

NATIONAL WAITING TIMES CENTRE BOARD
(also known as the Golden Jubilee Foundation)

ANNUAL REPORT AND ACCOUNTS

For Year ended 31 March 2018

National Waiting Times Centre Board

Annual Report and Accounts

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National Waiting Times Centre Board

ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2018

ANNUAL REPORT AND ACCOUNTS

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

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

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.

Statement from the Chief Executive

The Golden Jubilee Foundation continues to drive forward its vision of leading quality, research and innovation for NHSScotland.

We celebrated our 15th Anniversary as part of NHSScotland by announcing 600,000 procedures were delivered at the Golden Jubilee National Hospital for patients from across the whole of Scotland.

This year our success continues as we lead the way for Scotland and the UK by driving clinical innovations which we have pleasure sharing. The following list includes many firsts in their field:

- Unveiled our new state-of-the-art Motion Analysis Laboratory which uses advanced 3D technology to generate detailed virtual mechanical models; thus offering dramatically improved measurement and analysis of patients.
- Pioneered and trialled an innovative digital system for recording patients' vital signs. Staff were so committed, they delivered a 'paper-free' environment within 3days. This system will be rolled-out across all wards.
- Achieved a UK first when our Cardiology specialists used groundbreaking technology on a patient undergoing Percutaneous Coronary Intervention for narrowed arteries.
- Delivered Scotland's first Video Assisted Diaphragmatic Plication surgery and we are improving the quality of life for patients with this condition.

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

We were delighted that the Scottish Government Capital Investment Group approved the Initial Agreement for phase one of our expansion programme, allowing plans for the creation of a purpose built ophthalmology unit to proceed to Outline Business Case stage. As part of this work, our pilot programme included a redesign of our virtual and physical outpatient clinic. We are delighted to report that this innovative thinking has dramatically improved services for Ophthalmology patients from across Scotland. Our two new state-of-the-art Magnetic Resonance Imaging (MRI) scanners allow us to provide an additional 10,000 procedures per year to benefit patients from across Scotland.

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Statement from the Chief Executive (continued)

We continue to strengthen our national and international reputation across the globe and I'm immensely proud of the huge expertise and progress we have made in driving forward our international research, innovation and quality of clinical skills. We now have record numbers of active research projects across 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 which is necessary to deliver improvements in healthcare quality, better outcomes and care for patients with improved performance. I am excited about our new international collaboration, established by our Director of Research and Development, which sets out to investigate and help improve cardiovascular diseases in young people across the world.

Our Innovation Centre provides both symbolic and practical expression of the attitude and values that drive our service plus this area contributes greatly to our vision and commitment i.e. to lead quality, research and innovation on behalf of NHS Scotland. During the year, we continued to build our strategic partner base in both academia and industry; helping us realise our vision. Furthermore, we hosted visits from healthcare, academic and industry colleagues from around the world.

Our Golden Jubilee Conference Hotel was named the National and Regional Conference Hotel of the Year in the Scottish Hotel Awards Ceremony and continues to support our hospital by providing facilities to assist and support access for patients and relatives from all over Scotland. Our aim is to build on the hotel's success by promoting it as the NHS/Public Sector's venue of choice. As a '*not for profit*' venue, all income generated from the hotel is fully reinvested to further enhance our innovation and conference facilities; therefore upholding our status as a pivotal meeting, hospitality and innovation campus.

As we continue to expand our services and treat more patients from across Scotland, we shall ensure our finances are in good shape and our brilliant and dedicated team continue to make the greatest possible contribution to Scotland's health. This is why our overall aim is to continue to deliver exceptional quality care, compassion, training, innovation and ambition in everything we carry out at the Golden Jubilee Foundation.

Golden Jubilee National Hospital

Based in Clydebank, near Glasgow, the Golden Jubilee National Hospital, we are the home of regional and national heart and lung services. We are also a major centre for orthopaedics, one of the largest providers of cataract surgery in the UK, an award-winning Diagnostic Imaging service plus we reduce waiting times in key specialities for NHS Boards throughout Scotland.

Our management of regional and national heart and lung services include:

- all heart and lung surgery for the West of Scotland, including bypasses, heart valve surgery and other complex procedures;
- interventional cardiology services, including angioplasty, angiography, electrophysiology and complex pacemakers;
- Scotland's National Advanced Heart Failure Service, including the heart transplant unit;
- Scottish Pulmonary Vascular Unit;
- Scottish Adult Congenital Cardiac Service.

The hospital is one of only two specialist centres in the West of Scotland which provides the Optimal Reperfusion Service i.e. patients who experience a heart attack (Myocardial Infarction) as a result of a blocked artery will be transferred directly to a specialist centre - which leads to better outcomes. Furthermore, we have introduced a direct referral service for patients experiencing an

National Waiting Times Centre Board

Statement from the Chief Executive (continued)

Non ST Elevated Myocardial Infarction and this innovative process is already returning positive outcomes for this patient group.

As a major European centre for orthopaedics, we perform more than 25% of all Scottish hip and knee replacements. Additionally, the Golden Jubilee National Hospital's Ophthalmology department continues to expand in order to meet the increased demand of NHSScotland - we already carry out 18-20% of all cataract operations undertaken in Scotland.

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

2017/18 Patient activity

Our target was to deliver 46,000 inpatient day case and diagnostic examinations. The range of services provided included orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, hand surgery, scopes and diagnostic imaging. This number excludes any activity associated with the regional and national heart and lung services.

The actual number of inpatient day cases and diagnostic examinations carried out in 2017/18 was 46,003 - in line with our year plan (adjusted for complexity).

Orthopaedics

Orthopaedic joint activity was ahead of plan by 122 primary joint replacements (3,925 against target of 3,803) and carried out an additional 675 foot and ankle procedures against target (675 actual versus 550 planned). Whilst there was a lower than expected number of orthopaedic 'other' procedures referred throughout the year (including procedures such as Anterior Cruciate Ligament repair, arthroscopy etc), overall orthopaedic surgery exceeded the full year plan by 2.5%. Our orthopaedic theatres operated at maximum capacity with Saturday working now well established.

Ophthalmology

Ophthalmology activity was behind plan (6,809 procedures against a challenging target of 7,650). However, the Ophthalmology programme delivered 17.5% more cataract procedures than in the previous year.

National Waiting Times Centre Board

Statement from the Chief Executive (continued)

Diagnostic imaging

Diagnostic Imaging significantly exceeded our full year plan with 29,450 by 839 examinations (3%). The Diagnostic Imaging service delivered 17% more examinations than in the previous year.

Cardiac surgery waiting time

We will continue to focus on delivering the Treatment Time Guarantee for patients and although we have experienced an increase in both the numbers of referrals and the complexity of patients (both cardiac surgery and interventional cardiology) Treatment Time Guarantees have been delivered.

Golden Jubilee Conference Hotel

Our four-star Golden Jubilee Conference Hotel has been an integral part of our Board business since 2002.

Over the past 12 months, we have continued to work towards our 2020 strategy; to be an internationally renowned venue of excellence for medical, technical and pharmaceutical events. We are delighted to confirm that we have made significant progress within this area of business.

The Centre for Health and Wellbeing sits at the heart of our strategic aims as we strive to provide more opportunities for members, delegates and staff to improve their health and wellbeing, whilst developing internal expertise of our team plus encouraging cross-site interaction with our wider staff group.

As we implement proof of concept and pilot programmes, we are encouraging our team to embrace all aspects of the Foundation - new collaborations and partnerships are being established. Underpinning this, we launched a range of new initiatives including; the new Health and Wellbeing Conference Package; answering Scottish Government's commitment to creating a Healthier Scotland.

This development accompanied the continuous improvement and upgrading of our facilities; completion on our new Inspiration Space. This dynamic area provides a state-of-the-art, flexible creative place that can be utilised as either one room or four separate ones; each boasting the necessary technology to facilitate high level meetings across both public and private sectors. This innovative creation allows us to continue to enhance our reputation and meet the needs and demands of the events, meetings and conferences venues more than ever before. Furthermore, we are answering our Board and Scottish Government's vision i.e. 'leading quality, research and innovation'.

Golden Jubilee Research Institute

The Golden Jubilee Research Institute is a world-class research and clinical skills centre. It is a crucial element of the Golden Jubilee Foundation and we are delighted to share some of the exceptional work delivered:

- increase the number of trials hosted by the Golden Jubilee National Hospital;
- enhance the experience of patients participating in clinical trials;
- enhance the clinical skills training experience for all health care professionals;
- provide simulation areas to support the training, development and evaluation of healthcare professionals;
- enhance surgical skills training through the provision of a purpose built area with the ability to live stream surgical procedures from the hospital; and
- help promote innovation across the organisation.

We are proud to currently have 112 active research projects. During 2017/18, a total of 45 projects were approved against a Key Performance Indicator of 32 and a previous record of 40 (2016/17). The number of commercially sponsored and funded projects increased to 15 from 11, plus the number of academic-led studies are continuing to rise.

