

NATIONAL WAITING TIMES CENTRE BOARD

ANNUAL REPORT AND ACCOUNTS

For Year ended 31st March 2010

National Waiting Times Centre Board

Annual Report and Accounts

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National Waiting Times Centre Board

DIRECTORS REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2010.

Naming Convention

The National Waiting Times Centre NHS Board is the common name for the National Waiting Times Centre Health Board.

Principal activities and review of the business and future developments

The information that fulfils the requirements of the business review, principal activities and future developments can be found in the operating and financial review, which is incorporated in this report by reference.

Date of Issue

Financial statements were approved and authorised for issue by the Board on 17 June 2010.

International Financial Reporting Standards

These financial statements have been prepared, for the first time, under International Financial Reporting Standards (IFRS) as adopted by the European Union and as interpreted or adapted for the public sector context as set out in Note 1 Accounting Policies. Financial Statements were previously prepared under UK Generally Accepted Accounting Principles (UK GAAP). The effect of the transition from UK GAAP to IFRS, with an effective date of 1 April 2008, is set out in Note 25 First Time Adoption of IFRS and Note 26 Restated Balance Sheet.

Accounting convention

The Annual Accounts and Notes have been prepared under the historical cost convention modified by the revaluation of property, plant and equipment, intangible assets, inventories, available-for-sale assets and financial assets and liabilities (including derivative instruments) at fair value through profit and loss. The Accounts have been prepared under a direction issued by Scottish Ministers, which is reproduced as an appendix to these accounts.

The statement of the accounting policies, which have been adopted, is shown at Note 1.

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 KPMG LLP 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.

National Waiting Times Centre Board

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:

Chair	Dr L Burley
Non-Executive	C Anderson - Employee Director
	M Brown (retired 31 July 2009)
	J H Mounfield OBE
	J Freeman OBE
	Dr J E G O'Neil
	P J Ramsay
	S K Thomson (retired 31 July 2009)
	M Whitehead (started 1 August 2009)
	J Rae (started 1 August 2009)
Executive Directors	J W Young - Chief Executive
	J M Carter - Director of Finance
	S Chaib - Director of Nursing
	A Flowerdew - Medical Director (started 20 April 2010)
	L Ferries - Director of Human Resources
	J Rogers - Director of Business Services

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

Board members' and senior managers' interests

With the exception of the Chief Executive no other senior managers or senior staff had any interests in contracts or potential contractors with the Health Board during 2009/10, the following interests have been declared:

Name	Interest
Dr L Burley	Partner – Eskhill & Co Non-Executive Director – NHS Education Scotland Member – Scottish Further & Higher Education Funding Council Member of Court – Napier University
JW Young	Board Director - Clydebank Rebuilt Ltd
J Freeman OBE	Freeman Associates Ltd Member – Parole Board for Scotland Director – Middleton Greeves Consultancy Ltd

National Waiting Times Centre Board

Board members' and senior managers' interests (continued)

Name	Interest
JH Mounfield OBE	Hilary Mounfield – Charity Consultancy
Dr JEG O'Neil	Partner – Lightburn Medical Centre
PJ Ramsay	Peter J Ramsay – Mortgage Broker Director – ABC Schools Ltd
MM Brown	Public Partner – NHS Quality Improvement Scotland
M Whitehead	Non-remunerated - Director of Central College – Glasgow Non-remunerated – Shadow Board City of Glasgow College
J Rae	Non-remunerated Director - Ardgowan Hospice
SK Thomson	Lay member – Employment Tribunals Scotland Lay Member Investigating Committee – Royal Pharmaceutical Society

Directors third party indemnity provisions

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

Pension Liabilities

The accounting policy note for pensions is provided in Note 1 and disclosure of the costs is shown in Note 24 and the remuneration report.

Remuneration for non-audit work

No fees were payable to auditors in respect of non-audit work during 2009/10.

Value of Land

There is no significant difference between the market value of land compared with the value of land disclosed in the balance sheet value.

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.

National Waiting Times Centre Board

Payment policy (continued)

In 2009/10 average credit taken was 17 days (2008/09 – 26 days).

In 2009/10 the Board paid 83.10% by value (2008/09 – 77.90%) and 90.09% by volume within 30 days (2008/09 – 75.81%).

In 2009/10 the Board paid 46.40% by value (2008/09 – 29.30%) and 46.75% by volume within 10 days (2008/09 – 24.33%).

Corporate Governance

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
- Audit
- Staff Governance
- Ethics.

Clinical governance

The membership of the Clinical Governance Committee comprises: H Mounfield, P Ramsay, J Freeman, J Rae and is chaired by J O’Neil.

The Clinical Governance Committee of the Health Board has two key roles:

- **Systems assurance** – to ensure that clinical governance mechanisms are in place and effective throughout the Board; and
- **Public Health governance** – to ensure that the principles and standards of clinical governance are applied to the health improvement activities of the Board.

The Committee is responsible for the oversight of clinical governance within the Board. Specifically it:

- considers the Board’s performance in relation to its statutory duty for quality of care;
- reviews action taken by the Chief Executive on recommendations made by the Committee or Board on clinical governance matters;
- gives assurance to the Board on the operation of clinical governance systems within the Board, highlighting problems and action being taken where appropriate;
- gives assurance on the effective operation of clinical governance structures and appropriate flow of information throughout the Board;
- reviews the operation of the Board’s complaints handling procedures;
- develops mechanisms for engaging effectively with representatives of patients and staff;
- oversee the work of the Public Focus and Patient Involvement Group (PFPI); and
- ensures a confidential channel for the expression of concerns about clinical performance or quality of care.

Audit

The Audit Committee comprises: H Mounfield, J Freeman, M Whitehead and is chaired by P Ramsay. The committee meets approximately four times per year to consider the work of internal audit, external audit and other matters as appropriate.

National Waiting Times Centre Board

Corporate Governance (continued)

Staff Governance

The membership of the Staff Governance committee comprises: M Whitehead, J O'Neil, C Anderson, a partnership forum representative and is chaired by J Rae.

The committee has an important role in ensuring consistency of policy and equity of treatment of staff across the Board, including remuneration issues, where they are not already covered by existing arrangements at national level.

Ethics

The principal function of the committee is to provide independent advice as to whether a given piece of research is ethical, and whether the dignity, rights, safety and wellbeing of individual research subjects are adequately protected. There currently is no requirement for a separate ethics committee within the Board; any research requiring ethical approval is considered via the NHS Greater Glasgow and Clyde ethics committee.

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.

Human Resources

As an equal opportunities employer, the Board welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the Board.

The Board provides employees with information on matters of concern to them as employees through a number of means including:

- Performance and Planning Committee
- Senior Managers Meetings
- Partnership forum
- Internet and Intranet service/GJNH and Beardmore Website
- Staff magazine (JABS) and staff communication bulletins
- General and organisational information given to all new staff at induction
- Communications Department
- Hospital Departmental and General Notice Boards.

The Board consults employees or their representatives so their views are taken into account in decisions affecting their interests through a range of means including:

- Partnership Forum attended by Staff and Management Representatives across the Board, which ensures that there is a forum for staff input on a range of areas including service developments.
- Staff Governance Policy sub-group, which ensures there is staff input in the formulation of personnel policies and procedures, e.g. Maternity Leave, Equality and Diversity, Dependants Leave.
- Policies and Procedures, which include consultation with the staff and their representatives, e.g. Policy on Managing Workforce Change.

National Waiting Times Centre Board

Human Resources (continued)

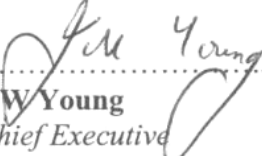
- Clinical Governance, Risk and Quality groups where the views of staff are taken into account in the provision of service delivery.
- Workforce Development Group includes representation from a range of Hospital disciplines on areas such as Service Redesign and Development of new roles.

Events after the end of the reporting period

There were no post balance sheets.

Financial Instruments

Information in respect of the financial risk management objectives and policies of the Board and the exposure of the Board to price risk, credit risk, liquidity risk and cash flow risk is disclosed in note 27.


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J W Young
Chief Executive

Date: 17 June 2010

National Waiting Times Centre Board

OPERATING AND FINANCIAL REVIEW

Principal activities and review of the year

The NHS National Waiting Times Centre is an NHS Special Board made up of two distinct parts - the Golden Jubilee National Hospital and the Beardmore Hotel and Conference Centre.

The Golden Jubilee National Hospital

Based in Clydebank, near Glasgow, the Golden Jubilee is Scotland's flagship hospital for reducing patient waiting times. We receive referrals from across the country in the specialties and services we provide.

One of our major specialties is Orthopaedic surgery, particularly hip and knee replacements. In 2009/10, the Golden Jubilee National Hospital undertook 38% of all replacements on behalf of the West of Scotland (16% for the whole of NHSScotland). The Orthopaedic team are also leading the way with many innovations such as the CALEDonian Technique™ that leads to a reduction in length of stay. Indeed, according to the 2009 Scottish Arthroplasty Annual Report, the Golden Jubilee National Hospital, at six days, has the lowest mean length of stay for patients undergoing hip and knee replacements.

The hospital is also home to the West of Scotland Heart and Lung Centre; a first-class facility that provides the following regional services.

- All heart and lung surgery for the West of Scotland, including all bypasses, heart valve surgery and other complex procedures.
- Interventional cardiology services, including angioplasty, angiography, electrophysiology and complex pacemakers.

The Golden Jubilee National Hospital also manages three of Scotland's national services:

- the Scottish Advanced Heart Failure Service, including the heart transplant unit;
- the Scottish Pulmonary Vascular Unit; and the
- Scottish Adult Congenital Cardiac Service (SACCS), previously known as the Grown-Up Congenital Heart unit (GUCH).

