during the year - | | | | | | | |
| Purchased | - | 2,840 | 3,059 | 500 | 5 | - | 6,404 |
| Provided during the year – donated | - | - | 1 | - | - | - | 1 |
| Revaluation | - | (2,840) | - | - | - | - | (2,840) |
| Disposals - purchased | - | - | - | - | - | - | - |
| At 31 March 2019 | - | - | 40,445 | 9,141 | 116 | - | 49,702 |
| <i>Net book value purchased assets</i> | | | | | | | |
| At 31 March 2018 | 5,751 | 107,706 | 15,383 | 1,140 | 19 | 7,611 | 137,610 |
| At 31 March 2019 | 5,686 | 107,493 | 19,498 | 959 | 14 | 6,537 | 140,187 |
| Open Market value of Land included above | 5,686 | | | | | | |
| Asset Financing: | | | | | | | |
| Owned | 5,686 | 107,493 | 19,494 | 959 | 14 | 6,537 | 140,183 |
| Donated | - | - | 4 | - | - | - | 4 |
| Net Book Value at 31 March 2019 | 5,686 | 107,493 | 19,498 | 959 | 14 | 6,537 | 140,187 |

National Waiting Times Centre Board

7 (a) Property, Plant and Equipment (Purchased Assets) – prior year

| | Land | Buildings | Plant and Machinery | Information Technology | Furniture & Fittings | Assets under construction | Total |
|------------------------------------------------------------|--------------|----------------|------------------------|---------------------------|-------------------------|---------------------------------|----------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Cost or valuation | | | | | | | |
| At 1 April 2017 | 5,686 | 107,484 | 48,777 | 9,789 | 130 | 4,102 | 176,752 |
| Additions | - | 719 | 3,207 | - | - | 3,510 | 7,436 |
| Transfers (to)/from non-current assets held for sale | 65 | - | - | - | - | - | 65 |
| Impairment Charges | - | (144) | - | - | - | - | (144) |
| Revaluation | - | (353) | - | - | - | - | (353) |
| Disposals | - | - | - | (8) | - | (1) | (9) |
| At 31 March 2018 | 5,751 | 107,706 | 52,768 | 9,781 | 130 | 7,611 | 183,747 |
| Depreciation | | | | | | | |
| At 1 April 2017 | - | - | 34,153 | 8,066 | 106 | - | 42,325 |
| Provided during the year - purchased | - | 2,737 | 3,228 | 575 | 5 | - | 6,545 |
| Provided during the year - donated | - | - | 1 | - | - | - | 1 |
| Revaluation | - | (2,737) | - | - | - | - | (2,737) |
| Disposals - Purchase | - | - | 3 | - | - | - | 3 |
| At 31 March 2018 | - | - | 37,385 | 8,841 | 111 | - | 46,137 |
| <i>Net book value purchased assets</i> | | | | | | | |
| At 1 April 2017 | 5,686 | 107,484 | 15,408 | 1,723 | 24 | 4,102 | 134,427 |
| At 31 March 2018 | 5,751 | 107,706 | 15,383 | 1,140 | 19 | 7,611 | 137,610 |
| Open Market value of Land included above | 5,751 | | | | | | |
| Asset Financing: | | | | | | | |
| Owned | 5,751 | 107,706 | 15,378 | 1,140 | 19 | 7,611 | 137,605 |
| Donated | | | 5 | | | | 5 |
| Net Book Value at 31 March 2018 | 5,686 | 107,484 | 15,383 | 1,140 | 24 | 7,611 | 137,610 |

National Waiting Times Centre Board

Note 7 (b) Assets Held for Sale

As the asset noted below relates to the Board only the consolidated position is shown

| | <i>Note</i> | £'000 |
|---------------------------------------------------|-------------|--------------|
| At 1 April 2018 | | - |
| Transfers to property plant and equipment | | - |
| As at 31 March 2019 | <i>SoFP</i> | - |
| Assets Held for Sale (prior year) | | |
| At 1 April 2017 | | 65 |
| Transfers (to)/from property, plant and equipment | | (65) |
| As at 31 March 2018 | | - |

Note 7 (c) Property plant and equipment disclosures

The net book value for property, plant and equipment at 31 March 2019 was £140,187,000 (prior year £137,610,000). Due to a change in presentation this figure now includes donated assets as well as purchased assets.