National Waiting Times Centre Board

Statement from the Chief Executive (continued)

In May 2017, we successfully opened Golden Jubilee Motion Analysis Laboratory (MAL) with a primary focus to improve research and care for orthopaedics patients - currently it is running a Healthy Volunteer study leading to the development of a valuable comparator database. Several additional and exciting projects are currently in the planning stage.

Awards gained in 2017/18

During 2017/18, the Golden Jubilee Foundation received the following awards:

- Only NHSScotland Board to receive the Employer Recognition Scheme Gold Award from the Ministry of Defence, presented by HRH Prince Henry of Wales.
- First NHSScotland Board to achieve Disability Confident Leader accreditation
- First NHSScotland Board to achieve Investors in Young People accreditation.
- Received a special recognition award from West Dunbartonshire Council for supporting their Schools Employability Skills Programme.
- Became a Scottish Vocational Qualification Approved Centre.
- Retained a place in the top 100 UK employers for the fourth year in a row, ranking at number 63 in the Stonewall Scotland Workplace Equality Index (WEI).
- Scottish National Advanced Heart Failure Service named Team of the Year by the Pumping Marvellous Foundation.
- Dr Hany Eteiba, Consultant Cardiologist and Acting Medical Director:
 - Took up post as President of the Scottish Cardiac Society,
 - Took up post as Vice President (Medical) of the Royal College of Physicians and Surgeons of Glasgow, and
 - Received an International Lifetime Achievement Award at the 45th Annual International Congress of the Egyptian Society of Cardiology.
- Transplant Coordinator Jane Lockhart received the Heart Hero Health Professional Award from the British Heart Foundation.
- Theatre Nurse Elizabeth Hendry received a British Empire Medal (BEM) for services to the Golden Jubilee National Hospital.
- Carole Anderson, Head of Strategy and Performance, was included in the Financial Times' inaugural OUTstanding Leading LGBT+ Public Sector Executives List

Within the hospitality sector, in 2017/18, the Golden Jubilee Conference Hotel received:

- National and Regional Conference Hotel of the Year titles, Scottish Hotel Awards 2018
- UK Business Hotel of the Year award for the second consecutive year, plus the Award for Excellence in Hotel Conference Facilities, Small Business Awards 2017
- Success Through Sustainability Award, Working4Business awards 2017
- Certificate of Excellence for seventh year in a row, Trip Advisor 2017
- Loved by Guests, Hotels.com 2017
- Hotel Restaurant of the year finalist, Food Awards Scotland 2017

Key Performance Indicators

This section provides analysis of performance against other key non-financial performance indicators. The indicators reflect the information reported to the Board.

LDP Standards

Staphylococcus Aureus Bacteraemia (SAB) including MRSA/MSSA infections	Target <0.24 per 1000 acute occupied bed days	Actual 0.23 per 1000 occupied bed days	Safe	Staphylococcus aureus is an organism which is responsible for a large number of healthcare associated infections, although it can also cause infections in people who have not had any recent contact with the healthcare system. Our target is to maintain less than 0.24 instances per 1000 acute occupied bed days; the Golden Jubilee recorded ten instances of Staphylococcus aureus in 2017/18, an occurrence of 0.21 per 1000 occupied bed days.
Clostridium difficile infections	Target <0.32 per 1000 total occupied bed days	Actual 0.04 per 1000 occupied bed days	Safe	Clostridium difficile (C. diff) is a bacterium that most commonly affects those who have recently undergone a course of antibiotics but can easily spread to others. C. diff instances are closely monitored by all NHS Boards, with a target of less than 0.32 instances per 1000 total occupied bed days. The Golden Jubilee had two instances of C. diff with 47,692 occupied bed days in 2017/18, the equivalent to 0.04 instances per 1000 occupied bed days.
Sickness Absence	Target 4%	Actual 5.07%	Person Centred	Levels of sickness absence are closely monitored throughout the NHS. While the Golden Jubilee's sickness absence levels are comparable with other NHS boards the levels are above target. The Human Resources Department continue to work closely with managers to monitor and manage episodes of sickness absence, with the aim of supporting those on sick leave back to work and reducing sickness absence levels.
31 Day Cancer Treatment from decision to treat	Target 95%	Actual 100%	Effective	Shorter waits for cancer treatment can lead to better outcomes for many patients and reduce unnecessary uncertainty and worry for patients and their relatives. The Golden Jubilee Hospital specialises in the treatment of lung cancer patients with 100% of cancer patients received treatment within 31 days of the decision to treat.
12 weeks for first outpatient appointment target	Target 95%	Actual 99.9%	Effective	Better outcomes can be achieved for many patients by reducing outpatient waiting times, NHSScotland has a target for 95% moving towards achieving 100% of patients referred for a new outpatient appointment to be seen at a consultant led clinic within 12 weeks of receipt of referral. For the period 1 April 2017 to 28 February 2018, 99.9% of patients received an outpatient appointment within 12 weeks of referral.
18 weeks Referral to Treatment	Target 90%	Actual 99.8%	Effective	Shorter waiting times have a positive impact on the health of the patient; the 18 week referral to treatment target is a waiting time standard from initial referral to the start of treatment which should be delivered for at least 90% of patients. At the Golden Jubilee Hospital, for the period 1 April 2017 – 31 December 2017, 99.8% of patients were treated within 18 weeks of referral.
12 weeks Treatment Time Guarantee	Target 100%	Actual 96.4%	Effective	A 12 week maximum waiting time was established by the Patient Rights (Scotland) Act 2011, setting a target for all patients who have been identified as requiring treatment to receive the planned treatment within 12 weeks on an inpatient or day case basis. Particular challenges have been experienced within the Cardiac Surgery and Cardiology services resulting in some patients waiting over 12 weeks for treatment. The Golden Jubilee National Hospital, as a national resource to deliver Scotland's waiting times, has a core objective of adherence with the national waiting times targets and as such is committed to increasing the 96.4% of patients treated within 12 weeks of decision to treat.

Workforce

<h2>Healthy Organisation Culture</h2>	<h2>Sustainable Workforce</h2>	<h2>Capable Workforce</h2>	<h2>Integrated Workforce</h2>
<p>iMatter is helping individuals and teams to understand and improve staff experience.</p>	<p>Accredited 'Investor in Young People' and 'Investor in Volunteers'.</p>	<p>Developed and implemented an Allied Health Professions (AHP) strategy.</p>	<p>Collaborative working with local education providers to develop training for in demand job roles.</p>
<p>Equalities sessions delivered by internal and external speakers, covering Dementia in the Workplace, Unconscious Bias, Trans Awareness as well as Religion and Belief sessions.</p>	<p>Our Training Academies continue to be successful, ensuring a high quality source of staffing in our theatre and radiology departments.</p>	<p>Developed and implemented Board Leadership Framework for all staff.</p>	<p>Continued development and facilitation of Modern Apprenticeship opportunities within the foundation.</p>
<p>Human Factors training continues to be rolled out to all staff, developing skills to develop effective communication and team work, learning to be safer.</p>	<p>Recipient of the Ministry of Defence's highest badge of honour – the Employer Recognition Scheme (ERS) Gold Award.</p>	<p>Enhanced our values based recruitment process for the board, incorporating practical assessments and team measurement tools.</p>	<p>Developed closer working arrangements with schools and local authorities to support employment opportunities.</p>
<p>Our Workforce Policies within the board have been reviewed and developed to ensure that they reflect best practice and enable our workforce to be treated fairly and consistently.</p>	<p>Achieved the 'Disability Confident Leader' accreditation and continue to work as a 'Disability Confident Employer'.</p>	<p>Scottish Vocational Qualifications (SVQ) Approved Centre, specialising in Healthcare Support Worker (HCSW) training.</p>	<p>Collaborative working with West College for nine administrative staff to undertake SVQs in business administration.</p>
	<p>Agreed and implemented with the National Boards a collaborative process for vacancy management for non-clinical posts.</p>	<p>Mandatory training has consistently been delivered above 80% for each training module.</p>	

Progress with our local LDP targets during 2017/18

Developments within our national services

- Working with colleagues from other specialist lung transplant units in the UK, we are developing a service model to demonstrate how a lung transplant service could be delivered at Golden Jubilee. This scoping work will be presented to national decision-making groups during 2018/19.
- Our retrieval team has used our Organ Care System (OCS) on two occasions; it has already resulted in a successful heart transplant. We will be seeking approval to begin a donation after circulatory death (DCD) heart retrieval programme during 2018/19.
- Our consultant-led transplant retrieval team now cover a wider geographical area, working alongside a team from Newcastle. As at March 2018, we have carried out 11 heart transplants at Golden Jubilee.