The Golden Jubilee National Hospital is also one of only two specialist centres in the West of Scotland that provided the Optimal Reperfusion service. This service means that patients, whose heart attack is due to a blocked artery, will be transferred directly to a specialist centre leading to better outcomes.

Summary of our services

Clinical Services

- Cardiac Surgery
- Thoracic Surgery
- National Cardiac Services
- Diagnostic cardiology
- Interventional cardiology
- Orthopaedic surgery
- General surgery, inc Endoscopy
- Ophthalmic surgery
- Plastic surgery
- Minor and day case procedures

Diagnostic Imaging Services

- X-ray
- Magnetic Resonance Imaging (MRI) scanning
- Computer Tomography (CT) scanning
- Bone densitometry
- Barium exams
- Ultrasound

National Waiting Times Centre Board

Principal activities and review of the year (continued)

The Beardmore Hotel and Conference Centre

The award-winning Beardmore Hotel and Conference Centre is a four-star facility that is managed and run by the Board and is linked to the Golden Jubilee National Hospital by a communal corridor.

It supports the hospital by using its accommodation to assist with access for patients and their relatives from all over Scotland.

The Beardmore is recognised as the national NHS and public sector conference venue and is only the second venue in Scotland to be accredited as a 'Conference Centre of Excellence'. It combines the standards of a four-star hotel with the facilities and first class service required for successful conferences, training and meetings.

The unique status of the centre allows them to offer preferential rates for NHS and public sector colleagues booking conferences or events but to also cater for commercial business and keep at the heart of the local community by continuing to provide a facility for family celebrations and local events.

Facilities include:

- 170-seat auditorium with fibre optic links to the Golden Jubilee's theatres, cardiac catheterisation laboratory and Magnetic Resonance Imaging (MRI) scanner.
- 14 versatile meeting and training rooms that can hold up to 240 delegates.
- Exhibition and networking areas.
- Free Wi-Fi access.
- 168 stylish bedrooms with their own Apple iMac.
- Business and IT services, including the ability to video conference and webcast events.
- Swimming pool and gym.
- 300 free car parking spaces.
- Flexible dining options.

Over the years, the Beardmore have won a range of awards, these include:

- Scottish Business Hotel of the Year 2009
- Conference Centre of Excellence accredited 2008
- Scottish Business Hotel Special Commendation 2007 and 2008
- Conference Hotel of the Year 2005 and 2006
- Green Tourism Silver Award
- Investors in People 10 year achievement award
- Investors in People Silver award 2010.

2009/10 Patient activity

In 2009/10, we were set a target of carrying a total of 22,268 in-patient, day case and diagnostic examinations. The range of services includes: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, minor procedures, endoscopy and diagnostic imaging. This number excludes any activity associated to the West of Scotland Heart and Lung programme.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2009/10 was 26,500, which was 4,232 procedures more than anticipated at the beginning of the year, and 19% ahead of plan.

National Waiting Times Centre Board

Principal activities and review of the year (continued)

The areas of ophthalmic and plastic surgery, endoscopy and diagnostic imaging performed better than planned. General surgery continued to be a challenge due to the medical suitability of patients.

Similarly to last year, our orthopaedic case mix included a high number of revisions and complex cases (which requires more than one theatre slot). Of the 2,141 joint replacements undertaken in 2009/10, 163 were categorised as complex – 7.5% of our total number.

Cardiac surgery waiting time

In 2009/10, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees.

Overall, there has been a positive impact on the waiting list which is showing signs of reducing. At the end of March 2009 there were 94 patients on the available waiting list and 83 on the unavailable list (a total of 177 patients). At the end of March 2010 there were 81 patients on the available waiting list and 81 on the unavailable list (a total of 162)

Clinical strategy

The last three years has seen a significant period of change for the NHS National Waiting Times Centre (NWTC). The West of Scotland Heart and Lung Centre was created at the Golden Jubilee National Hospital and many services have been expanded, most notably our orthopaedic department which now carries out almost a fifth of all Scotland's hip and knee replacements.

With the services embedded, it was the ideal time to consider our current services, review their future direction and opportunities, confirm the potential of our estate and resources and explore any new areas for development. By defining and reviewing our current services, we will be able to identify a clear plan that reflects patient needs and expectations, as well as those of the NHS in Scotland, to ensure that we continue to deliver a service fit for the 21st century.

Therefore, in March 2009, our Board discussed and agreed proposals to develop a clinical strategy that will define the current and future clinical services that will be delivered and developed within the next five years and beyond.

Progress in 2009/10

The primary focus of phase one of the clinical strategy development process was to fully engage staff at all levels in the organisation around their awareness of, and participation in, the development of the clinical strategy. A range of communication methods and modalities were utilised to encourage maximum engagement and participation at the outset of the process.

We have now embarked on the second phase of the Clinical Strategy programme in order to 'test the vision' described through the internal engagement process in the summer of 2009.

Work is progressing in all working groups to establish our baseline position, ensuring that our patient pathways are correct and if there is any room for improvement. Past patients are providing their views on their pathway and are involved in the discussions on any potential changes to improve the patient journey.

Several opportunities have arisen regionally and nationally in areas such as direct referrals, prioritisation bids, and potential new service provision. There have already been discussions in a number of sub speciality areas, namely orthopaedics, bariatric services and plastic surgery.

National Waiting Times Centre Board

Principal activities and review of the year (continued)

Discussions are also underway with individual Community Health Partnerships regarding direct referrals for Orthopaedics and Ophthalmology.

In addition, a proposal was submitted to the West of Scotland Regional Planning Group to establish a Transcatheter Aortic Valve Implantation (TAVI) service and a Cardiac Resynchronisation Therapy (CRT) service. The TAVI proposal has been referred to the National Planning Forum for consideration.

In the current financial climate, waiting list management has been discussed at the Regional Chief Executives' Group, leading to ongoing discussions with Boards to secure a longer term commitment to the NHS National Waiting Times Centre.

Clinical skills and research centre

In 2009/10, we progressed our plan to develop our clinical skills and research centre. The centre will be named the Beardmore Centre for Health Science with a vision is to create a flexible clinical skills and research facility dedicated to:

- providing core skills training;
- to enhance techniques in surgical fields e.g. - Orthopaedics and Heart and Lung;
- providing synergy with the local and regional skills development needs;
- providing and encouraging high quality clinical research;
- utilising the conference and accommodation facilities of the national NHS and public sector conference and training centre;
- promoting multi-professional learning, training and skills development;
- providing a resource that is an integral part of the Scottish Clinical Skills Network meeting both local and regional needs;
- creation of an environment for self- directed learning and access to a range of eLearning facilities; and
- use of the existing facilities in the national NHS conference and training centre, the Beardmore will form an integral part of the Golden Jubilee Clinical Skills Centre.

Initially, the centre will contain the Board research office and research students/fellows that transfer from NHS Greater Glasgow and Clyde. It would act as a focus for research management, research-associated training and applying for research funding.

Further developments will include a clinical skills and training unit and a trials facility with clinician and management support. This would facilitate use of the facility by a number of research projects (mainly drug and device trials) and add potential for income generation (commercial and non-commercial work).

We are also working with NHS National Education Scotland (NES) to ensure our plans are aligned with the national strategy and supported by NES, in addition to meeting our local needs and exploiting opportunities arising from unique aspects of the hospital.

National Waiting Times Centre Board

Financial Performance and Position

The Scottish Government Health Directorate (SGHD) set 3 budget limits at a Health Board level on an annual basis. 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 SGHD £'000 (1)	Actual Outturn £'000 (2)	Variance (Over)/Under £'000 (3)
1 Revenue Resource limit	61,376	59,686	1,690
2 Capital Resource Limit	7,696	7,354	342
3 Cash Requirement	51,473	51,442	31

Memorandum for in-year outturn

	£'000
Brought forward (deficit)/ surplus from previous financial year	3,993
(Excess)/saving against in-year Revenue Resource Limit	<u>(2,303)</u>
Carried forward surplus/(deficit) to next financial year	1,690

The reported underspend above is associated with the carry forward non-recurring monies to support the Heart and Lung Development, this has been approved by the Scottish Government Health Directorate.

Provisions for bad and doubtful debts

A provision of £5,000 has been provided in year in relation to bad/doubtful debts (prior year £4,000).

Outstanding liabilities

The Board has no outstanding liabilities for the period.

Significant remote contingent liabilities

There were no significant remote contingent liabilities during the reporting period.

Legal obligations

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

- Clinical & Medical - £403,000 (prior year £233,000)
- Other - £15,000 (prior year £15,000)
- Total for year – £418,000 (prior year £248,000)

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

National Waiting Times Centre Board

Financial Performance and Position (continued)

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £281,000 (prior year £238,000).

Prior year adjustments

There have been no prior year adjustments.

Significant changes in fixed assets

As part of the annual valuation carried out an impairment of £1,712,000 has been included in the balance sheet, this relates to work on the new catering facility and a number of smaller building projects, funding for this was received from SGHD.

PFI/PPP

There are no PFI/PPP schemes within the Board.

Post-Balance Sheet items

There are no post-balance sheet items.

Sickness absence data

The sickness absence rates for 2009/10 were 4% (3.7% for 2008/09).

Personal data related incidents

There were no personal data related incidents reported during 2009/10.

Key Performance Indicators

Local Delivery Plans (LDPs) set out a delivery agreement between SGHD and each NHS area Board, based on the key Ministerial targets. LDPs reflect the HEAT Core Set – the key objectives, targets and measures that reflect Ministers' priorities for the Health portfolio. The key objectives are as follows:

- Health Improvement for the people of Scotland – improving life expectancy and healthy life expectancy;
- Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS;
- Access to Services – recognising patients' need for quicker and easier use of NHS services; and
- Treatment Appropriate to Individuals – ensure patients receive high quality services that meet their needs.