All Land and Buildings were fully revalued by an independent valuer, Avison Young at 31 March 2019 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

Note 7 (d) Analysis of Capital Expenditure

As the asset noted below relates to the Board only the consolidate position is shown

| | <i>Note</i> | 2019 | 2018 |
|-------------------------------------------------------------|-------------|--------------|--------------|
| | | £'000 | £'000 |
| Expenditure | | | |
| Acquisition of property, plant and equipment | <i>7a</i> | 6,439 | 7,436 |
| Donated asset additions | <i>7a</i> | - | - |
| Gross Capital Expenditure | | 6,439 | 7,436 |
| Income | | | |
| Net Book Value of disposal of Property, plant and equipment | <i>7a</i> | - | 12 |
| Capital Income | | - | 12 |
| Net Capital Expenditure | | 6,439 | 7,424 |
| Summary of Capital Resource Outturn | | | |
| Net capital expenditure as above | | 6,439 | 7,436 |
| Capital Resource Limit | | 6,439 | 7,436 |
| Savings/(Excess) against capital resource limit | | - | - |

National Waiting Times Centre Board

Note 8 Inventories

As the inventories noted below relates to the Board only the consolidate position is shown

| | 2019 Consolidated £'000 | 2018 Consolidated £'000 |
|-------------------------------|----------------------------------------|----------------------------------------|
| Raw Materials and Consumables | 3,196 | 3,120 |

Note 9 Trade and Other Receivables

| | Consolidated 2019 £000 | Board 2019 £000 | Consolidated 2018 £000 | Board 2018 £000 |
|-------------------------------------------------------|---------------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| NHS Scotland | | | | |
| Boards | 2,515 | 2,515 | 867 | 867 |
| Total NHS Scotland | 2,515 | 2,515 | 867 | 867 |
| Receivables | | | | |
| VAT Recoverable | 43 | 42 | | |
| Prepayments | 510 | 510 | 506 | 506 |
| Accrued income | 1,196 | 1,165 | 888 | 881 |
| Other Receivables | 1,773 | 1,151 | 1,565 | 723 |
| Reimbursement of provisions | 1,325 | 1,325 | 325 | 325 |
| Total Receivables within one year | 7,362 | 6,708 | 4,151 | 3,302 |
| Total Receivables due after more than one year | | | | |
| Reimbursement of provisions | 3,575 | 3,575 | 3,250 | 3,250 |
| Total Receivables | 10,937 | 10,283 | 7,401 | 6,552 |

The total receivables figure above includes a provision for impairments of:

| | | | | |
|--|---|---|---|---|
| | 1 | 1 | 1 | 1 |
|--|---|---|---|---|

Movements on the provision for impairment of receivables are as follows:

| | | | | |
|---------------------------------------------|----------|----------|----------|----------|
| At 1 April provision for impairment | 1 | 1 | 2 | 2 |
| Provision for impairment | 1 | 1 | | |
| Unused amount reversed | (1) | (1) | (1) | (1) |
| At 31 March Provision for impairment | 1 | 1 | 1 | 1 |

As at 31 March 2018, receivables with a carrying value of £1,211 (2018: £790) were impaired and provided for. The ageing of these receivables is as follows:

| | Consolidated 2019 £000 | Board 2019 £000 | Consolidated 2018 £000 | Board 2018 £000 |
|-------------------|---------------------------------------|--------------------------------|---------------------------------------|--------------------------------|
| 3-6 months due | - | - | - | - |
| Over 6 months due | 1 | 1 | 1 | 1 |
| | 1 | 1 | 1 | 1 |