Heart and Lung service developments

- The direct NSTEMI programme (Non-ST-Elevation Myocardial Infarction) has now been fully embedded and is operating successfully. Patients from across the West of Scotland who have suffered an NSTEMI heart attack and who have the highest risk scores are now admitted directly to GJNH giving them quicker access to specialist treatment. This supports better outcomes for patients and saves bed days in referring hospitals. It is hoped that this model can be rolled out across Scotland as part of transformational change investment.
- Planning work is well advanced to commence a West of Scotland Transcatheter Aortic Valve Implantation TAVI service at Golden Jubilee. This service will form part of the future strategy of our Structural Heart Service. This strategy will describe our strategic vision for ongoing developments within the following procedures:
 - Left Atrial Appendage Occlusion (LAAO);
 - Mitraclip;
 - Patent foramen ovale closure (PFO); and
 - Minimally invasive surgery.
- It will also address the specific opportunity to extend access to Pulmonary Artery Balloon Angioplasty for SPVU patients and possibly to a wider population.

Development of the new Elective Care Centres and our commitment as a national resource

- Our activity plan for 2017/18 includes capacity for orthopaedic joints, foot and ankle surgery, orthopaedic 'other' (intermediate and minor procedures), general surgery, plastic surgery, ophthalmology, endoscopy and diagnostic imaging.
- As at end February, we have carried out 41,907 inpatient, day case and imaging procedures against a target of 41,945 (0.1% behind plan).
- Work is now progressing to plan and deliver the Golden Jubilee Elective Care Centre Programme. The programme is structured in two phases as follows:
 - Phase One – delivery of additional ophthalmology elective care capacity.
 - Phase Two – delivery of additional orthopaedic and other surgical elective care capacity.
- The Outline Business Case for Phase 1 is now drafted and due for submission to the Capital Investment Group (CIG) in June 2018.
- The Initial Agreement for Phase 2 will be considered by the GJ Board in May 2018.

National Waiting Times Centre Board

Increasing and supporting Innovation

- The National Innovation Fund hosted by Golden Jubilee continues to support a series of Open Innovation challenges involving UK Innovation Organisations
- Excellent progress has been made in establishing, building and further enhancing new and existing Strategic Partnerships which will grow our research and technical reputation and encourage economic growth within Scotland
- We continue to develop our 'Enterprise Risk Management' (ERM) approach led by our Board and Senior Management Team.
- The Golden Jubilee Quality Framework provides assurance that safe, effective and person centred care is being delivered at all times by allowing oversight of metrics on quality, safety, performance and patient experience. A commercialisation plan has been developed for the generation of income for reinvestment in NHS Scotland with interest in the Quality Framework being expressed from major healthcare providers nationally and internationally.

Research Strategy and the Golden Jubilee Research Institute

- Research activity continues to grow for both eligible/adopted studies and commercially sponsored projects with Golden Jubilee comparing favourably to other Boards, despite not being considered formally as a University teaching hospital.
- This research activity, and the activity in preceding years, has resulted in a steady income of approximately £2 million each year. This has been reinvested in research infrastructure and staff.
- Work continues on plans to develop a bio-repository within Golden Jubilee.
- The new Motion Analysis Lab has been in operation since May 2017 and a Healthy Volunteer study is underway collecting walking and other movement patterns from healthy volunteers for a database against which patients recruited to research projects can be measured.

Delivery of the Golden Jubilee Conference Hotel Strategy

- The Conference Hotel 2020 strategy aims to develop the venue as an international hospitality, meeting and conference element of the Foundation.
- Approximately 30% of the bedrooms have been significantly refurbished with planning to extend this underway.
- Phase 2 commenced in 2017/18 with the focus on realising the business goals and transforming all aspects of food service and delivery.
- The Hotel aims to maintain a growth rate of 3% year on year whilst generating sufficient profit to invest in the strategic infrastructure and contribute to Board efficiency. Performance in 2017/18 has been lower than anticipated due to increasing competition in bedroom and conference markets, limited growth and a change in procurement arrangements within NHS national boards.

National Waiting Times Centre Board

Financial Performance

The Board are required to meet three financial targets in year: a Revenue Resource Limit; a Capital Resource Limit and a Cash Requirement. The Revenue and Capital Resource limits are further analysed into Core and Non-Core where Non-Core represents items of expenditure which are of a technical accounting nature, details of which can be found on the Statement of Resources Out-turn.

These limits are:

- Revenue resource limit – a resource budget for ongoing operations;
- Capital resource limit – a resource budget for new capital investment; and
- Cash requirement – a financing requirement to fund the cash consequences of the ongoing operations and the new capital investment.

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

		Limit as set by SGHSCD £'000	Actual Outturn £'000	Variance (Over)/Under £'000
1	Revenue Resource Limit - core	66,175	66,171	4
	Revenue Resource Limit – non-core	7,199	7,199	-
2	Capital Resource Limit - core	7,436	7,436	-
3	Cash Requirement	70,572	70,572	-

MEMORANDUM FOR IN YEAR OUTTURN			£'000
	Brought forward surplus from previous financial year		-
	Saving against in year Core Revenue Resource Limit (core funding)		4
	Net saving/(excess) against Core Revenue Resource Limit		4

Provisions for impairment of receivables

A provision of £790 has been provided in year in relation to bad/doubtful debts (prior year £2,242).

Legal obligations

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

- Clinical & Medical - £3,881,000 (prior year £3,533,000)
- Other - £35,000 (prior year £31,000)
- Participation in CNORIS – £1,633,000 (prior year £1,390,000)
- Total for year – £5,549,000 (prior year £4,954,000)

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

Where no certainty has been attributed to claims these have been accounted for via contingent liabilities, current year £1,553,000 (prior year £798,000).

Prior year adjustments have been made to restate the prior year balances in the primary statements to take account of prior year consolidation of endowments, these are referred to in note 20.

National Waiting Times Centre Board

Financial Performance (continued)

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.

The target has been communicated to all non-departmental public bodies, who are working towards the accelerated payment target of 10 working days.

Prior to this, the Board endeavoured to comply with the principles of the Better Payment Practice Code by processing suppliers' invoices for payment without unnecessary delay and by settling them in a timely manner.

In 2017/18 average credit taken was 12 days (2016/17 – 11 days).

In 2017/18 the Board paid 86.75% by value (2016/17 – 91.08%) and 91.52% by volume within 30 days (2016/17 – 91.65%).

In 2017/18 the Board paid 72.90% by value (2016/17 – 77.33%) and 85.86% by volume within 10 days (2016/17 – 85.56%).

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

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.

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.

The Board has an appointed whistle blowing champion who is available for all staff to report any issues to across the Board. We also have recently approved 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 will be available on the intranet for all staff.

No matters have been raised this year under the whistle blowing or anti-bribery legislation during 2017/18.

Sustainability and environmental reporting

“The Climate Change (Scotland) Act 2009 set outs 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.

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Financial Performance (continued)

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

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

Events after the end of the reporting period

There were no post balance sheets events.

Approval



JW Young
Chief Executive

Date: 21 June 2018

The Accountable Officer authorised the Performance Report for issue on 21 June 2018

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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 2018.

Date of Issue

Financial statements were approved by the Board on 21 June 2018.

Naming Convention

The Golden Jubilee Foundation is the common name for the National Waiting Times Centre Board.

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 S Douglas-Scott – from 4 April 2018
Non-Executive	J Christie-Flight – Employee Director M Whitehead – resigned 31 July 2017 J Rae - resigned 31 July 2017 P Cox K Harriman M MacGregor

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CORPORATE GOVERNANCE REPORT (continued)

Executive Directors	K Kelly - from 1 August 2017
	M Boyle - from 1 August 2017
	J W Young - Chief Executive
	J M Carter - Director of Finance
	AM Cavanagh – Director of Nursing
	M Higgins - Medical Director
S Qureshi - Director of Quality, Innovation and People - resigned 18 February 2018	
J Rogers - Director of Operations	

The board members' responsibilities in relation to the accounts are set out in the statement of board members responsibilities.

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 2018 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for 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 shown below. There were no material related party transactions during 2017/18. No Board members or senior managers had any interests in contracts or potential contractors with the Health Board during 2017/18, the following interests have been declared:

	Interest
S MacKinnon	Managing Director – MacKinnon Consulting Ltd Non-executive Director – Canadian Payments Association Senior Tutor – Chartered Institute of Bankers in Scotland Senior Consultant – Chartered Management Institute
JW Young	Deputy Lord Lieutenant – West Dunbartonshire Board Director – Scottish Health Innovations Ltd (SHIL)

National Waiting Times Centre Board

CORPORATE GOVERNANCE REPORT (continued)

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.
J Roger	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)
M Boyle	Kilpatrick Solutions LTD – Business Consultancy
M Whitehead	Non-executive Director – The State Hospital
J Rae	Non-executive Director – NHS 24
K Harriman	HR Director – Hilton Hotels
P Cox	Chief Executive – Scottish Veterans Residencies
M MacGregor	Associate Medical Director – NHS Ayrshire and Arran NHS HIS – Scottish Medicines Consortium (0.2 wte) Honorary Clinical Senior Lecturer – University of Glasgow Member – UK Renal Association Executive Committee Fellow – Royal College of Physicians and Surgeons of Glasgow
J Christie-Flight	Lay representative/Branch Chair – Unite Non-executive Director – Scottish Pensions Advisory Board

Directors third party indemnity provisions

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

Remuneration for non-audit work

In May 2017, the Board requested Scott-Moncrieff assist in the preparation of a business case for a digital application. The non-audit work consisted of reviewing the reasonableness and completeness of business case assumptions. This work has not involved management decision making and has been undertaken by the Scott-Moncrieff Corporate Finance team, entirely separately from the Public Sector External Audit team. The expected non-audit fee is £12,000.