NWTCB Local Delivery Plan Agreed Targets

The Golden Jubilee National Hospital is a National Hospital for both elective and urgent admissions, which receives referrals from all Scottish NHS Boards, to enable patients to be treated within the timescales set by the Scottish Government. As such, it has no local population to serve but during 2008/09 assumed responsibility for managing waiting lists associated with the Heart and Lung Centre. In agreement with SGHD, the NWTCB did not report on the relevant Access targets within the Local Delivery Plan 2009-12 until a full year of reporting data was available as a baseline. The Access LDP section therefore describes our current wait list accountability and our work to assist Boards working towards meeting the 18 week RTT targets.

National Waiting Times Centre Board

Key Performance Indicators (continued)

The Board, in discussion with the Scottish Government Performance Division has agreed a number of Health, Efficiency, Access and Treatment targets, to reflect its unique position. It is acknowledged that this situation might change in the future and the Board has committed to reviewing the relevance of all HEAT targets together with Executive colleagues for subsequent Local Delivery Plans (LDP).

The key and local targets submitted for the LDP for 2009-10 are as follows:

Key Performance Indicators

1. Local Targets and Priorities

Local Targets	Status at 31/3/10
1.1 The Beardmore Hotel and Conference Centre	All key performance indicators are monitored regularly and none of the KPIs are showing serious concern at this stage. Year to date income exceeded target by 8.5%. The year end date % of NHS/PS business met the target of 43% and development of the facilities and its accreditation as a 'Conference Centre of Excellence' has established the Beardmore as one of the leading venues in the country for both the public and private sector.
1.2 Capacity and Activity target for 2009/10	All activity numbers are still subject to final verification, however as at end March we have carried out 26,500 inpatient, day case and diagnostic procedures. Despite the challenges that presented through the year in relation to pandemic flu and reduced waiting time guarantees, our activity target was exceeded by 4,232 procedures (19%). Additional Magnetic Resonance Imaging (MRI), ultrasound, dexa scanning and Computer Tomography (CT) sessions were also made available to Boards on request. At the end of March 2010 diagnostic imaging activity had exceeded the annual target by 30%.

2. NHS Scotland Objective No.2 – Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS

2009/10 HEAT Target No.	Key Performance Targets	Status at 31/03/10	Comments
E4 KPM1	Efficiency savings: Day case rates Local Board target as agreed with SGHD: % of British Association of Day Surgery (BADs) procedures carried out as day cases Target 79%	As at end March, validated activity is available up to end February 2010. Our cumulative performance in carrying out BADs procedures is 76% against a target of 79%.	There were a number of risks associated with the delivery of this target and we have experienced challenges in achieving sustainable referral flows and predictable case mix for General Surgery day case procedures.
E5 KPM1	Financial Performance NHS boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement; meet their cash efficiency target	RRL out-turn £1.690m underspend in-year. This includes the approved carry forward for the Heart and Lung Centre. Total capital spend of £7.354m against a capital resource limit of £7.696m.	

National Waiting Times Centre Board

Key Performance Indicators (continued)

E6 KPM1	Cash Efficiencies	Recurring efficiency savings of £1,368k achieved against target of £824k.	
E8 KPM1	Reduce Energy Consumption	Validated energy usage figures are published each quarter and only second quarter data is currently available. For the period April 2009 to December 2009 the Board have increased energy usage by 0.18% against the 2007 baseline year.	<p>A strong case to review and amend our baseline data had been submitted, however the Scottish Government were not in a position to agree to the request as they indicated that to do so would distort the national results for the entire E8 HEAT Target performance.</p> <p>An amended HEAT target will be in place from April 2010 with a baseline year that will be a more accurate reflection of our current energy usage following the site expansion of recent years.</p>
E9 KPM1	CHI Utilisation (radiology requests)	Our Board CHI compliance for radiology requests was maintained on target at 100%	Target achieved
E10 KPM1	Knowledge and Skills Framework (KSF) – Personal Development Plan (PDP) Review	As at end March 2010, 7% of staff on Agenda for Change contracts have a KSF PDP review on e-KSF against a target of 10%.	Significant work continues to roll out staff training with a particular focus on Heart and Lung staff who transferred to our Board without existing KSF outlines.

3. NHS Scotland Objective 3 – recognising patients need for quicker and easier use of NHS services

A10: Deliver 18 weeks referral to treatment from 31 December 2011. No patient will wait longer than 12 weeks from referral to a first outpatient appointment from 31 March 2010. No patient will wait longer than 12 weeks from being placed on a waiting list to admission for an inpatient or day case treatment from 31 March 2010.

A10.KPM1.a – Admitted Performance
A10.KPM1.b – Admitted Completeness
A10.KPM1.c – Non-Admitted Performance
A10.KPM1.d – Non-Admitted Completeness

A10.KPM2 - New outpatients: Maximum 12 weeks from referral

A10.KPM3 - Inpatients & Day Cases: Maximum 12 weeks

Key Performance Indicators (continued)

National Waiting Times Centre Board

Heart and lung wait list management

Following the full establishment of the Regional Heart and Lung Centre, all reporting on waiting list status is carried out by the Board, however, in agreement with SGHD, we will not submit national wait list trajectories as part of the LDP until a full year of operational data following service transfer is available. However, monthly performance of waiting lists against targets are scrutinised at the Performance and Planning Committee and the Board.

4. NHS Scotland Objective 4 – Treatment

		Status at 31/03/10	Comments
T2 KPM 1	QIS Clinical Governance and Risk Management Standards Improving	Score of 8 against target of 9 from QIS review in October 2009	We moved from six to eight on the assessment scale, doubling our score in less than four years and demonstrated improvement across all standards scoring three or more for most standards.
T7 KPM 1	Improvement in the quality of healthcare experience		In 2009 -2010 we engaged with the National Patient Experience Programme. No significant issues have been raised and it is reported that response rates for the GJNH are encouraging. It is anticipated that the Board will receive its data for review in early spring 2010. We are also keen to ensure the immediate learning from our own patient satisfaction survey is not lost. A new patient satisfaction survey has been piloted in 2009 – 2010 in three wards and feedback from patients is encouraging. We will be working to improve this alongside participation in the national scheme.
T11 KPM 1	MRSA/MSSA bacterium (SABs): 30% reduction	SABs for 2008-09 = 32 SABs for 2009-10 = 28 During 2009-10 there was a 12.5% reduction in SAB's	The Board has agreed with Health Protection Scotland that performance in reducing bacteraemias will be measured using 2009/10 as a baseline year. The number of SABs per 1,000 acute occupied bed days was 0.6 in 2009/10. Our trajectory target for the year has been revised based on our accumulating historical data. SAB rates had risen over 08-09 as expected following the transfer of the Heart and Lung service.
T11 KPM 2	Clostridium difficile infections (CDI): 30% reduction	CDI for 2008-09 = 14 CDI for 2009-10 = 8	Between 2008-09 and 2009-10 we achieved a 43% reduction in CDI. Although we hope to maintain this reduction the numbers are small and the target is therefore very challenging

National Waiting Times Centre Board

Sustainability and environmental reporting

We have continued throughout the year with our efforts to reduce energy usage taking various actions and looking at future plans. Our educational plans are ongoing and with the formation of the Sustainable Environment Group we are looking forward to increasing communication across the board. The group is formed of directors, senior managers and representatives of various departments including communications.

We continue to monitor record and compare our utilities usage and costs with reviews at the Sustainable Environment Group. These assist in giving direction for future actions, which will facilitate savings and reduce energy consumption. We also report our utility usage to Health Facilities Scotland through the SCART report.

Works undertaken in the past 12 months include:

- The consultants have now prepared the tenders for the CHP and the process should be complete over the next 3 months.
- The installation of energy saving lighting and controls has been completed in the hotel corridors.
- Fitting of the PowerPerfector, voltage optimisation units, to reduce electricity usage by up to 7%. Four have been installed with 2 more to go
- Installation of high frequency lighting and automatic lighting systems in the hospital stairwells has been completed.
- Installation of a further cycle shed and the expansion of the motorcycle parking area.
- Installation of Variable speed drives on pumps.

Plans for the coming year include:

- Continued installation of high frequency lighting and automatic lighting system.
- Completion of voltage optimisation equipment in both the hospital and the hotel.
- Further staff awareness training to be organised in conjunction with the Carbon Trust.
- Improved energy saving signage around the building.
- Installation of controls to slow down the theatre air handling units of a night or when theatres are not in use.
- Further upgrades to BMS controls to improve the efficiency of major plant and equipment.
- Continue working with Clydebank Rebuilt regarding the development of the new path to run through the hospital grounds. Demonstrating the partnership working to develop a sustainable community project.
- Planting to improve the natural habitat along the riverside including the development of a “meadow grass” area.
- Continuing review of the steam systems with a view to decentralising the heating and replacing the steam to water calorifiers with high efficiency gas boilers.
- Working with local businesses to create a biogas plant to supply the hospital heating systems.
- Review of fuel cell technology prior to committing to CHP in the hospital.

National Waiting Times Centre Board

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 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.

The Remuneration Committee - Membership

The Remuneration Committee comprises of the Board Chairman and the lay 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.

The Remuneration Committee will seek specialist guidance and advice as appropriate.

The 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.

National Waiting Times Centre Board

REMUNERATION REPORT (continued)

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.

The Performance Management (PDP) policy refers to these requirements and these arrangements are audited from time to time. Training on developing Knowledge and Skills Framework (KSF) outlines and Personnel Development Plans (PDPs) is taking place to support the delivery of this policy. The process to capture all PDPs electronically on the national E-KSF system has commenced.

Payments to past senior managers

No significant payments were made to past senior managers during 2009/10.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

The following tables provide a breakdown of executive and non-executive directors' remuneration in 2009/10 and 2008/09 and have been audited by the Board's auditors.