National Waiting Times Centre Board

The receivables assessed as individually impaired were mainly insurance bureau and agents, which are in unexpected difficult economic situations and it was assessed that not all of the debtor balance may be recovered.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2019 debtors of carrying value of £3,372,422 (2017/18: £1,397,760) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows (only Board position shown as all impairment is within the Board):

| | 2019 | 2018 |
|-------------------------|--------------|--------------|
| | £'000 | £'000 |
| Up to 3 months past due | 2,908 | 1,023 |
| 3 to 6 months past due | 63 | 85 |
| Over 6 months past due | 402 | 290 |
| | 3,373 | 1,398 |

The receivables assessed as past due but not impaired were mainly NHS Boards and Hotel customers and there is no recent history of default from these customers.

Concentration of credit risk is limited due to Government bodies (ie customer base being large and unrelated/government bodies). Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

The credit quality of receivables that are neither past due nor impaired is assessed by reference to external credit ratings where available. Where no external credit rating is available, historical information about counterparty default rates is used.

Receivables that are neither past due nor impaired are shown by their credit risk below:

| | 2019 | 2018 |
|-------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Counterparties with external credit ratings | | |
| A | 110 | 62 |
| BB | 6 | 8 |
| BBB | 8 | 0 |
| Existing customers with no defaults in the past | 149 | 55 |
| Total neither past due or impaired | 273 | 125 |

The maximum exposure to credit risk is the fair value of each class of receivable. The Board does not hold any collateral as security.

All receivables are denominated in sterling.

The carrying amount of receivables are all held in sterling.

National Waiting Times Centre Board

Note 10 Cash and Cash Equivalents

| | Consolidated 2019 £000 | Consolidated 2018 £000 |
|--------------------------------------------------|---------------------------------------|---------------------------------------|
| Balance at 1 April | 3,003 | 2,447 |
| Net change in cash and cash equivalent balances | 2,952 | 556 |
| Balance at 31 March | 5,955 | 3,003 |
| Overdrafts | - | - |
| Total Cash - Cash Flow Statement | 5,955 | 3,003 |
| The following balances at 31 March were held at: | | |
| Government Banking Service | 1,123 | 905 |
| Commercial banks and cash in hand | 2,231 | 749 |
| Endowment Cash | 2601 | 1,349 |
| Balance at 31 March | 5,955 | 3,003 |

Cash at bank is held with major UK banks. The credit risk associated with cash at bank is considered to be low

Note 11 Trade and Other Payables

| | Board 2019 £000 | Consolidated 2019 £000 | Board 2018 £000 | Consolidated 2018 £000 |
|----------------------------------------------------|--------------------------------|---------------------------------------|--------------------------------|---------------------------------------|
| Payables due within one year | | | | |
| National Health Service in Scotland | | | | |
| Boards | 1,131 | 1,131 | 2,482 | 2,482 |
| Total NHS Scotland Payables | 1,131 | 1,131 | 2,482 | 2,482 |
| General fund payable | 3,353 | 3,353 | 1,654 | 1,654 |
| Trade payables | 1,217 | 1,217 | 612 | 612 |
| Accruals | 8,461 | 9,071 | 9,764 | 9,769 |
| Deferred Income | 2,994 | 2,994 | 2,719 | 2,719 |
| Payments received on account | 74 | 74 | 108 | 108 |
| Income tax and social security | 1,846 | 1,846 | 1,748 | 1,748 |
| Superannuation | 1,090 | 1,090 | 1,039 | 1,039 |
| Holiday pay accrual | 252 | 252 | 252 | 252 |
| Other Public Sector Bodies | | | | |
| Total Payables due within one year | 20,418 | 21,028 | 20,378 | 20,383 |
| Total Payables due after more than one year | - | - | - | - |
| Total Payables | 20,418 | 21,028 | 20,378 | 20,383 |

There are no borrowings included in the above.