Public Services Reform (Scotland) Act 2010

Following the publication of the public services reform (Scotland) act 2010 the Board is required to publish information as defined by the Act, this information can be found via the following link:

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

National Waiting Times Centre Board

CORPORATE GOVERNANCE REPORT (continued)

Personal data related incidents

There were no personal data related incidents reported during 2017/18.

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 Executive 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.

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 25 October 2004.

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 principle 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

The Board meets regularly during the year to progress the business of the Health Board. The following standing committees are in place at the Board level:

- Clinical Governance (Safe)
- Audit (Effective) – now known as the Audit and Risk Committee
- Staff Governance (Person Centred)

All Board business is conducted under the overarching principles of 'Person Centred', 'Safe' and 'Effective'.

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2018, with the key points of this framework detailed below:

- As part of our ongoing Board Strategy, we have a vision statement, 'Leading quality, research and innovation', which sums up who we are, what we do, and where we want to be over the next few years.

Our organisational values set out the values we work to and how we should behave towards our patients, our hotel guest, our visitors and each other. Supporting these values, and more importantly, demonstrating them in everything we do and say, helps us provide a caring, personal and quality service for our patients, visitors and guests.

Our values are:

- Valuing dignity and respect
- A 'can do' attitude
- Leading commitment to quality

National Waiting Times Centre Board

- Understanding our responsibilities
 - Effectively working
-
- 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 carried out at local governance groups, the Quality and Innovation Group which has been in place since 2013/2014 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 Committee Handbook. 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 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 2017/18.
 - 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.
 - During the year work continued to further develop our enterprise risk framework with the appointment of a Chief Risk Officer and establishment of Strategic Risk Committee reporting to the Senior Management Team. The Board Risk Appetite was updated in year and continues to be set across the 4 pillars of the Campus but now considers the clusters used across the Board in assessment of risk (financial, strategic, operational, workforce, reputation, regulation, safety/ experience). The revised appetite statement was approved at the March 2018 Board meeting.
 - 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.
 - 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 new Conflicts of Interest Policy which will be implemented within the Board from May 2018; this policy will cover all aspects of the Bribery Act (2010) and replaces the current interim process.
 - Assurance statements are signed by each executive Director detailing that all Board policies

National Waiting Times Centre Board

have been adhered to during the year 2017/18.

- 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 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.
- The Board Communications Strategy is continually reviewed to ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Person Centred Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel.
- 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 approved the Golden Jubilee Hotel 2020 Strategy with a mid- point review completed and approved by the Board in December 2017. This provided a detailed update on progress and reassessed the focus and priorities of the second phase of the strategy.
- The Board has in place a 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. An Internal Audit and a Gateway review undertaken in 2017/18 has supported this approach.
- 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.

The Board has completed the Board Diagnostic Assessment Tool overall this was very positive and an action plan has been agreed that describes further improvements agreed by the Board.

A number of Board workshops took place have taken place which focussed on developing the Board strategy and the work of the regional and national delivery plans, support in 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 2018/19.

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.

National Waiting Times Centre Board

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;
- 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 internal and 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 addition during the year the Board have also developed a dashboard to monitor the implementation of audit recommendations.

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 2017/18 and therefore this committee provides additional assurance on risk as well as the internal control environment.

During the year the Board has established the Strategic Risk Committee and further embedded the role of Chief Risk Officer.

Additional assurance has been provided during 2017/18 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. 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 Clinical Governance and Risk Management Group and Senior Management Team ensures that all risks are addressed fully and in a timely manner. The groups meet on a regular basis with updates being provided during 2017/18 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

National Waiting Times Centre Board

Governance Statement (continued)

Risk Committee with regard to provision of assurance regarding risk management to the Board.

Risk controls are identified through the risk register process. The implementation of controls is monitored to ensure their timely introduction and key controls are subject to audit to ensure their effectiveness in reducing risk. Risks to information are also controlled as part of this process. 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 Board:

- Further developed the enterprise risk framework with an updated risk appetite and specific risk work. During 2017/18 this approach was also tested in two of our major strategic projects, the Expansion Programme and the Electronic Patient Record Project. A risk appetite has been set by each project team which is being used to inform discussion on tolerance and escalation of risk to the SRC and SMT.

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.

It should be noted that whilst no significant control weaknesses have been identified a small number of medium and low risk recommendations were made by internal audit; however these areas would not have an impact on the achievement of the Corporate Objectives. Action plans have been agreed to address these recommendations.

During the year the Board has put in place systems to ensure that performance relating to Treatment Time Guarantees is effectively monitored and reported on. Updates are provided to each meeting of the Board.

During the year there was one instance that the interim Chair was required to be co-opted to the Audit and Risk Committee due to a member being unable to attend.

In accordance with IAS 27 – Consolidated and Separate Financial Statements, the Financial Statements consolidate the National Waiting Times Centre Board Endowment Fund. This statement includes any relevant disclosure in respect of these Endowment Accounts.

An assurance statement was provided from the Chair of the Endowments Sub-committee to the Board of Trustees and an update was provided to the Board.

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.

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 Human Resources 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

All staff covered under Agenda for Change required an up to date Personal Development Plan and annual appraisal.

Payments to past senior managers

No significant payments were made to past senior managers during 2017/18.

National Waiting Times Centre Board

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. 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.goldenjubiliefoundation.org>

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

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 2017/18.

National Waiting Times Centre Board

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

REMUNERATION REPORT (continued)

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.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

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

FOR THE YEAR ENDED 31 MARCH 2017

Remuneration Table

2017 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	4.7	120-125	-	120-125
Director of Finance: J M Carter	85-90	5.7	90-95	17	110-115
J Rogers	85-90	5.4	90-95	8	100-105
M Higgins	155-160	5.7	160-165	-	160-165
AM Cavanagh	70-75	6.2	75-80	25	100-105
S Qureshi – started 1 January 2017 ¹	15-20	-	15-20	35	50-55
D Millar – acting from 5 January 2015 to 31 December 2016 ²	45-50	4.4	50-55	12	60-65
Non-Executive Members					
Interim Chair- S MacKinnon – from 18 March 2016	25-30	-	25-30	-	25-30
J Christie-Flight	50-55	-	50-55	34	85-90
J Rae	5-10	-	5-10	-	5-10
M Whitehead	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

Board Members and Senior Employees Remuneration (continued)

¹ The figure noted above is for the period 1/1/2017 to 31/03/2017. The full year equivalent in bands of £5,000 would be 70-75.

² The figure noted above is for the period 1/4/2016 to 31/12/2016. The full year equivalent in bands of £5,000 would be 60-65.

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 2016/17 and are included in the salary costs.

The Employee Director's salary includes £40k-£45k in respect of clinical duties not related to the non-executive role.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2017

Pension Values

2017 Name	Accrued pension at age 60 as at 31/03/17 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Cash equivalent Transfer Value (CETV) at 31 March 2017 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2016	Real increase in cash equivalent Transfer Value (CETV) at 31 March
	£'000	£'000	£'000	£'000	£'000
Pension Values of:					
Executive Members					
Chief Executive: JW Young	55-60	-	1,305	1,273	15
Director of Finance: J M Carter **	20-25	0-2.5	395	367	27
J Rogers	10-15	0-2.5	323	293	18
M Higgins	55-60	0-2.5	1,304	1,251	34
AM Cavanagh	25-30	0-2.5	546	502	34
S Qureshi – started 1 January 2017 **	15-20	0-2.5	292	259	33
D Millar – acting from 5 January 2015 to 31 December 2016 **	5-10	0-2.5	72	60	12
Non-Executive Members					
Interim Chair- S MacKinnon – from 18 March 2016	-	-	-	-	-
J Christie-Flight **	15-20	0-2.5	326	292	34
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.

Note - The availability of more accurate information has resulted in some amendment to the lengths of service used to estimate Directors pension values in 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.