FOR THE YEAR ENDED 31 MARCH 2010

2010 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2009 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2010 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
Remuneration of:							
Executive Members							
Chief Executive: JW Young	110-115	0-2.5	35-40	591	768	22	5.4
Director of Finance: J M Carter	70-75	0-2.5	10-15	157	207	21	-
J Rogers	65-70	0-2.5	5-10	114	161	24	4.8
A Flowerdew (started 20 April 2009)	135-140	0-2.5	0-5	-	38	45	1.5
S Chaib	80-85	0-2.5	5-10	91	132	21	4.0
L Ferries	85-90	0-2.5	5-10	92	139	25	3.7
Non-Executive Members							
Chair: Dr L Burley	20-25	-	-	-	-	-	-
C Anderson	5-10	-	-	-	-	-	-
M Brown (retired 31 July 2009)	0-5	-	-	-	-	-	-
J H Mounfield OBE	5-10	-	-	-	-	-	-
J Freeman OBE	5-10	-	-	-	-	-	-
Dr J E G O'Neil	5-10	-	-	-	-	-	-
P J Ramsay	5-10	-	-	-	-	-	-
J Rae (started 1 August 2009)	5-10						
M Whitehead (started 1 August 2009)	5-10						
S K Thomson (retired 31 July 2009)	0-5	-	-	-	-	-	-

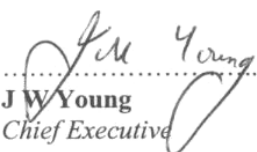
The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year.

National Waiting Times Centre Board

FOR THE YEAR ENDED 31 MARCH 2009

2009 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2008 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2009 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
Remuneration of:							
Executive Members							
Chief Executive: JW Young	110-115	0-2.5	35-40	539	591	7	6
Director of Finance: J M Carter	65-70	0-2.5	10-15	139	157	2	-
J Rogers	65-70	0-2.5	5-10	96	114	7	5
K Ferguson (resigned 31 Dec 2008)	125-130	-	-	-	-	-	4
S Chaib	75-80	0-2.5	5-10	74	91	5	-
L Ferries	80-85	0-2.5	5-10	73	91	6	5
Non-Executive Members							
Chair: Dr L Burley	20-25	-	-	-	-	-	-
C Anderson	5-10	-	-	-	-	-	-
M Brown	5-10	-	-	-	-	-	-
J H Mounfield OBE	5-10	-	-	-	-	-	-
J Freeman OBE	5-10	-	-	-	-	-	-
Dr J E G O'Neil	5-10	-	-	-	-	-	-
P J Ramsay	5-10	-	-	-	-	-	-
S K Thomson	5-10	-	-	-	-	-	-

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year; this was not a requirement for prior year.


 J W Young
 Chief Executive

Date: 17 June 2010

National Waiting Times Centre Board

Statement of the Chief Executive's responsibilities as the accountable officer of The National Waiting Times Centre Board

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.

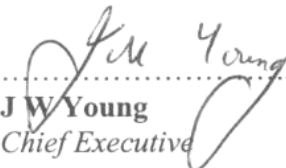
This designation carries with it, responsibility for:

- 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 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 25th October 2004.


.....
J W Young
Chief Executive

Date: 17 June 2010

National Waiting Times Centre Board

Statement of NHS Board members' responsibilities in Respect of the Accounts

Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2010 and of its operating costs for the year then ended. In preparing those accounts, the Directors are required to:

- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland 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 Board members are responsible for ensuring 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 and detection 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.



.....
Dr J E G O'Neil
Interim Chair



.....
J M Carter
Director of Finance

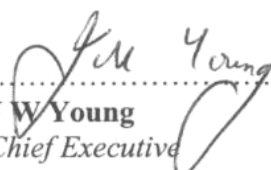
Date: 17 June 2010

National Waiting Times Centre Board

FOR THE YEAR ENDED 31 MARCH 2009

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K Ferguson (resigned 31 Dec 2008)	125-130	-	-	-	-	-	4
S Chaib	75-80	0-2.5	5-10	74	91	5	-
L Ferries	80-85	0-2.5	5-10	73	91	6	5
Non-Executive Members							
Chair: Dr L Burley	20-25	-	-	-	-	-	-
C Anderson	5-10	-	-	-	-	-	-
M Brown	5-10	-	-	-	-	-	-
J H Mounfield OBE	5-10	-	-	-	-	-	-
J Freeman OBE	5-10	-	-	-	-	-	-
Dr J E G O'Neil	5-10	-	-	-	-	-	-
P J Ramsay	5-10	-	-	-	-	-	-
S K Thomson	5-10	-	-	-	-	-	-

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year; this was not a requirement for prior year.


JW Young
 Chief Executive

Date: 17 June 2010

National Waiting Times Centre Board

Statement of the Chief Executive's responsibilities as the accountable officer of The National Waiting Times Centre Board

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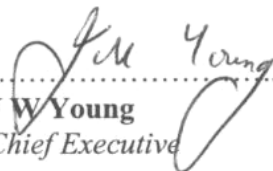
This designation carries with it, responsibility for:

- 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 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 25th October 2004.


.....
J W Young
Chief Executive

Date: 17 June 2010

National Waiting Times Centre Board

Statement of NHS Board members' responsibilities in Respect of the Accounts

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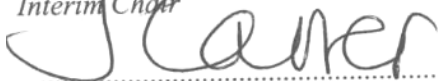
- Apply on a consistent basis the accounting policies and standards approved for the NHS Scotland by Scottish Ministers.
- Make judgements and estimates that are reasonable and prudent.
- State where applicable accounting standards as set out in the Financial Reporting Manual have not been followed where 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 Board members are responsible for ensuring 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 and detection 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.



.....
Dr J E G O'Neil
Interim Chair



.....
J M Carter
Director of Finance

Date: 17 June 2010

National Waiting Times Centre Board

Statement on internal control

Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Board's policies, aims and objectives, set by Scottish Ministers, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

To enable me to discharge my responsibilities as Accountable Officer, the following arrangements and processes were in place throughout the financial year:

- The Board of Directors meets regularly to consider the plans and strategic direction of the organisation as well as reviewing corporate effectiveness and the process of managing risks. The Board consists of both executive and non-executive members;
- Governance and management arrangements with clear supporting lines of accountability and an approved scheme of delegation and standing orders;
- Consideration by the Board of periodic reports from the chairs of the governance committees, concerning any significant matters on governance and internal control.

On an annual basis the Board completes the Audit Scotland Best Value self assessment toolkit to ensure that the Board has sound systems and processes in place to confirm that the nine characteristics of best value are embedded in the work of the Board. This is an iterative process undertaken to ensure that continuous improvement is evident in the working of the Board. During 2009/10 internal audit undertook an independent review of the self-assessment document in order to provide independent assurance that adequate arrangements were in place within the Board with regard to best value.

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

Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of the nature and extent of those risks and to manage them efficiently, effectively and economically.

This process within the organisation accords with the guidance from the Scottish Ministers in the 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.

Risk and Control Framework

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

National Waiting Times Centre Board

Statement on internal control (continued)

Overall leadership of risk management lies with the Chief Executive. Local leadership is devolved through Executive Directors to Directorate General Managers and their department managers; appropriate training is provided to staff as training needs are identified. All staff are made aware, through general and local induction that it is their responsibility to ensure that they engage with the risk management systems and processes.

There is a corporate risk register in place which links with organisational objectives and performance management. The corporate risk register is presented to the Board on a quarterly basis and reviewed on an ongoing basis.

A review of the risk management and clinical governance arrangements was completed during 2008/09. This resulted in the establishment of the Clinical Governance and Risk Management Steering Group, which has now been operational for a full year, the remit of the group was widened to ensure that all risks are addressed fully and in a timely manner. The group meets on a regular basis with updates being provided via the clinical governance committee to the Board and Audit Committee.

Risk controls are identified through the risk register process. The implementation of controls is monitored to ensure their timeous introduction and key controls are subject to audit to ensure their effectiveness in reducing risk.

More generally, the organisation is committed to a process of continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice in this area.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by:

- The executive managers within the organisation who have responsibility for the development and maintenance of the internal control framework;
- The work of the internal auditors, who submit to the organisation's Audit Committee regular reports which include their independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement; and
- Comments made by the external auditors in their management letters and other reports.

In addition the Board has an internal mechanism for monitoring and reporting the status of implementation of recommendations made by both internal and external audit and recommendations made by Audit Scotland, with reports being taken to the Audit Committee and updates given to the Clinical Governance and Risk Management Steering Group.

The Audit Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Steering Group, through its role in ensuring that risks are being managed, provides assurance to me as accountable officer.

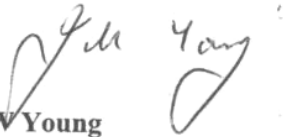
I have been advised on the implications of my review of the effectiveness of the system of internal control by the Board, the Audit Committee and the Clinical Governance and Risk Management Steering Group and a plan to address any weaknesses highlighted and ensure continuous improvement of the system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

National Waiting Times Centre Board

Statement on internal control (continued)

Disclosures

During the previous financial year there were no significant control weaknesses nor failure to achieve the standards set out in the guidance on the Statement on Internal Control.



J W Young
Chief Executive
Date: 17 June 2010

National Waiting Times Centre Board

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF NATIONAL WAITING TIMES CENTRE BOARD, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT

We have audited the financial statements of National Waiting Times Centre Board for the year ended 31 March 2010 under the National Health Service (Scotland) Act 1978. These comprise the Operating Cost Statement, the Balance Sheet, the Cash Flow Statement, the Statement of Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. We have also audited the information in the Remuneration Report that is described in that report as having been audited.

This report is made solely to National Waiting Times Centre Board and to the Auditor General for Scotland in accordance with sections 21 and 22 of the Public Finance and Accountability (Scotland) Act 2000. Our audit work has been undertaken so that we might state to those two parties those matters we are required to state to them in an auditors' report and for no other purpose. In accordance with the Code of Audit Practice approved by the Auditor General for Scotland, this report is also made to the Scottish Parliament, as a body. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than National Waiting Times Centre Board and the Auditor General for Scotland, for this report, or the opinions we have formed.