The carrying value of short term creditors approximates their fair value.

All payables are denominated in sterling.

National Waiting Times Centre Board

Note 12 Provisions for year-ended 31 March 2019

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|--------------------------|--------------------------------|-------------------------------------|----------------|----------------|
| As at April 2018 | 3,881 | 1,633 | 35 | 5,549 |
| Arising during the year | 1,487 | 547 | 95 | 2,129 |
| Utilised during the year | (36) | (157) | - | (193) |
| Unwinding | (50) | (7) | - | (57) |
| Reversed unutilised | (14) | (439) | (65) | (518) |
| At 31 March 2019 | 5,268 | 1,577 | 65 | 6,910 |

Analysis of expected timing of discounted flows to 31 March 2019

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|----------------------------|--------------------------------|-------------------------------------|----------------|----------------|
| Payable in one year | 2,244 | 516 | 7 | 2,767 |
| Payable in 2-5 years | 3,024 | 900 | 4 | 3,928 |
| Payable between 6-10 years | - | 150 | - | 150 |
| Thereafter | - | 11 | 54 | 65 |
| At 31 March 2019 | 5,268 | 1,577 | 65 | 6,910 |

The amounts shown above in relation to Clinical & Medical Legal Claims against the Board are stated gross and the amount of any expected reimbursements are separately disclosed as receivables in note 9.

Provisions for Prior-year

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|--------------------------|--------------------------------|-------------------------------------|----------------|----------------|
| As at April 2017 | 3,533 | 1,390 | 31 | 4,954 |
| Arising during the year | 796 | 570 | 4 | 1,370 |
| Utilised during the year | (163) | (106) | - | (269) |
| Unwinding | - | (11) | - | (11) |
| Reversed unutilised | (285) | (210) | - | (495) |
| At 31 March 2018 | 3,881 | 1,633 | 35 | 5,549 |

National Waiting Times Centre Board

Note 12b Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

| 2018 | | 2019 |
|--------------|---------------------------------------------------------------------------------------------|--------------|
| £'000 | | £'000 |
| 3,881 | Provision recognising individual claims against the Board as at 31 March | 5,268 |
| | Associated CNORIS receivable at 31 March | (4,900) |
| (3,575) | | |
| 1,633 | Provision recognising the Board's liability from participating in the scheme as at 31 March | 1,577 |
| 1,939 | Net Total Provision relating to CNORIS at 31 March | 1,945 |

The Clinical Negligence and Other Risks Scheme (CNORIS) has been in operation since 2000. Participation in the scheme is mandatory for all NHS boards in Scotland. The scheme allows for risk pooling of legal claims in relation to clinical negligence and other risks and works in a similar manner to an insurance scheme. CNORIS has an agreed threshold of £25k and any claims with a value less than this are met directly from within boards' own budgets. Participants e.g. NHS boards contribute to the CNORIS pool each financial year at a pre-agreed contribution rate based on the risks associated with their individual NHS board. If a claim is settled the board will be reimbursed by the scheme for the value of the settlement, less a £25k "excess" fee. The scheme allows for the risk associated with any large or late in the financial year legal claims to be managed and reduces the level of volatility that individual boards are exposed to.

When a legal claim is made against an individual board, the board will assess whether a provision or contingent liability for that legal claim is required. If a provision is required then the board will also create an associated receivable recognising reimbursement from the scheme if the legal claim settles. The provision and associated receivable are shown in the first two lines above. The receivable has been netted off against the provision to reflect reimbursement from the scheme.

As a result of participation in the scheme, boards should also recognise that they will be required to make contributions to the scheme in future years. Therefore a second provision that recognises the board's share of the total CNORIS liability of NHSScotland has been made and this is reflected in third line above.