2017/18	£000s	2016/17	£000s
Highest earning Director's total remuneration	155-160	Highest earning Director's total remuneration	155-160
Median Total remuneration	30,010	Median Total remuneration	30,214
Ratio	5.32	Ratio	5.17

The range in staff remuneration is between £15,001 and over £200,000 (prior year range was between £15,001 and over – £200,000)

Higher Paid Employees Remuneration

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

	2018	2017
<i>Clinicians</i>		
£50,001 - £60,000	17	18
£60,001 - £70,000	14	8
£70,001 - £80,000	4	7
£80,001 - £90,000	6	6
£90,001 - £100,000	5	5
£100,001 - £110,000	3	5
£110,001 - £120,000	10	9
£120,001 - £130,000	6	9
£130,001 - £140,000	10	9
£140,001 - £150,000	8	15
£150,001 - £160,000	7	7
£160,001 - £170,000	10	2
£170,001 - £180,000	4	2
£180,001 - £190,000	1	5
£190,001 - £200,000	4	2
£200,001 and above	7	6
<i>Other</i>		
£50,001 - £60,000	41	40
£60,001 - £70,000	10	10
£70,001 - £80,000	7	5
£80,001 - £90,000	5	3
£90,001 - £100,000	-	1

National Waiting Times Centre Board

STAFF REPORT (continued)

The number of clinical staff earning over £200k primarily relates 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

2018	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2017
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	590	75	62,153	-	847	(104)	63,561	62,601
Taxation & social security costs	79	4	6,905	-	49	(12)	7,024	6,605
NHS Scheme employers' costs	66	-	7,523	-	38	(14)	7,613	7,445
Other employers' pension costs	-	-	11	-	-	-	11	4
Inward Secondees	-	-	-	278	-	-	278	315
Agency staff	-	-	-	-	2,418	-	2,418	2,363
Total	735	79	76,592	278	3,352	(130)	80,906	79,333
Compensation for Loss of Office	-	-	-	-	-	-	-	-
Total	735	79	76,592	278	3,352	(130)	80,906	79,333

It should be noted that the staff costs in the table above only relate to staff costs for the Board and exclude any recharges to the charity.

Staff Numbers

Whole time equivalent (WTE)	5.88	7	1,609.5	6.37	69.22	(2.37)	1,695.6	1,694
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Staff composition

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

	2018			2017		
	Male	Female	Total	Male	Female	Total
Executive Directors	1	5	6	2	5	7
Non-Executive Directors and Employee Director	4	5	9	4	3	7
Senior Employees (as per remuneration Report)	-	-	-	-	-	-
Other	646	1,592	2,238	576	1,415	1,991
Total Headcount	651	1,602	2,253	582	1,423	2,005

Sickness Absence

The annual sickness absence rate for 2017/18 was 5.07% (4.7% for 2016/17).

National Waiting Times Centre Board

STAFF REPORT (continued)

Staff policies relating to disabled staff

As an equal opportunities employer, the Board welcomes applications for employment from people with disabilities and actively identifies and removes 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. In February 2018 the Board progressed from Disability Confident Employer to Disability Confident Leader. This reflects the work which is being undertaken throughout the Board.

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. All policies are developed and agreed in partnership with our staff side colleagues. 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.

Exit packages

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

2016/17

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£0,000 - £5,000	-	1	1
£40,000 - £50,000	-	1	1
Total number exit packages by type		2	2
Total resource cost (£'000)	-	49	49

One package was a settlement reached following an employment tribunal.

National Waiting Times Centre Board

Parliamentary Accountability Report

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

Losses and Special Payments

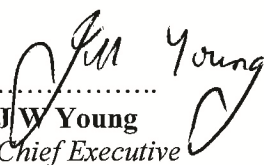
On occasion, the Board is required to write off balances which are no longer recoverable. Losses and special payments require formal approval to regularise such transactions and their notation in the annual accounts.

No write-off for losses or special payments have been approved by the board during 2017/18.

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 W Young
Chief Executive

Date: 21 June 2018

The Accountable Officer authorised the Accountability Report for issue on 21 June 2018

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

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

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of National Waiting Times Centre Board and its group, for the year ended 31 March 2018 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the 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 2017/18 Government Financial Reporting Manual (the 2017/18 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2018 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2017/18 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the board 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. 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

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

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 achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

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.



Chris Brown, for and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 29 JUNE 2018

National Waiting Times Centre Board

Consolidated Statement of Comprehensive Net Expenditure (SOCNE)

For the year ended 31 March 2018

	Note	2018 £'000	Restated 2017 £'000
Staff Costs	3a	82,975	81,206
Other Operating Expenditure	3b		
Drugs and medical supplies		25,244	29,207
Other Health care expenditure		26,502	25,612
Gross expenditure in year		134,721	136,025
Less: operating Income	4	(62,147)	(64,347)
Net Expenditure for the year		72,574	71,678

Other Comprehensive Net Expenditure

	Note	2018 £'000	2017 £'000
Net (gain)/loss on revaluation of property, plant and equipment		(2,593)	(3,869)
Other comprehensive expenditure		(2,593)	(3,869)
Comprehensive net expenditure		69,981	67,809

The presentation of the Consolidated Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which better reflects the activities of the Board. The comparative information in respect of 2016-17 has been presented above in the new format.

Full details of changes to the presentation of the Statement of Comprehensive Net Expenditure are disclosed in Note 17.

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	2018	2018
		£'000	£'000
Net Expenditure	SoCNE		72,574
Total Non Core Expenditure (see below)			(7,199)
Endowment Net Expenditure			796
Total Core Expenditure			66,171
Core Revenue Resource Limit			65,175
Saving/(excess) against Core Revenue Resource Limit			4

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Depreciation/Amortisation	6,574	
Annually Managed Expenditure – Impairments	353	
Annually Managed Expenditure - Creation of Provisions	271	
Annually Managed Expenditure - Depreciation of Donated assets	1	
Total Non Core Expenditure	7,199	
Non-Core Revenue Resource Limit		7,199
Saving/(excess) against Non Core Revenue Resource Limit		-

SUMMARY RESOURCE OUTTURN

	Resource	Expenditure	Saving/(Excess)
	£'000	£'000	£'000
Core	66,175	66,171	4
Non Core	7,199	7,199	-
Total	73,374	73,370	4

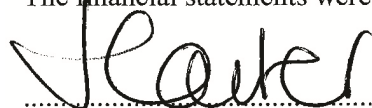
The Notes to the Accounts, numbered 1 to 20, form an integral part of these Accounts.

National Waiting Times Centre Board

Consolidated Statement of Financial Position As at 31 March 2018

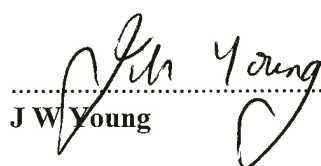
	Note	2018 Consolidated £'000	2018 Board £'000	2017 Consolidated £'000	2017 Board £'000
Non-Current Assets					
Property, plant and equipment	7c	137,610	137,610	134,427	134,427
Intangible Assets	6a	59	59	90	90
Trade and Other receivables	9	3,250	3,250	2,225	2,225
Total Non-current Assets		140,919	140,919	136,742	136,742
Current assets					
Inventories	8	3,120	3,120	2,964	2,964
Financial Assets:					
- Trade and other receivables	9	4,151	3,302	4,962	4,013
- Cash and cash equivalents	11	3,003	1,654	2,447	1,976
Assets classified as held for sale	7b	-	-	65	65
Total Current Assets		10,274	8,076	10,438	9,018
Total Assets		151,193	148,995	147,180	145,760
Current Liabilities					
Provisions	13a	(1,212)	(1,212)	(1,651)	(1,651)
Financial Liabilities:					
- Trade and other payables	12	(20,383)	(20,378)	(17,878)	(17,855)
Total Current Liabilities		(21,595)	(21,590)	(19,529)	(19,506)
Non-current assets plus/less net current assets/liabilities		129,598	127,405	127,651	126,254
Non-Current Liabilities					
Provisions	13a	(4,337)	(4,337)	(3,303)	(3,303)
Total Non-current liabilities		(4,337)	(4,337)	(3,303)	(3,303)
Assets less liabilities		125,261	123,068	124,348	122,951
Taxpayers' Equity					
General Fund	SOCTE	40,167	40,167	40,867	40,867
Revaluation reserve	SOCTE	82,901	82,901	82,084	82,084
Funds held on Trust	SOCTE	2,193	-	1,397	-
Total Taxpayers' Equity		125,261	123,068	124,348	122,951

The financial statements were approved by the Board on 21 June 2018 and signed on their behalf by