Respective responsibilities of the board, Chief Executive and auditor

The board and Chief Executive are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers. The Chief Executive is also responsible for ensuring the regularity of expenditure and income. These responsibilities are set out in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board.

Our responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements and with International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland.

We report to you our opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers. We report to you whether, in our opinion, the information which comprises the Operating and Financial Review and Directors' Report, included in the Annual Report, is consistent with the financial statements. We also report whether in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers.

In addition, we report to you if, in our opinion, the body has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

We review whether the Statement on Internal Control reflects the board's compliance with the Scottish Government Health Directorate's guidance, and we report if, in our opinion, it does not. We are not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the body's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the part of the Remuneration Report that is not audited. We consider the implications for our report if we become aware of any

National Waiting Times Centre Board

apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with the Public Finance and Accountability (Scotland) Act 2000 and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board as required by the Code of Audit Practice approved by the Auditor General for Scotland. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of expenditure and income included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgements made by the board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the body's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income shown in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions


Financial statements

In our opinion

- the 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 affairs of the Board as at 31 March 2010 and of its net operating cost position, changes in taxpayers' equity and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- information which comprises the Operating and Financial Review and Directors' Report, included in the Annual Report, is consistent with the financial statements.

Regularity

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


DJ Watt
For and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
191 West George Street
Glasgow
G2 2LJ

17 June 2010

National Waiting Times Centre Board

Operating cost statement for the year ended 31 March 2009

	<i>Note</i>	2010	2010	2009	2009
		£'000	£'000	£'000	£'000
Clinical services costs					
Hospital and Community Health Services	4	107,774		104,742	
Less: Hospital and Community Income	8	48,860		46,624	
			<u>58,914</u>		<u>58,118</u>
Family Health	5	-		-	
Less: Family Health Income	8	-		-	
			<u>-</u>		<u>-</u>
Total Clinical Services Costs			<u>58,914</u>		<u>58,118</u>
Administration Costs	6	7,828		7,351	
Less: Administration Income	8	-		-	
			<u>7,828</u>		<u>7,351</u>
Other Non Clinical Services	7	-		-	
Less: Other Operating Income	8	5,344		5,332	
			<u>(5,344)</u>		<u>(5,332)</u>
Net operating costs	<i>SOCTE</i>		<u>61,398</u>		<u>60,137</u>

Summary of revenue resource outturn for the year ended 31 March 2010

Net operating costs (per above)		61,398
Capital Grants to / from Public Bodies	9	-
Profit on disposal of fixed assets	9	-
Annually Managed Expenditure (Write Downs)		(1,712)
FHS Non-discretionary Allocation		-
Other Allocations		-
Net resource outturn		<u>59,686</u>
Revenue resource limit		61,376
Saving against revenue resource limit		<u>1,690</u>

National Waiting Times Centre Board

Balance sheet as at 31 March 2010

	Note	2010 £'000	2010 £'000	2009 £'000	2008 £'000
Non-Current Assets					
Property, plant and equipment	11	138,049		136,303	134,179
Intangible Assets	10	-		-	-
Financial Assets:					
- Available for sale financial assets	14	-		-	-
- Trade and other receivables	13	-		-	-
Total Non-current Assets			<u>138,049</u>	<u>136,303</u>	<u>134,179</u>
Current assets					
Inventories	12	1,245		1,542	1,003
Financial Assets:					
- Trade and other receivables	13	10,396		17,395	3,118
- Cash and cash equivalents	15	3,286		3,269	2,197
- Available for sale financial assets	14	-		-	-
- Derivatives financial assets	28	-		-	-
Assets classified as held for sale	11c	-		-	-
Total Current Assets			<u>14,927</u>	<u>22,206</u>	<u>6,318</u>
Total Assets			<u>152,976</u>	<u>158,509</u>	<u>140,497</u>
Current Liabilities					
Provisions	17	(418)		(248)	(9)
Financial Liabilities:					
- Trade and other payables	16	(18,687)		(20,943)	(14,886)
- Derivative financial Liabilities	28	-		-	-
Total Current Liabilities			<u>(19,105)</u>	<u>(21,191)</u>	<u>(14,895)</u>
Non-current assets plus/less net current assets/liabilities			<u>133,871</u>	<u>137,318</u>	<u>125,602</u>
Non-current liabilities					
Provisions	17	-		-	-
Financial Liabilities:					
- trade and other payables	16	-		-	-
Total Non-current liabilities			<u>-</u>	<u>-</u>	<u>-</u>
Assets less liabilities			<u>133,871</u>	<u>137,318</u>	<u>125,602</u>
Taxpayers' Equity					
General Fund	SOCTE		59,477	64,636	51,181
Revaluation reserve	SOCTE		74,394	72,682	74,421
Donated asset reserve	SOCTE		-	-	-
Other reserves	SOCTE		-	-	-
Government Grant Reserve	SOCTE		-	-	-
Total Taxpayers' Equity			<u>133,871</u>	<u>137,318</u>	<u>125,602</u>

Adopted by the Board on 17 June 2010



..... Director of Finance

J M Carter



..... Chief Executive

J W Young

National Waiting Times Centre Board

Cash flow statement for the year ended 31 March 2009

	<i>Note</i>	2010 £'000	2010 £'000	2009 £'000	2009 £'000
Cash flows from operating activities					
Net operating cost	<i>OCS</i>	(61,398)		(60,137)	
Adjustments for non-cash transactions	<i>3</i>	12,135		10,854	
Add back: interest payable recognised in net operating cost	<i>3</i>	-		-	
Deduct: interest receivable recognised in net operating cost	<i>8</i>	-		(8)	
(Increase)/decrease in trade and other receivables	<i>18</i>	6,999		(14,277)	
(Increase)/decrease in inventories	<i>18</i>	297		(539)	
Increase/(decrease) in trade and other payables	<i>18</i>	(2,845)		4,985	
Increase in provisions	<i>18</i>	170		239	
			(44,642)		(58,883)
Cash flows from investing activities					
Purchase of property, plant and equipment		(6,794)		(6,094)	
Purchase of intangible assets		-		-	
Proceeds of disposal of property, plant and equipment		11		58	
Proceeds of disposal of intangible assets		-		-	
Interest received		-		8	
Net cash outflow from investing activities			(6,783)		(6,028)
Cash flows from financing activities					
Funding	<i>SOCTE</i>	51,424		64,911	
Movement in general fund working capital	<i>SOCTE</i>	18		1,072	
Cash drawn down		51,442		65,983	
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		-		-	
Interest paid	<i>3</i>	-		-	
Interest element of finance leases and on-balance sheet PFI/PPP contracts	<i>3</i>	-		-	
Net financing			51,442		65,983
Net Increase/(decrease) in cash and cash equivalents in the period			17		1,072
Cash and cash equivalents at the beginning of the period			3,269		3,269
Cash and cash equivalents at the end of the period			3,286		4,341
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			17		1,072
Net debt/cash at 1 April	<i>15</i>		3,269		2,197
Net debt/cash at 31 March	<i>15</i>		3,286		3,269

National Waiting Times Centre Board

Statement of changes in taxpayers' equity for the year ended 31 March 2010

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2009		64,881	72,682	137,563
Prior year adjustments for changes in accounting policy and material errors, including First Time Adoption of IFRS	26	(245)	-	(245)
Restated balance at 1 April 2009		64,636	72,682	137,318
Changes in taxpayers' equity for 2009/10				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	-	1,712	1,712
Net gain/(loss) on revaluation/indexation of intangible assets	10	-	-	-
Net gain/(loss) on revaluation of available for sale financial assets	14	-	-	-
Impairment of property, plant and equipment	11	-	(1,712)	(1,712)
Impairment of intangible assets	10	-	-	-
Receipt donated assets	11b	-	-	-
Revaluation & impairments taken to operating cost statement	3	-	1,712	1,712
Non-cash charges – cost of capital	3	4,815	-	4,815
Transfers between reserves		-	-	-
Transfer of fixed assets from other bodies		-	-	-
Pension Reserve movement		-	-	-
Net operating cost for year		(61,398)	-	(61,398)
Total recognised income and expense for 2009/10		(56,583)	1,712	(54,871)
Funding:				
Drawn Down		51,442	-	51,442
Movement in General Fund (Creditor)/Debtor		(18)	-	(18)
Balance at 31 March 2010		59,477	74,394	133,871

National Waiting Times Centre Board

Statement of changes in taxpayers' equity for the year ended 31 March 2009

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2008		51,290	74,421	125,711
Prior year adjustments for changes in accounting policy and material errors, including First Time Adoption of IFRS	26	(109)	-	(109)
Restated balance at 1 April 2008		51,181	74,421	125,602
Changes in taxpayers' equity for 2008/09				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	-	(1,739)	(1,739)
Net gain/(loss) on revaluation/indexation of intangible assets	10	-	-	-
Net gain/(loss) on revaluation of available for sale financial assets	14	-	-	-
Impairment of property, plant and equipment	11	-	(981)	(981)
Impairment of intangible assets	10	-	-	-
Receipt donated assets	11b	-	-	-
Revaluation & impairments taken to operating cost statement	3	-	981	981
Non-cash charges – cost of capital	3	4,647	-	4,647
Transfers between reserves		-	-	-
Transfer of fixed assets from other bodies		4,034	-	4,034
Pension Reserve movement		-	-	-
Net operating cost for year		(60,137)	-	(60,137)
Total recognised income and expense for 2008/09		(51,456)	(1,739)	(53,195)
Funding:				
Drawn Down		65,983	-	65,983
Movement in General Fund (Creditor)/Debtor		(1,072)	-	(1,072)
Balance at 31 March 2009		64,636	72,682	137,318

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 (FReM) 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 the accounts 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 accounts, are disclosed in section 31 below.