Therefore there are two related but distinct provisions required as a result of participation in the scheme. Both of these provisions as well as the associated receivable have been shown in the note above to aid the reader's understanding of CNORIS.

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

National Waiting Times Centre Board

Note 13 Contingent Liabilities

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

| | 2019 | 2018 |
|--------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Nature | | |
| Clinical and medical compensation payments | 1,925 | 1,543 |
| Other | - | 10 |
| Total Contingent Liabilities | 1,925 | 1,553 |

Contingent liabilities have been estimated based on information provided by the Central Legal Office regarding negligence claims against the Board. All claims classed as category 1 along with 50% of the value of category 2 claims have been included in contingent liabilities.

Contingent Assets

The Board currently has contingent assets of £1,650,000 in year (prior year £1,238,000).

Note 14 Commitments

Capital Commitments

The Board has the following Capital Commitments, which have not been provided for in the accounts

| | 2019 | 2018 |
|--------------------------------------|---------------|---------------|
| | £'000 | £'000 |
| Contracted | | |
| Kier Phase one | 10,000 | 1,700 |
| Authorised but not contracted | | |
| Space Utilisation Project | | |
| Kier Phase one | - | 14,000 |
| Kier Phase two | 500 | 500 |
| Total | 10,500 | 14,500 |

Note 15 Commitments under Leases

Total future minimum lease payments under operating leases are given in the table below for the each of the following periods

| | 2019 | 2018 |
|-------------------------------------------------------------|--------------|--------------|
| | £'000 | £'000 |
| Operating leases | | |
| Other | | |
| Not later than one year | 1,196 | 1,118 |
| Later than one, not later than two years | 365 | 326 |
| Later than two years, not later than five | 588 | 833 |
| Amounts charged to operating costs in the year were: | | |
| Hire of equipment (including vehicles) | 791 | 1,501 |

The Board held no finance leases in the reporting period.

National Waiting Times Centre Board

Note 16 Pensions Costs

The Board participates in the NHS Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2012. The next valuation will be as at 31 March 2016 and this will set contribution rates from 1 April 2019.

The Board has no liability for other employers obligations to the multi-employer scheme.

As the scheme is unfunded there can be no deficit or surplus to distribute on the wind-up of the scheme or withdrawal from the scheme.

The scheme is an unfunded multi-employer defined benefit scheme.

It is accepted that the scheme can be treated for accounting purposes as a defined contribution scheme in circumstances where the Board is unable to identify its share of the underlying assets and liabilities of the scheme.

The employer contribution rate for the period from 1 April 2015 was 14.9% of pensionable pay. While the employee rate applied is a variable it will provide an actuarial yield of 9.8% of pensionable pay.

At the last valuation a shortfall of £1.4 billion was identified in the notional fund which will be repaid by a supplementary rate of 2.6% of employers pension contributions for fifteen years from 1 April 2015. This contribution is included in the 14.9% employers contribution rate.

The SPPA advise that the total employer contributions received for the NHS Scotland Scheme in the year to 31 March 2018 were £768.7 million. Contributions collected in the year to 31 March will be published in October 2019. The Board's level of participation in the scheme is 1% based on the proportion of the employer contributions paid in 2017/18.

Changes to the scheme were implemented from 1 April 2008. Existing staff, and those joining the scheme up to 31 March 2008, will keep the benefits of the existing scheme but will be given the choice to transfer to the new scheme.