J M Carter

.....Director of Finance



J W Young

.....Chief Executive

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 2018

	<i>Note</i>	2018	2018	2017	2017
		£'000	£'000	£'000	£'000
Cash flows from operating activities					
Net Expenditure	<i>SoCTE</i>	(72,574)		(71,678)	
Adjustments for non-cash transactions	<i>2</i>	6,804		6,774	
Add back: interest payable recognised in net operating expenditure	<i>2</i>	-		14	
Movement in working capital	<i>2</i>	3,052		1,302	
	<i>2</i>	<u>(62,718)</u>		<u>1,302</u>	<u>(63,588)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		(7,436)		(6,597)	
Proceeds of disposal of property, plant and equipment		138		-	
Net cash outflow from investing activities	<i>2</i>	<u>(7,298)</u>		<u>(6,597)</u>	
Cash flows from financing activities					
Funding	<i>SoCTE</i>	70,894		70,556	
Movement in general fund working capital	<i>SoCTE</i>	(322)		(5,760)	
Interest Paid	<i>2</i>	-		(14)	
Cash drawn down		70,572		64,782	
Net financing		<u>70,572</u>		<u>64,782</u>	
Net Increase/(decrease) in cash and cash equivalents in the period			556		(5,403)
Cash and cash equivalents at the beginning of the period			2,447		7,850
Cash and cash equivalents at the end of the period			<u>3,003</u>		<u>2,447</u>
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			556		(5,403)
Net debt/cash at 1 April			2,447		7,850
Net debt/cash at 31 March			<u>3,003</u>		<u>2,447</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 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

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 2016		41,763	79,137	-	120,900
Prior year adjustments for changes in accounting policy and material errors	-	-	-	700	700
Restated balance at 1 April 2016		41,763	79,137	700	121,600
Changes in taxpayers' equity for 2016/17					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	7	-	3,870	-	3,870
Impairments of property plant and equipment		-	(375)	-	(375)
Revaluation & impairments taken to operating costs		-	375	-	375
Transfers between reserves		923	(923)	-	-
Net operating cost for year		(72,375)	-	697	(71,678)
Total recognised income and expense for 2016/17		(71,452)	2,947	697	(67,808)
Funding:					
Drawn Down		64,796	-	-	64,796
Movement in General Fund (Creditor)/Debtor		5,760	-	-	5,760
Balance at 31 March 2017		40,867	82,084	1,397	124,348

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 (IFRSs 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 27 below.

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

There are no new standards, amendments or interpretations effective for the first time this year.

(b) Standards, amendments and interpretations early 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 15 – Revenue from Contracts (this is subject to analysis and review by HM Treasury);
- IFRS 9 – Financial Instruments (this is subject to analysis and review by HM Treasury);
- IFRS 16 Leases (this is subject to analysis and review by HM Treasury likely will not come into effect until 1 January 2019); and
- IAS 7 - Disclosure Initiative, Cash flow statements (this is subject to analysis and review by HM Treasury – deferred to January 2019).

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 IAS 27 – Separate Financial Statements, the Financial Statements consolidate the National Waiting Times Centre Board Endowment Fund (operating as National Waiting Times Centre Board Endowment Funds).

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

The National Waiting Times Centre Board Endowment Funds 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.

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

The financial statements of the endowment fund are prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS 102") (United Kingdom Generally Accepted Accounting Practice), the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)', Update Bulletin 1 to the SORP published in February 2016, the Charities and Trustee Investment (Scotland) Act 2005 and the Charities Accounts (Scotland) Regulations 2006 (as amended) and the National Health Service Scotland Act 1978.

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

The consolidation has required the restatement of prior year comparatives including consolidating the opening Statement of Financial Position as at 1 April 2016.

The principal financial statements which have been restated are as follows:

- Consolidated Statement of Comprehensive Net Expenditure
- Consolidated Statement of Financial Position (Balance Sheet)
- Consolidated Statement of Cash Flows
- Consolidated Statement of Changes in Taxpayers Equity

Note 20 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

3. Prior Year Adjustments

Except for the adjustments arising from the adoption of IAS27 - Consolidated and Separate financial Statements detailed at 2 above there have been no changes to accounting policies during the year and therefore no further adjustments, beyond those arising from the adoption of IAS27, are required to be reflected in the accounts.

4. 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.

5. Accounting Convention

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

6. Funding

Most of the expenditure of the Health Board 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.

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

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.

7. Property, plant and equipment

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

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

7.1 Recognition

Property, plant and equipment is capitalised where: it is held for use in delivering services or for 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.
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.

7.2 Measurement

Valuation

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

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Note 1 Accounting Policies (continued)

- 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 New 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.

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.

7.3 Depreciation

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

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

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction 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.

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Note 1 Accounting Policies (continued)

- 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 – 72 years
Building - Landscaping & Surfacing	16 – 38 years
Building - Engineering	15 – 46 years
Medical Equipment	10 years
Plant	10 - 20 years
Information Systems & Office Equipment	5 years

8. Intangible Assets

8.1 Recognition

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

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

The main classes of intangible assets recognised are:

Software licences:

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

8.2 Measurement

Valuation:

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

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

Revaluation and impairment:

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

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Note 1 Accounting Policies (continued)

10. 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.

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

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

12. Leasing

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.

13. Impairment of non-financial assets

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

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

14. General Fund Receivables and Payables

Where the 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.

15. Inventories

Inventories are valued at the lower of cost and net realisable value. Taking into account the high turnover of NHS inventories, the use of average purchase 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.

16. Losses and Special Payments

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

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Note 1 Accounting Policies (continued)

17. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

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

The pension cost is assessed every four years by the Government Actuary and 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.

18. Clinical and Medical Negligence Costs

Employing health bodies in Scotland are responsible for meeting medical negligence costs up to a threshold per claim. Costs above 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 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.

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Note 1 Accounting Policies (continued)

19. 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.

20. Value Added Tax

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

21. Provisions

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the 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.

22. Contingencies

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

Contingent liabilities are not recognised, but are disclosed in note 14, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

23. Corresponding Amounts

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

24. Financial Instruments

Financial assets

Classification

The NHS Board classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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Note 1 Accounting Policies (continued)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for

maturities greater than 12 months after the statement of financial position date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the statement of financial position.

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.

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the SOCNE. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the SOCNE.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

Other financial liabilities

Other financial liabilities are included 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 Board's other financial liabilities comprise trade and other payables in the statement of financial position.

Recognition and measurement

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

A financial liability is removed from the statement of financial position when it is extinguished, that is when the obligation is discharged, cancelled or expired.

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Note 1 Accounting Policies (continued)

Other financial liabilities

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

25. Segmental Reporting

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

Operating segments are unlikely to directly relate to the analysis of expenditure shown in Note 3.

26. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held with the Government Banking Service, 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.

27. Foreign exchange

The functional and presentational currencies of the Board are sterling.

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

28. 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 on an ongoing basis. 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. This impairment is related to the building work associated with the required to house the two new MRI scanners.

Material Provisions

The Board does not have any material provisions included within this set of accounts.

Significant Risks

There are no significant risks that the Board is aware of that would materially affect the carrying amounts of assets and liabilities.

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Note 2 Notes to the Cash Flow Statement

Expenditure Not Paid in Cash		2018	2017
		£'000	£'000
Depreciation	7a	6,545	6,371
Amortisation	6	31	27
Depreciation of Donated Assets	7a	1	1
Impairments on property, plant and equipment charged to SOCNE		353	375
Loss(profit) on disposal of property, plant and equipment		(126)	-
Total Expenditure Not Paid in Cash	<i>CFS</i>	6,804	6,774

Interest Payable /Unwinding of discount on provisions

Interest paid during the year related to unwinding of provisions in respect of legal claims and in 2017/18 was £0 (prior year - £14,000)

	Opening	Closing	2018	2017
	Balances	Balances	Net	Net
	£'000	£'000	Movement	Movement
			£'000	£'000
Inventories				
Statement of Financial Position	2,964	3,120		
Net Decrease/(Increase)			(156)	950
Trade and Other Receivables				
Due within one year	4,962	4,151		
Due after more than one year	2,225	3,250		
	7,187	7,401		
Net Decrease/(Increase)			(214)	(1,632)
Trade and Other Payables				
Due within one year	17,878	20,383		
Less: General Fund Creditor included in above	(1,976)	(1,654)		
	15,902	18,729		
Net (Decrease)/Increase			2,827	(640)
Provisions				
Statement of Financial Position	4,954	5,549		
Net (Decrease)/Increase			595	2,624
Net Movement (Decrease)/Increase			3,052	1,302

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Note 3 Operating Expenses

3a Staff Costs

	note	2018 Board £'000	2018 Consolidated £'000	2017 Consolidated Total £'000
Medical And Dental		22,249	22,249	21,937
Nursing		29,164	29,164	28,842
Other staff		31,428	31,562	30,427
Total	SoCNE	82,841	82,975	81,206

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	2018 Board £'000	2018 Consolidated £'000	2017 Consolidated Total £'000
Drugs and Medical supplies				
Prescribed drugs, secondary care		2,824	2,824	2,857
Medical Supplies		22,420	22,420	26,350
Total		25,244	25,244	29,207
Other Health Care Expenditure				
Goods and services from other NHS Scotland Bodies		10,837	10,837	11,165
Goods and services from private patients		80	455	51
Resource Transfer		700	700	400
Other operating expenses		14,350	14,373	13,776
External Audit Remuneration – audit fee		74	74	70
External Audit other services		12	12	-
Endowment Fund Expenditure			50	150
Total		26,054	26,502	25,612
Total Other Operating Expenditure		51,298	51,746	54,819

In May 2017, the Board requested Scott-Moncrieff assist in the preparation of a business case for a digital application. The non-audit work consisted of reviewing the reasonableness and completeness of business case assumptions. This work has not involved management decision making and has been undertaken by the Scott-Moncrieff Corporate Finance team, entirely separately from the Public Sector External Audit team. The non-audit fee is £12,000.