2. First Time Adoption of International Financial Reporting Standards

These financial statements have been prepared under International Financial Reporting Standards (IFRS) for the first time and the comparatives have been restated from UK Generally Accepted Accounting Policy (UK GAAP) where required. The reconciliation to IFRS from the previous UK GAAP accounts is summarised in notes 25 and 26.

New Financial Instruments Standards FRS 25, FRS 26 and FRS 29 as adopted and adapted by the Government Financial Reporting Manual (FReM) were adopted under UK GAAP in 2008-09. Prior year comparatives for 2007-08 were restated to reflect these standards. These standards are identical to their equivalent IFRS standards, IAS 32, IAS 39 and IFRS 7.

3. Prior Year Adjustments

Under IAS 8 the Board has no prior year adjustments to disclose.

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. 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 statement', requires that they should be adjusted and the basis for the adjustment disclosed.

7. Funding

Most of the expenditure of the Health Board is met from funds advanced by the Scottish Government Health Directorate 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.

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Note 1 Accounting Policies (continued)

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 measure as the sums due under the sale contract.

Non-discretionary funding out with the RRL is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, dental or ophthalmic services identified by the Scottish Government. Non-discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the RRL in the Statement of Resource Outturn.

Funding for the acquisition of fixed assets received from the Scottish Government Health Directorate 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 measure at the fair value of those goods and services.

Expenditure is recognised in the operating cost statement except where it results in the creation of a non-current asset such as property, plant and equipment.

8. Property, plant and equipment

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

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

8.1 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 apart of the initial cost of equipping a new development and total over £20,000.

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

8.2 Measurement

Valuation

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

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Note 1 Accounting Policies (continued)

All assets 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 Beardmore 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 Health Directorate.
- 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.

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 operating cost statement. 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 operating cost statement, in which case they are recognised as income. Movements on revaluation are considered for individual assets rather than groups or land/buildings together.

Decreases in asset values and impairments are charged to the revaluation reserve to the extent that there is an available balance for the asset concerned, and thereafter are charged to the operating cost statement.

8.3 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:

Note 1 Accounting Policies (continued)

National Waiting Times Centre Board

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

Depreciation is charged on a straight-line basis.

The following asset lives have been used for the period:

Asset Category/Component	Useful Life
Structure	43 – 60 years
Landscaping & Surfacing	37 – 50 years
Engineering	24 – 36 years
Medical Equipment	10 years
Furniture & Fittings	10 years
Information Systems & Office Equipment	5 years

9. 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 Operating Cost Statement. Non-current assets held for sale will include assets transferred from other categories and will reflect any resultant changes in valuation.

10. 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.

11. 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 Operating Cost Statement (OCS) are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

Note 1 Accounting Policies (continued)

National Waiting Times Centre Board

12. General Fund Debtors and Creditors

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 SGHD. 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 SGHD.

13. 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 incurred to bring the goods up to their present location, condition and degree of completion.

14. 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.

15. 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 operating cost statement 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 five years by the Government Actuary and determines the rate of contributions required. The most recent actuarial valuation took place in the year to 31 March 2004, details of which are published by the Scottish Public Pensions Agency.

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

For employees remaining on HCI (Scotland) Ltd terms and conditions the Board makes contributions to a defined contribution pension scheme. Contributions payable in respect of the accounting year are charged to the operating cost statement.

Note 1 Accounting Policies (continued)

16. Clinical and Medical Negligence Costs

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Employing health bodies in Scotland are responsible for meeting medical negligence costs up to an annual limit. 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 Health Directorate (SGHD).

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.

17. Related Party Transactions

Material related party transactions are disclosed in the note 29 in line with the requirements of IAS 24. Transactions with other NHS bodies for the commissioning of health care are summarised in Note 4.

18. 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 fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

19. Provisions

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

20. 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 21 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 19, unless the probability of a transfer of economic benefits is remote. Contingent liabilities are defined as:

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

Note 1 Accounting Policies (continued)

21. Financial Instruments

National Waiting Times Centre Board

Financial assets

Classification

The NHS Board classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, and available for sale. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

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

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

(b) 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 balance sheet 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 balance sheet.

(c) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Available for sale financial assets comprise investments.

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.

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

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

Financial assets carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the operating cost statement.

Note 1 Accounting Policies (continued)

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised

National Waiting Times Centre Board

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 operating cost statement. 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 operating cost statement.

(c) Available-for-sale financial assets

Available-for-sale financial assets are initially recognised and subsequently carried at fair value. Changes in the fair value of financial assets classified as available for sale are recognised in equity. When financial assets classified as available for sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the operating cost statement. Dividends on available-for-sale equity instruments are recognised in the operating cost statement when the Board's right to receive payments is established.

Investments in equity instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less impairment.

The Board assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost is considered as an indicator that the securities are impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss – is removed from equity and recognised in the operating cost statement. Impairment losses recognised in the operating cost statement on equity instruments are not reversed through the income statement.

Financial Liabilities

Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and 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.

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Note 1 Accounting Policies (continued)

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

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

(b) Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current liabilities. The Board's other financial liabilities comprise trade and other payables in the balance sheet.

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 balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

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

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

Financial liabilities carried at fair value through profit or loss are subsequently measured at fair value. Gains or losses arising from changes in the fair value are presented in the operating cost statement.

(b) Other financial liabilities

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

22. 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 notes 4 to 7 for Hospital & Community, Family Health and Other Service and Administration Costs, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

23. Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, cash balances held by the Office of the Paymaster General (OPG) 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.

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Note 1 Accounting Policies (continued)

24. Cost of capital charge

A charge, reflecting the cost of capital utilised by the Board is included in the operating cost statement. The charge for each item in the balance sheet is calculated on the basis of the average net book value of that item over the year. This is calculated at the Government's standard rate (3.5% in current and prior year) in real terms on all assets less liabilities, except for:

- Balances with OPG;
- General Fund Debtor or Creditor balances; and
- Donated assets.

25. 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.

Where the Board has assets or liabilities denominated in a foreign currency at the balance sheet date:

- monetary items (other than financial instruments measured at 'fair value through income and expenditure') are translated at the spot exchange rate on 31 March;
- non-monetary assets and liabilities measured at historical cost are translated using the spot exchange rate at the date of the transaction; and
- non-monetary assets and liabilities measured at fair value are translated using the spot exchange rate at the date the fair value was determined.

Exchange gains or losses on monetary items (arising on settlement of the transaction or on re-translation at the balance sheet date) are recognised in income or expenditure in the period in which they arise.

Exchange gains or losses on non-monetary assets and liabilities are recognised in the same manner as other gains and losses on these items.

26. 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 James Barr as part of the valuation work undertaken.

Material Provisions

Assumptions regarding pay provisions relate to outstanding agenda for change issues on the basis that they are likely to be realised within the next twelve months.

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

Significant Risks

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

National Waiting Times Centre Board

Note 2(a) Staff Numbers and Costs

(i) Segmentation of Staff Costs

2010	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	Total £'000	2009 £'000
Salaries and wages	495	81	44,465	-	744	19	45,804	41,910
Social security costs	52	3	3,760	-	43	1	3,859	3,497
NHS Scheme employers' costs	65	-	4,778	-	4	3	4,850	4,584
Other employers' pension costs	-	-	6	-	-	-	6	11
Inward Secondees	-	-	-	261	648	-	909	991
Agency staff	-	-	-	-	5,150	-	5,150	6,152
Total	<u>612</u>	<u>84</u>	<u>53,009</u>	<u>261</u>	<u>6,589</u>	<u>23</u>	<u>60,578</u>	<u>57,145</u>

- (ii) The average number of WTE (including Board members and recharged staff excluding agency staff) employed during the year was as follows:

	Annual Mean 2010 No.	Annual Mean 2009 No.
Administration Costs	298.7	285.9
Hospital and Community Services	888.4	849.4
Non Clinical Services	162.3	145.7
Other, including recharge Trading Accounts	-	-
Inward Secondees	5.9	3.2
Agency staff	72.8	-
Outward Secondees	(0.5)	(3.5)
Total Board Average Staff	<u><u>1,427.6</u></u>	<u><u>1280.7</u></u>
Disabled staff	-	-

As an equal opportunities employer, the Board welcomes applications for employment from disabled persons and actively seeks to provide an environment where they and any employees who become disabled can continue to contribute to the work of the Board. The Board employs a number of registered disabled staff.

Note: Staff pension benefits are provided through the NHS Superannuation Scheme for Scotland. Details of the scheme are in note 24.

National Waiting Times Centre Board

Note 2 (b) Higher Paid Employees Remuneration

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

	2010	2009
<i>Clinicians</i>		
£50,001 - £60,000	11	9
£60,001 - £70,000	7	1
£70,001 - £80,000	2	4
£80,001 - £90,000	2	7
£90,001 - £100,000	6	4
£100,001 - £110,000	5	6
£110,001 - £120,000	5	10
£120,001 - £130,000	4	6
£130,001 - £140,000	4	3
£140,001 - £150,000	2	3
£150,001 - £160,000	5	1
£160,001 - £170,000	3	1
£170,001 - £180,000	3	1
£180,001 - £190,000	-	1
£190,001 - £200,000	3	-
£200,001 and above	2	1
<i>Other</i>		
£50,001 - £60,000	18	22
£60,001 - £70,000	10	5
£70,001 - £80,000	5	4
£80,001 - £90,000	-	-
£90,001 - £100,000	1	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	-
£200,001 and above	-	-

Arrears of pay received by staff in 2009/10, which amounts to £261,036. This is split between clinical £204,731 and non-clinical £56,305.

The numbers above are exclusive of the six Executive Directors of the Board who are disclosed separately within the remuneration report.