Existing Scheme:

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

All other members automatically joined the NHS 2015 scheme on 1 April 2015. Further information is available on the Scottish Public Pensions Agency (SPPA) web site at www.sppa.gov.uk

2008 Arrangements:

The scheme provides benefits on a "final salary" basis at a normal retirement age of 65. Pension will have an accrual rate of 1/60th and be calculated on the basis of the average of the best consecutive three years pensionable pay in the ten years before retirement. There is an option to exchange part of Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension Value. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

National Waiting Times Centre Board

Members aged 55 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

The new NHS Pension Scheme (Scotland) 2015

From 1 April 2015 the NHS Pension Scheme (Scotland) 2015 was introduced. This scheme is a Career Average Re-valued Earnings (CARE) scheme. Members will accrue 1/54 of their pay as pension for each year they are a member of the scheme. The accrued pension is re-valued each year at an above inflation rate to maintain its buying power. This is currently 1.5% above increases to the Consumer Prices Index (CPI). This continues until the member leaves the scheme or retires. In 2015-16 members paid tiered contribution rates ranging from 5.2% to 14.7% of pensionable earnings. The normal pension age (NPA) is the same as the State Pension age. Members can take their benefits earlier but there will be a deduction for early payment.

Further information on each of the pension schemes can be found on the SPPA website:

<http://www.sppa.gov.uk>

National Employment Savings Trust (NEST)

The Pensions Act 2008 and 2011 Automatic Enrolment regulations required all employers to enrol workers meeting certain criteria into a pension scheme and pay contributions toward their retirement. For those staff not entitled to join the NHS Superannuation Scheme (Scotland), the Board utilised an alternative pension scheme called NEST to fulfil its Automatic Enrolment obligations.

NEST is a defined contribution pension scheme established by law to support the introduction of Auto Enrolment. Contributions are taken from qualifying earnings, which are currently from £5,876 up to £45,000, but will be reviewed every year by the government. The initial employee contribution is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

| Date | Employee Contribution | Employer Contribution | Total Contribution |
|------------------|-----------------------|-----------------------|--------------------|
| 1st March 2013 | 1% | 1% | 2% |
| 1st October 2018 | 3% | 2% | 5% |
| 1st October 2019 | 5% | 3% | 8% |

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

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

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

Pension Costs

Pension cost charge for year

2018/19

7,805

2017/18

7,510

National Waiting Times Centre Board

Note 17 Financial Instruments

17a Financial Instruments by category

| | | |
|---------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|
| Financial Assets at fair value | 2019 | 2018 |
| Consolidated | Loans and | Loans and |
| | Receivables | Receivables |
| | £'000 | £'000 |
| At 31 March 2019 Assets per Statement of Financial Position | | |
| Trade and other receivables excluding prepayments, reimbursements and VAT recoverable | 2,969 | 2,453 |
| Cash and cash equivalents | 5,955 | 3,003 |
| Total | 8,924 | 5,456 |
| Financial Assets at fair value | 2019 | 2018 |
| Board | Loans and | Loans and |
| | Receivables | Receivables |
| | £'000 | £'000 |
| Trade and other receivables excluding prepayments, reimbursements and VAT recoverable | 2,316 | 1,604 |
| Cash and cash equivalents | 3,354 | 1,654 |
| Total | 5,670 | 3,258 |
| Financial Liabilities at amortised cost | 2019 | 2018 |
| Consolidated | Other Financial | Other Financial |
| | Liabilities | Liabilities |
| | £'000 | £'000 |
| At 31 March 2018 Assets per balance sheet | | |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 13,967 | 12,395 |
| Total | 13,967 | 12,395 |
| Financial Liabilities | 2019 | 2018 |
| Board | Other Financial | Other Financial |
| | Liabilities | Liabilities |
| | £'000 | £'000 |
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 13,357 | 12,390 |
| Total | 13,357 | 12,390 |

National Waiting Times Centre Board

17b Financial Risk Factors

Exposure to risk

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

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

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

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

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

The Board provides written principles for overall risk management, as well as written policies covering procurement, delegated limits of authority, standing financial instructions and standing orders.

A - Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

B – Liquidity Risk

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

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

| | |
|----------------------------------------------------------|---------------------|
| | Less than 1 year |
| 31 March 2019 | - |
| Trade and other payables excluding statutory liabilities | 17,065 |
| Total | <hr/> 17,065 |
| | Less than 1 year |
| 31 March 2018 | - |
| Trade and other payables excluding statutory liabilities | 18,722 |
| Total | <hr/> 18,722 |

National Waiting Times Centre Board

C – Market Risk

The Board has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to manage the risks facing the Board in undertaking its activities.

- i) Cash flow and fair value interest rate risk
The Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.
- ii) Foreign currency risk
The Board is not exposed to foreign currency risk.
- iii) Price risk
The Board is not exposed to equity security price risk.

17c Fair value estimation

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

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

Note 18 Related Party Transactions

Director of Operations is related to a Director from Vascutek who supply clinical supplies to NHSScotland. The Director is removed from any procurement related to the company.

Note 19 Impact of Newly Adopted IFRS on the Financial statements

Note 19a – Adoption of IFRS 9 (Financial Instruments)

Note 19b – Adoption of IFRS 15 (Contracts with Customers)

As both of the above notes have no impact on the accounts for the Board there is no requirement for these to be restated in this year's accounts

National Waiting Times Centre Board

Note 20 Group Statements

20a Group SOCNE

| Group 2018 £'000 | | Note | Board £'000 | Endowments £'000 | Consolidated £'000 |
|-------------------------------------|--------------------------------|------|----------------------|---------------------|-----------------------|
| Total income and expenditure | | | | | |
| 82,975 | Employee expenditure | 3 | 86,378 | 338 | 86,716 |
| | Other operating expenditure | 3 | | | |
| 25,244 | Drugs and medical supplies | | 29,038 | - | 29,038 |
| 26,502 | Other health care expenditure | | 27,003 | 951 | 27,954 |
| <u>134,721</u> | Gross Expenditure for the year | | <u>142,219</u> | <u>1,289</u> | <u>143,708</u> |
| (62,147) | Less: operating income | 4 | (64,828) | (1,741) | (66,569) |
| <u>72,574</u> | Net Expenditure | | <u>77,591</u> | <u>(452)</u> | <u>77,139</u> |

National Waiting Times Centre Board

20b Group Statement of Financial Position

| Group 2018 £'000 | Note | Board £'000 | Endowments £'000 | Group £'000 |
|--------------------------------|------------------------------------------------------------------------|-----------------|---------------------|-----------------|
| Non-current assets: | | | | |
| 137,610 | Property, plant and equipment | 140,187 | - | 140,187 |
| 59 | Intangible assets | 5 | - | 5 |
| Financial assets: | | | | |
| 3,250 | Trade and other receivables | 3,575 | - | 3,575 |
| 140,919 | Total non-current assets | 143,767 | - | 143,767 |
| Current Assets: | | | | |
| 3,120 | Inventories | 3,196 | - | 3,196 |
| Financial assets: | | | | |
| 4,151 | Trade and other receivables | 6,708 | 654 | 7,362 |
| 3,003 | Cash and cash equivalents | 3,354 | 2,601 | 5,955 |
| 10,274 | Total current assets | 13,258 | 3,255 | 16,513 |
| 151,193 | Total assets | 157,025 | 3,255 | 160,280 |
| Current liabilities | | | | |
| (1,212) | Provisions | (2,767) | - | (2,767) |
| Financial liabilities: | | | | |
| (20,383) | Trade and other payables | (20,418) | (610) | (21,028) |
| (21,595) | Total current liabilities | (23,185) | (610) | (23,795) |
| 129,598 | Non-current assets plus/(less) net current assets/(liabilities) | 133,840 | 2,645 | 136,485 |
| Non-current liabilities | | | | |
| (4,337) | Provisions | (4,143) | - | (4,143) |
| (4,337) | Total non-current liabilities | (4,143) | - | (4,143) |
| 125,261 | Assets less liabilities | 129,697 | 2,645 | 132,342 |
| Taxpayers' Equity | | | | |
| 40,167 | General fund | 45,282 | - | 45,282 |
| 82,901 | Revaluation reserve | 84,415 | - | 84,415 |
| 2,193 | Funds held on Trust | - | 2,645 | 2,645 |
| 125,261 | Total taxpayers' equity | 129,697 | 2,645 | 132,342 |