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Note 4 Operating Income

	2018 Board £'000	2018 Consolidated £'000	2017 £'000
Income from Scottish Government	158	620	-
Income from other NHS Scotland Bodies	53,123	53,123	53,945
Income from other non NHS Scotland Bodies	800	800	1,204
Income from Private patients	201	201	73
Profit on disposal of assets	126	126	-
Donations	-	169	383
Contributions in respect of CNORIS	260	260	383
Non-NHS			
Endowment fund income	322	369	30
Other	5,779	6,479	8,329
Total income	60,769	62,147	64,347

Note 5 Segmental Information

	2018 Board £'000	2017 Board £'000
Net Operating Cost	73,370	72,375
Total Assets	148,995	145,760
Total Liabilities	(25,927)	(22,809)
Impairment Loss recognised in SOCNE	353	375
Depreciation and Amortisation	6,577	6,399

The Board currently reports as one segment

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

	Software Licences 2017/18 £'000	Software Licences 2016/17 £'000
Cost or valuation		
At 1 April	143	143
At 31 March	143	143
Amortisation		
At 1 April	53	26
Provided during year	31	27
At 31 March	84	53
<i>Net book value purchased assets</i>		
At 1 April	90	117
At 31 March	59	90

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7 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2018 – All Purchased Assets are held within the Board and therefore only the consolidated position is shown below

	Land £'000	Buildings £'000	Plant and Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets under construction £'000	Total £'000
Cost or valuation							
At 1 April 2017	5,686	107,484	49,561	9,789	130	4,102	176,752
Additions - Purchased	-	719	3,207	-	-	3,510	7,436
Transfers (to)/from non-current assets held for sale	65	-	-	-	-	-	65
Revaluation	-	(144)	-	-	-	-	(144)
Impairment charges	-	(353)	-	-	-	-	(353)
Disposals - purchase	-	-	-	(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 - purchased	-	-	3	-	-	-	3
At 31 March 2018	-	-	37,385	8,641	111	-	46,137
<i>Net book value purchased assets</i>							
At 31 March 2018	5,751	107,706	15,383	1,140	19	7,611	137,610
Open Market value of Land included above	5,686						
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	5,751	107,706	15,383	1,140	19	7,611	137,610

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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 2016	5,686	106,250	48,777	9,615	130	488	170,946
Additions	-	-	784	549	-	3,614	4,947
Revaluation	-	1,234	-	-	-	-	1,234
Disposals	-	-	-	(375)	-	-	(375)
At 31 March 2017	5,686	107,484	49,561	9,789	130	4,102	176,752
Depreciation							
At 1 April 2016	-	-	30,960	7,528	101	-	38,589
Provided during the year - purchased	-	2,636	3,192	538	5	-	6,371
Provided during the year - donated	-	-	1	-	-	-	1
Revaluation	-	(2,636)	-	-	-	-	(2,636)
At 31 March 2017	-	-	34,153	8,066	106	-	42,325
<i>Net book value purchased assets</i>							
At 1 April 2016	5,686	106,250	17,817	2,087	29	488	132,357
At 31 March 2017	5,686	107,484	15,408	1,723	24	4,102	134,427
Open Market value of Land included above	5,686						
Asset Financing:							
Owned	5,686	107,484	15,402	1,723	24	4,102	134,421
Donated			6				6
Net Book Value at 31 March 2017	5,686	107,484	15,408	1,723	24	4,102	134,427

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Note 7 (b) Assets Held for Sale

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

	<i>Note</i>	£'000
At 1 April 2017		65
Transfers to property plant and equipment		(65)
As at 31 March 2018	<i>SoFP</i>	<u>-</u>
Assets Held for Sale (prior year)		
At 1 April 2016		65
Transfers (to)/from property, plant and equipment		-
As at 31 March 2017		<u>65</u>

Note 7 (c) Property plant and equipment disclosures

The net book value for property, plant and equipment at 31 March 2018 was £137,610,000 (prior year £134,427,000). Due to a change in presentation this figure now includes donated assets as well as purchased assets.

All Land and Building were fully revalued by an independent valuer, GVA Grimley Ltd at 31 March 2018 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>	2018	2017
		£'000	£'000
Expenditure			
Acquisition of property, plant and equipment	<i>7a</i>	7,436	4,947
Donated asset additions	<i>7a</i>	-	-
Gross Capital Expenditure		<u>7,436</u>	<u>4,947</u>
Income			
Net Book Value of disposal of Property, plant and equipment	<i>7a</i>	12	-
Capital Income		<u>12</u>	<u>-</u>
Net Capital Expenditure		<u>7,424</u>	<u>4,947</u>
Summary of Capital Resource Outturn			
Net capital expenditure as above		7,436	4,947
Capital Resource Limit		7,436	4,947
Savings/(Excess) against capital resource limit		<u>-</u>	<u>-</u>

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Note 8 Inventories

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

	2018 Consolidated £'000	2017 Consolidated £'000
Raw Materials and Consumables	3,120	2,964

Note 9 Trade and Other Receivables

	Consolidated 2018 £000	Board 2018 £000	Consolidated 2017 £000	Board 2017 £000
NHS Scotland				
Boards	867	867	1,515	906
Total NHS Scotland	867	867	1,515	906
Receivables				
VAT Recoverable			49	49
Prepayments	506	506	778	438
Accrued income	888	881	804	804
Other Receivables	1,565	723	791	791
Reimbursement of provisions	325	325	1,025	1,025
Total Receivables within one year	4,151	3,302	4,962	4,013
Total Receivables due after more than one year				
Reimbursement of provisions	3,250	3,250	2,225	2,225
Total Receivables	7,401	6,552	7,187	6,238

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

	1	1	2	2
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Movements on the provision for impairment of receivables are as follows:

At 1 April provision for impairment	2	2	2	2
Unused amount reversed	(1)	(1)	0	0
At 31 March Provision for impairment	1	1	2	2

As at 31 March 2018, receivables with a carrying value of £790 (2017: £2,242m) were impaired and provided for. The ageing of these receivables is as follows:

	Consolidated 2018 £000	Board 2018 £000	Consolidated 2017 £000	Board 2017 £000
3-6 months due	-	-	-	-
Over 6 months due	1	1	2	2
	1	1	2	2

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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 2018 debtors of carrying value of £1,397,760 (2016/17: £1,057,579) 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):

	2018	2017
	£'000	£'000
Up to 3 months past due	1,023	578
3 to 6 months past due	85	138
Over 6 months past due	290	342
	1,398	1,058

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:

Counterparties with external credit ratings	2018	2017
	£'000	£'000
A	62	77
BB	8	1
BBB	0	2
Existing customers with no defaults in the past	55	50
Total neither past due or impaired	125	130

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.

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Note 10 Cash and Cash Equivalents

	Consolidated 2018 £000	Consolidated 2017 £000
Balance at 1 April	2,447	7,850
Net change in cash and cash equivalent balances	556	(5,403)
Balance at 31 March	3,003	2,447
Overdrafts	-	-
Total Cash - Cash Flow Statement	3,003	2,447
The following balances at 31 March were held at:		
Government Banking Service	905	1,750
Commercial banks and cash in hand	749	226
Endowment Cash	1,349	471
Balance at 31 March	3,003	2,447

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 2018 £000	Consolidated 2018 £000	Board 2017 £000	Consolidated 2017 £000
Payables due within one year				
National Health Service in Scotland				
Boards	2,482	2,482	2,143	2,143
Total NHS Scotland Payables	2,482	2,482	2,143	2,143
General fund payable	1,654	1,654	1,976	1,976
Trade payables	612	612	1,164	1,164
Accruals	9,764	9,769	6,950	6,973
Deferred Income	2,719	2,719	2,535	2,535
Payments received on account	108	108	81	81
Income tax and social security	1,748	1,748	1,730	1,730
Superannuation	1,039	1,039	1,023	1,023
Holiday pay accrual	252	252	253	253
Other Public Sector Bodies				
Total Payables due within one year	20,378	20,383	17,855	17,878
Total Payables due after more than one year	-	-	-	-
Total Payables	20,378	20,383	17,855	17,878

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.