National Waiting Times Centre Board

Note 3 Other Operating Costs

	<i>Note</i>	2010	2009
Expenditure Not Paid in Cash		£'000	£'000
Depreciation	<i>11</i>	5,608	5,231
Cost of Capital	<i>SOCTE</i>	4,815	4,647
Impairments on property, plant and equipment charged to OCS	<i>11</i>	1,712	981
Loss/ (Profit) on disposal of property, plant and equipment	<i>9</i>	-	(5)
Total Expenditure Not Paid in Cash		12,135	10,854

The Board is charged a cost of capital charge on average relevant net assets. The charge is made at the Government's standard rate, as determined by HM Treasury. The rate for the period ended 31 March 2010 was 3.5%.

Interest Payable

No interest was payable in either this period or the prior year.

	2010	2009
Statutory Audit	£'000	£'000
External auditor's remuneration and expenses	89	88
	<u>89</u>	<u>88</u>

National Waiting Times Centre Board

Note 4 Hospital and Community Health Services

By Provider

	2010	2009
	£'000	£'000
Treatment in Board area of NHS Scotland patients	107,691	104,647
Other NHS Scotland Bodies	-	-
Health Bodies outside Scotland	-	-
Private Sector	83	95
Total NHS Scotland Patients	107,774	104,742
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	107,774	104,742

All expenditure has been in the Acute Services category.

Note 5 Family Health Service Expenditure

There were no Family Health Service costs incurred in the period.

Note 6 Administration Costs

	2010	2009
	£'000	£'000
Board Members' Remuneration	696	666
Administration of Board Meetings and Committees	138	113
Corporate Governance and Statutory Reporting	150	161
Health Planning, Commissioning and Performance Reporting	-	-
Treasury Management and Financial Planning	21	20
Public Relations	-	-
Other	6,823	6,391
Total Administration Costs	7,828	7,351

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Note 7 Other non-clinical services

	2010	2009
	£'000	£'000
Loss on Disposal of non-current assets	-	-
Other	-	-
Total Other Non Clinical Services	-	-

Note 8 Operating Income

	2010	2009
	£'000	£'000
HCH Income		
NHS Scotland Bodies – Boards	48,609	46,421
Non-NHS:		
Private patients	194	136
Other HCH Income	57	67
Total HCH Income	48,860	46,624
Other operating income		
NHS Scotland Bodies	791	539
Profit on disposal of Fixed Assets	-	5
Interest Received	-	8
Other	4,553	4,780
Total other operating income	5,344	5,332
Total income	54,204	51,956
Of the above, the amount derived from NHS bodies is	49,400	46,960

National Waiting Times Centre Board

Note 9 Analysis of Capital Expenditure

	<i>Note</i>	2010	2009
Expenditure		£'000	£'000
Acquisition of Intangible Fixed Assets	<i>10</i>	-	-
Acquisition of property, plant and equipment	<i>11</i>	7,365	6,094
(Profit)/Loss of disposal of fixed assets	<i>OCS</i>	-	(5)
Gross Capital Expenditure		7,365	6,089
Income			
Net Book Value of disposal of Intangible Fixed Assets	<i>10</i>	-	-
Net Book Value of disposal of Property, plant and equipment	<i>11a</i>	11	53
Capital Income		11	53
Net Capital Expenditure		7,354	6,036
Summary of Capital Resource Outturn			
Net capital expenditure as above		7,354	6,036
Capital Resource Limit		7,696	6,576
Savings/(Excess) against capital resource limit		342	540

Note 10 Intangible Fixed Assets

There were no intangible fixed assets during the period.

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11 (a) Property, Plant and Equipment (Purchased Assets) for year ended 31 March 2010

	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 2009	5,680	108,583	31,379	5,270	534	2,356	153,802
Additions	-	-	2,572	667	-	4,126	7,365
Completions	-	5,449	910	-	-	(6,359)	-
Revaluation	-	(857)	-	-	-	-	(857)
Impairment Charge	-	(1,712)	-	-	-	-	(1,712)
Disposals	-	-	(54)	-	-	-	(54)
At 31 March 2010	5,680	111,463	34,807	5,937	534	123	158,544
Depreciation							
At 1 April 2009	-	-	13,760	3,295	444	-	17,499
Provided during the year	-	2,569	2,495	531	13	-	5,608
Revaluation	-	(2,569)	-	-	-	-	(2,569)
Impairment Charge	-	-	-	-	-	-	-
Disposals	-	-	(43)	-	-	-	(43)
At 31 March 2010	-	-	16,212	3,826	457	-	20,495
<i>Net book value purchased assets</i>							
At 1 April 2009	5,680	108,583	17,619	1,975	90	2,356	136,303
At 31 March 2010	5,680	111,463	18,595	2,111	77	123	138,049
Open Market value of Land included above	-	-					
Asset Financing:							
Owned	5,680	111,463	18,595	2,111	77	123	138,049
Net Book Value at 31 March 2010	5,680	111,463	18,595	2,111	77	123	138,049

National Waiting Times Centre Board

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

	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 2008	5,680	112,888	23,495	4,771	523	613	147,970
Additions	-	407	2,813	499	11	2,364	6,094
Completions	-	-	47	-	-	(47)	-
Transfers	-	-	5,082	-	-	-	5,082
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(4,305)	-	-	-	-	(4,305)
Impairment Charge	-	(407)	-	-	-	(574)	(981)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(58)	-	-	-	(58)
At 31 March 2009	5,680	108,583	31,379	5,270	534	2,356	153,802
Depreciation							
At 1 April 2008	-	-	10,541	2,817	433	-	13,791
Provided during the year	-	2,566	2,176	478	11	-	5,231
Transfers	-	-	1,048	-	-	-	1,048
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,566)	-	-	-	-	(2,566)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	(5)	-	-	-	(5)
At 31 March 2009	-	-	13,760	3,295	444	-	17,499
<i>Net book value purchased assets</i>							
At 1 April 2008	5,680	112,888	12,954	1,954	90	613	134,179
At 31 March 2009	5,680	108,583	17,619	1,975	90	2,356	136,303
Open Market value of Land included above	-	-					
Asset Financing:							
Owned	5,680	108,583	17,619	1,975	90	2,356	136,303
Net Book Value at 31 March 2009	5,680	108,583	17,619	1,975	90	2,356	136,303

National Waiting Times Centre Board

Note 11 (b) Property, Plant and Equipment (Donated Assets)

The Board held no Donated Assets during the period under review.

Note 11 (c) Assets Held for Sale

No assets were held for sale during the period under review.

Note 11 (d) Property, Plant and Equipment Disclosures

Net book value of tangible fixed assets as at 31 March	<i>Note</i>	2010	2009
		£'000	£'000
Purchased	<i>11a</i>	138,049	136,303
Donated	<i>11b</i>	-	-
	<i>BS</i>	138,049	136,303

Land, hospital and hotel buildings were fully valued by James Barr at the 31 March 2010 on the basis of existing use value or market value, where no longer in use. Other tangible assets were revalued on the basis of indices at 31 March.

The net impact was a reduction in value of £1.7 million (2008/09: £2.72 million), of which £1.712 million (2008/09: £1.739 million) was charged to the revaluation reserve and £1.712 million (2008/09: £0.981 million) charged to the operating cost statement.

Note 12 Inventories

	2010	2009	2008
	£'000	£'000	£'000
Raw Materials and Consumables	<u>1,245</u>	<u>1,542</u>	<u>1,003</u>

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Note 13 Trade and Other Receivables

		2010	2009	2008
	£'000	£'000	£'000	£'000
Debtors due within one year				
National Health Service in Scotland				
SGHD	-	-		
Boards	9,490		16,383	2,398
Total National Health Service in Scotland Receivables		9,490	16,383	2,398
NHS Non-Scottish Bodies	-			
General Fund Receivable	-			
VAT recoverable	80		77	-
Prepayments	439		592	575
Accrued income	13		18	
Other Receivables	374		325	145
Reimbursement of provisions	-		-	-
Other Public Sector Bodies	-		-	-
Total Receivables within one year		10,396	17,395	3,118
Total Receivables due after more than one year		-	-	-
Total Receivables		10,396	17,395	3,118

The total receivables figure above includes a provision for bad debts of £5,000.

Movements on the provision for Impairment of Debtors are as follows:	2010	2009
	£'000	£'000
As at 1 April 2009	4	3
Provisions for debtors impairment	5	4
Debtors written off during the year as uncollectible	(4)	(3)
At 31 March 2010	5	4

As at 31 March 2010, debtors with a carrying value of £20,322 (2008/09: £12,202) were impaired and provided for. The amount of the provision was £5,197 (2008/09: £3,805). The aging of these receivables is as follows:

	2010	2009
	£'000	£'000
3 to 6 months past due	-	1
Over 6 months past due	5	3
	5	4

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.

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Note 13 Debtors as at 31 March 2009 (continued)

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2010 debtors of carrying value of £28,843 (2008/09: £313,573) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	2010	2009
	£'000	£'000
Up to 3 months past due	29	313
3 to 6 months past due	330	754
Over 6 months past due	-	-
	359	1,067

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	2010	2009
	£'000	£'000
A	98	184
BB	61	111
BBB	-	1
Counterparties with no external credit rating	-	-
New customers	-	-
Existing customers with no defaults in the past	7	84
Existing customers with some defaults in the past	-	-
Total neither past due or impaired	166	380

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

The carrying amount of receivables are denominated in the following currencies:

	2010	2009
	£'000	£'000
Pounds	10,396	17,395
Euros	-	-
US Dollars	-	-
	10,396	17,395

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Note 13 Debtors as at 31 March 2009 (continued)

All non-current receivables are due within 1 year (2008/09: 1 year) from the balance sheet date.

The carrying amount of short term receivables approximates their fair value.

The fair value of long term other receivables is £0 (2008/09: £0).

The effective interest on non-current other receivables is 0% (2008/09: 0%).