National Waiting Times Centre Board

20c Group Cashflows

| 2018 Board £'000 | 2018 Endowment £'000 | 2018 Group £'000 | Cash flows from operating activities | Board £'000 | Endowment £'000 | Group £'000 |
|---------------------------------------------------------------------|----------------------------|------------------------|-----------------------------------------------------------------------------|-----------------|--------------------|-----------------|
| (73,370) | 796 | (72,754) | Net operating cost | (77,951) | 452 | (77,139) |
| 6,804 | - | 6,804 | Adjustments for non-cash transactions | 6,543 | - | 6,543 |
| 2,970 | 82 | 3,052 | Movement in working capital | (4,112) | 807 | (3,305) |
| (63,596) | 878 | (62,718) | Net cash outflow from operating activities | (75,160) | 1,259 | (73,901) |
| Cash flows from investing activities | | | | | | |
| (7,436) | - | (7,436) | Purchase of property, plant and equipment | (6,439) | - | (6,439) |
| 138 | - | 138 | Proceeds of disposal of property, plant and equipment | - | - | - |
| (7,298) | - | (7,298) | Net cash outflow from investing activities | (6,439) | - | (6,439) |
| Cash flows from financing activities | | | | | | |
| 70,894 | - | 70,894 | Funding | 81,593 | - | 81,593 |
| (322) | - | (322) | Movement in general fund working capital | 1,699 | - | 1,699 |
| 70,572 | - | 70,572 | Cash drawn down | 83,292 | - | 83,292 |
| 70,572 | - | 70,572 | Net Financing | 83,292 | - | 83,292 |
| (322) | 878 | 556 | Net Increase / (decrease) in cash and cash equivalents in the period | 1,693 | 1,259 | 2,952 |
| 1,976 | 471 | 2,447 | Cash and cash equivalents at the beginning of the period | 1,654 | 1,349 | 3,003 |
| 1,654 | 1,349 | 3,003 | Cash and cash equivalents at the end of the period | 3,347 | 2,608 | 5,955 |
| Reconciliation of net cash flow to movement in net debt/cash | | | | | | |
| (322) | 878 | 556 | Increase/(decrease) in cash in year | 1,700 | 1,252 | 2,952 |
| 1,976 | 471 | 2,447 | Net debt/cash at 1 April | 1,654 | 1,349 | 3,003 |
| 1,654 | 1,349 | 3,003 | Net debt/cash at 31 March | 3,354 | 2,601 | 5,955 |

National Waiting Times Centre Board



DIRECTION BY THE SCOTTISH MINISTERS

- 1 The Scottish Ministers, in exercise of the powers conferred on them by sections 86(1), (1B) and (3) of the National Health Service (Scotland) Act 1978, as read with article 5(1) of and the Schedule to the National Waiting Times Centre Board (Scotland) Order 2002, (S.S.I. 2002/305), and all powers enabling them in that behalf, hereby give the following direction.
- 2 The statement of accounts for the financial year ended 31 March 2006, and subsequent years, shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FReM) which is in force for the year for which the statement of accounts are prepared.
- 3 Subject to the foregoing requirements, the accounts shall also comply with any accounts format, disclosure and accounting requirements issued by the Scottish Ministers from time to time.
- 4 The accounts shall be prepared so as to give a true and fair view of the income and expenditure and cash flows for the financial year, and of the state of affairs as at the end of the financial year.
- 5 This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 30 December 2002 is hereby revoked.

Signed by the authority of the Scottish Ministers

A handwritten signature in black ink, appearing to be 'M. A.', written in a cursive style.

Dated 8 February 2006