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Note 12 Provisions for year-ended 31 March 2018

	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

Analysis of expected timing of discounted flows to 31 March 2018

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
Payable in one year	756	421	35	1,212
Payable in 2-5 years	3,125	1,152	-	4,277
Payable between 6-10 years	-	60	-	60
At 31 March 2018	3,881	1,633	35	5,549

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 2016	1,697	633	-	2,330
Arising during the year	1,861	978	41	2,880
Utilised during the year	(16)	(64)	(5)	(85)
Unwinding	(9)	(1)	(5)	(15)
Reversed unutilised	-	(156)	-	(156)
At 31 March 2017	3,533	1,390	31	4,954

Analysis of expected timing of discounted flows to prior year

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
Payable in one year	1,208	412	31	1,651
Payable in 2-5 years	2,325	890	-	3,215
Payable between 6-10 years	-	43	-	43
Thereafter	-	45	-	45
At 31 March 2018	3,533	1,390	31	4,954

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

2017		2018
£'000		£'000
3,533	Provision recognising individual claims against the Board as at 31 March	3,881
(3,250)	Associated CNORIS receivable at 31 March	(3,575)
1,390	Provision recognising the Board's liability from participating in the scheme as at 31 March	1,633
1,673	Net Total Provision relating to CNORIS at 31 March	1,939

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>

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Note 13 Contingent Liabilities

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

	2018	2017
	£'000	£'000
Nature		
Clinical and medical compensation payments	1,543	793
Other	10	5
Total Contingent Liabilities	1,553	798

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 £1,238,000 in year (prior year £508,000).

Note 14 Commitments

Capital Commitments

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

	2018	2017
	£'000	£'000
Contracted		
MRI 3	0	452
MRI 3 – Turnkey Works	0	336
Pharmacy	0	230
Kier Phase one	1,700	
Authorised but not contracted		
Space Utilisation Project		900
Kier Phase one	14,000	
Kier Phase two	500	
Total	14,500	900

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

	2018	2017
	£'000	£'000
Operating leases		
Other		
Not later than one year	1,118	352
Later than one, not later than two years	326	333
Later than two years, not later than five	833	638
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	1,501	790

The Board held no finance leases in the reporting period.

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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 year 2017/18 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 2018. 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 2017 were £753.9 million. Contributions collected in the year to 31 March will be published in October 2018. The Board's level of participation in the scheme is 1% based on the proportion of the employer contributions paid in 2016/17.

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

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Note 16 Pensions Costs (continued)

contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

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 retirement age 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 chose 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	2017/18	2016/17
Pension cost charge for year	7,510	7,261

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Note 17 Presentation of the Statement of Consolidated net expenditure

The presentation of the Statement of Comprehensive Net Expenditure has been changed following a review of our financial statements in order to provide information which better reflects the activities of Golden Jubilee Foundation. The comparative information in respect of 2016-17 has been presented in the new format SoCNE. No retrospective restatements were required in respect of this.

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

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

2016-17 expenditure as published and prior to restatement (note 20)	2017
Hospital and Community	123,436
Family Health	
Administration Costs	11,906
Other Non-Clinical Services	417
Gross expenditure for the year	135,759
2016-17 expenditure conforming to the new presentation	2017
Staff Costs	81,090
Other expenditure	
Drugs and medical supplies	29,207
Other health care expenditure	25,462
Gross expenditure for the year	135,759
Movement in gross expenditure for the year	0
2016-17 income as published and prior to restatement (note 20)	2017
Hospital and Community	55,590
Other Operating Income	7,794
Gross income for the year	63,384
2016-17 income conforming to the new presentation	2017
Operating income	63,384
Gross income for the year	63,384
Movement in gross income for the year	0

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Note 18 Financial Instruments

18a Financial Instruments by category

Financial Assets Consolidated	2018 Loans and Receivables £'000	2017 Loans and Receivables £'000
At 31 March 2018 Assets per balance sheet		
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	2,453	1,595
Cash and cash equivalents	3,003	2,447
Total	5,456	4,042
Financial Assets Board	2018 Loans and Receivables £'000	2017 Loans and Receivables £'000
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	1,604	1,595
Cash and cash equivalents	1,654	1,976
Total	3,258	3,571
Financial Liabilities Consolidated	2018 Other Financial Liabilities £'000	2017 Other Financial Liabilities £'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	12,395	10,447
Total	12,395	10,447
Financial Liabilities Board	2018 Other Financial Liabilities £'000	2017 Other Financial Liabilities £'000
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	12,390	10,424
Total	12,390	10,424

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18b 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 2018	-
Trade and other payables excluding statutory liabilities	18,722
Total	18,722

	Less than 1 year
31 March 2017	-
Trade and other payables excluding statutory liabilities	19,582
Total	19,582

C – Market Risk

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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.

18c 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 19 Related Party Transactions

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

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Note 20 Prior year restatement

As stated in Note 1, Accounting Policies, the prior year comparatives have been restated to reflect the requirement to consolidate the Board Endowment fund.

The consolidation has required the restatement of prior year comparatives including consolidating the Opening Balance Sheet as at 1 April 2016.

Note 20a Consolidated Statement of Comprehensive Net Expenditure

	Note	2017 £'000	Effect of consolidation £'000	Restated 2017 £'000
Staff Costs		81,090	116	81,206
Other Operating Expenditure				
Drugs and medical supplies		29,207	-	29,207
Other Health care expenditure		25,462	150	25,612
Gross expenditure in year		135,759	266	136,025
Less: operating Income		(63,384)	(963)	(64,347)
Net Expenditure for the year		72,375	(697)	71,678

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Note 20b Consolidated Statement of Financial Position

	<i>Note</i>	2016	Effect of	2016	2017	Effect of	2017
		£'000	consolidation	Restated	£'000	consolidation	Restated
			£'000	£'000			£'000
Non-Current Assets							
Property, plant and equipment		132,357	-	132,357	134,427	-	134,427
Intangible Assets		117	-	117	90	-	90
Trade and Other receivables		-	-	-	2,225	-	2,225
Total Non-current Assets		132,474	-	132,474	136,742	-	136,742
Current assets							
Inventories		3,914	-	3,914	2,964	-	2,964
Financial Assets:							
- Trade and other receivables		4,935	620	5,555	4,013	949	4,962
- Cash and cash equivalents		7,736	114	7,850	1,976	471	2,447
Assets classified as held for sale		65	-	65	65	-	65
Total Current Assets		16,650	734	17,384	9,018	1,420	10,438
Total Assets		149,124	734	149,858	145,760	1,420	147,180
Current Liabilities							
Provisions		(1,883)	-	(1,883)	(1,651)	-	(1,651)
Financial Liabilities:							
- Trade and other payables		(25,894)	(34)	(25,928)	(17,855)	(23)	(17,878)
Total Current Liabilities		(27,777)	(34)	(27,811)	(19,506)	(23)	(19,529)
Non-current assets plus/less net current assets/liabilities		121,347	700	122,047	126,254	1,397	127,651
Non-Current Liabilities							
Provisions		(447)	-	(447)	(3,303)	-	(3,303)
Total Non-current liabilities		(447)	-	(447)	(3,303)	-	(3,303)
Assets less liabilities		120,900	700	121,600	122,951	1,397	124,348
Taxpayers' Equity							
General Fund		41,763	-	41,763	40,867	-	40,867
Revaluation reserve		79,137	-	79,137	82,084	-	82,084
Funds held on Trust		-	700	700	-	1,397	1,397
Total Taxpayers' Equity		120,900	700	121,600	122,951	1,397	124,348

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Note 20c Consolidated Statement of Cash Flows

Prior Year	2017 £'000	Effect of consolidation £'000	2017 Restated £'000
Cash flows from operating activities			
Net Expenditure	(72,375)	697	(71,678)
Adjustments for non-cash transactions	6,774	-	6,774
Add back: interest payable recognised in net operating expenditure	14	-	14
Movement in working capital	1,642	(340)	1,302
	(64,642)	357	(63,588)
Cash flows from investing activities			
Purchase of property, plant and equipment	(6,597)	-	(6,597)
Proceeds of disposal of property, plant and equipment	-	-	-
Net cash outflow from investing activities	(6,597)	-	(6,597)
Cash flows from financing activities			
Funding	70,556	-	70,556
Movement in general fund working capital	(5,760)	-	(5,760)
Cash drawn down	64,796	-	64,796
Interest Paid	(14)	-	(14)
Net financing	64,782	-	64,782
Net Increase/(decrease) in cash and cash equivalents in the period	(5,760)	357	(5,403)
Cash and cash equivalents at the beginning of the period	7,736	114	7,850
Cash and cash equivalents at the end of the period	1,976	471	2,447
Increase/(decrease) in cash in year	(5,760)	357	(5,403)
Net debt/cash at 1 April	7,736	114	7,850
Net debt/cash at 31 March	1,976	471	2,447

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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

Dated 8 February 2006