Note 14 Available for Sale Financial Assets

There were no investments in the period.

Note 15 Cash at Bank and in Hand

	As at 1 April 2009 £'000	Cash Flows £'000	As at 31 March 2010 £'000
OPG Account Balance	3,047	182	3,229
Cash at Bank and in Hand	<u>222</u>	<u>(165)</u>	<u>57</u>
Total cash – balance sheet	3,269	17	3,286
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	<u>3,269</u>	<u>17</u>	<u>3,286</u>
Prior Year			
	As at 1 April 2008 £'000	Cash Flows £'000	As at 31 March 2009 £'000
OPG Account Balance	1,517	1,530	3,047
Cash at Bank and in Hand	<u>680</u>	<u>(458)</u>	<u>222</u>
Total cash – balance sheet	2,197	1,072	3,269
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	<u>2,197</u>	<u>1,072</u>	<u>3,269</u>

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

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Note 16 Trade and Other Payables

	2010		2009	2008
	£'000	£'000	£'000	£'000
Payables due within one year				
National Health Service in Scotland				
SGHD	-		-	-
Boards	2,708		8,988	2,561
Total NHS Scotland Payables		2,708	8,988	2,561
NHS Non-Scottish Bodies	-		-	-
General fund payable	3,287		3,269	2,197
Trade payables	2,103		457	949
Accruals	8,663		6,590	8,277
Deferred Income	54		1	-
Payments received on account	125		-	51
Interest Payable	-		-	-
Bank Overdrafts	-		-	-
Income tax and social security	1,209		1,073	550
Superannuation	538		565	290
Clinical/Medical Negligence claims	-		-	-
VAT	-		-	2
Other Public Sector Bodies	-		-	9
EC Carbon Emissions	-		-	-
Other payables	-		-	-
Total Payables due within one year		18,687	20,943	14,886
Total Payables due after more than one year		-	-	-
Total Payables		18,687	20,943	14,866

There are no borrowings included in the above.

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

The carrying value of payables are denominated in the following currencies:

	2010	2009
	£'000	£'000
Pounds	18,675	20,943
Euros	-	-
US Dollars	-	-
	18,675	20,943

National Waiting Times Centre Board

Note 17 Provisions for year-ended 31 March 2010

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
As at April 2009	-	233	-	15	248
Arising during the year	-	213	-	8	221
Utilised during the year	-	(13)	-	(8)	(21)
Unwinding of discount	-	-	-	-	-
Reversed unutilised	-	(30)	-	-	(30)
At 31 March 2010	-	403	-	15	418

The amounts above are stated gross and the amounts of any expected re-imburements are separately disclosed as receivables in note 13.

Analysis of expected timing of discounted flows

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	403	-	15	418
Non-current	-	-	-	-	-
Total as at 31 March 2010	-	403	-	15	418

Provisions for Prior-year

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
As at April 2008	-	9	-	-	9
Arising during the year	-	389	-	15	404
Utilised during the year	-	(78)	-	-	(78)
Unwinding of discount	-	-	-	-	-
Reversed unutilised	-	(87)	-	-	(87)
At 31 March 2009	-	233	-	15	248

The amounts above are stated gross and the amounts of any expected re-imburements are separately disclosed as receivables in note 13.

National Waiting Times Centre Board

Note 17 Provisions for year-ended 31 March 2010

Analysis of expected timing of discounted flows

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	233	-	15	248
Non-current	-	-	-	-	
Total as at 31 March 2009	-	233	-	-	248

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	9	-	-	9
Non-current	-	-	-	-	
Total as at 31 March 2008	-	9	-	-	9

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 1.8% in real terms.

Clinical and Medical

The basis of these provisions is the information provided by the Central Legal Office. Claims which are categorised as 3 are provided fully and are likely to be incurred within 1 year, claims that are categorised as 2 are provided for at 50% and are likely to be incurred in more than one year. Where claims are classed as a 1, these are deemed not likely to occur and are not provided for.

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Note 18 Movement on Working Capital Balances

	Opening Balances	Closing Balances	2010 Net Movement	2009 Net Movement
	£'000	£'000	£'000	£'000
Inventories				
Balance Sheet	1,542	1,245		
Net Decrease/(Increase)			297	(539)
Trade and Other Receivables				
Due within one year	17,395	10,396		(14,277)
Due after more than one year	-	-		
	17,395	10,396		(14,277)
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: general fund debtor included above	-	-		-
	17,395	10,396		
Net Decrease/(Increase)			6,999	(14,277)
Trade and Other Payables				
Due within one year	20,943	18,687		6,057
Due after more than one year	-	-		-
Less: Property, plant and equipment included above	(630)	(1,201)		-
Less: intangible assets included above	-	-		-
Less: Bank Overdraft	-	-		-
Less: General Fund Creditor included in above	(3,269)	(3,287)		(1,072)
Less: Lease and PFI Creditors included in above	-	-		-
	17,044	14,199		
Net (Decrease)/Increase			(2,845)	4,985
Provisions				
Balance Sheet	248	418		239
Transfer from Provision to General Fund	-	-		
Net (Decrease)/Increase			170	239
Net Movement (Decrease)/Increase			4,621	(9,592)

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Note 19 Contingent Liabilities

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

	Value	Value
	2010	2009
	£'000	£'000
Nature		
Clinical and medical compensation payments	267	225
Employer's liability	-	-
Other	14	13
Total Contingent Liabilities	281	238

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.

Equal Pay Claims

The Board has received no claims under the Equal Pay Act 1970 (mainly) from women seeking compensation for past inequalities with male colleagues, under their pay arrangements. However members of staff are included in the group claims submitted by NHS Greater Glasgow and Clyde.

The basis of those claims is as follows:

- The Claimant's job has been rated as being of equivalent to that of their comparator using a valid Job Evaluation Study and/or is of equal value to that of their comparator.
- Their comparator is currently paid or has been paid more than them.
- They claim equal pay, back pay and interest (back pay is claimed for the statutory maximum of five years.)

In the case of *Hartley v. Northumbria Healthcare NHS Trust* the Employment Tribunal ruled that the Agenda for Change job evaluation scheme was not discriminatory. This decision has curtailed the possibility of claims for any period after 1 October 2004. This decision led to the withdrawal of a number of claims by claimants represented by a contingency fee solicitor. The decision in *Hartley* and other recent decisions call into question how, and whether, several other aspects of claims will be taken forward. Only claims for the period prior to 1 October 2004 are likely to be progressed and the claimants will still have to establish that their jobs were of equal value to comparator jobs for that period.

Some cases are now being pursued that seek to establish the position in relation to specific aspects of claims that may impact on their scope and the potential comparator jobs that could be considered. In particular there is a test case that is considering the validity of the explanation which has been provided by the respondents as to why claimants and comparators doing jobs of equal value were in fact paid differently. The explanation is around the different collective bargaining structures that were in place for different staff groups. The outcome of this case will be important and will inform decision making about the strength of similar defences in other cases.

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Note 19 Contingent Liabilities (continued)

Claims still do not provide sufficient detail about the comparator jobs to allow an estimate to be made of the likelihood of the success of the claims or of any financial impact that they may have. The NHS Scotland Central Legal Office and Equal Pay Unit are continuing to monitor the progress of all equal pay claims in NHS Scotland and the developments relating to NHS equal pay claims elsewhere that may further inform the position. They continue to advise that it is not possible to provide any financial quantification at this stage because of the lack of information available. On the basis of their view the appropriate accounting treatment is to disclose the claims as a contingent liability that it is not possible to quantify.

Contingent Assets

The Board currently has no contingent assets.

Note 20 Events after the end of the reporting period

No events have occurred after the end of the reporting period which would have a material effect on the accounts.

Note 21 Commitments

Capital Commitments

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

	2010	2009
	£'000	£'000
Contracted		
Reception	-	50
Catering development	-	1,875
Lift completion	-	320
Total	<u>-</u>	<u>2,245</u>
Authorised but not contracted		
Clinical Skills Lab	950	376
Orthopaedic expansion	586	-
Total	<u>1,536</u>	<u>376</u>

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Note 22 Commitments under Leases

At 31 March 2010, the Board had annual commitments under non-cancellable operating leases as follows:

	2010	2009
	£'000	£'000
Operating leases		
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Obligations under operating lease comprise:		
Land	-	-
Buildings	-	-
Other		
Not later than one year	274	446
Later than one	593	804
After five years	-	-
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	-	-
Other Operating leases	-	-
Total	<u>867</u>	<u>1,250</u>

The Board held no finance leases in the reporting period.

Note 23 Commitments under Private Finance Initiative contracts

There were no commitments made by the Board under either off or on balance sheet PFI Contracts during the period.

Note 24 Pensions Costs

The NHS Board participates in the National Health Service Superannuation Scheme for Scotland, which is a notional defined benefit scheme where contributions are credited to the Exchequer and the balance in the account is deemed to be invested in a portfolio of Government securities. The pension cost is assessed every five years by the Government Actuary; details of the most recent actuarial valuation can be found in the separate statement of the Scottish Public Pensions Agency (SPPA).

The National Health Service Superannuation Scheme for Scotland is a multi-employer scheme where the share of the assets and liabilities applicable to each employer is not identified. The NHS Board will therefore account for its pension costs on a defined contribution basis as permitted by IAS 19.

For 2009/10, normal employer contributions of £4,484,600 were payable to the SPPA (prior year £4,266,989) at the rate of 13.5% (2008/09: 14%) of total pensionable salaries. No additional costs were incurred during the accounting period arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities.

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Note 24 Pensions Costs (continued)

Provisions/liabilities/pre-payments amounting to nil are included in the Balance Sheet and reflect the difference between the amounts charged to the Operating Cost Statement and the amounts paid directly.

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:

The scheme provides benefits on a 'final salary' basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years' pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contributions ranging from 5% to 8.5% of pensionable earnings. Pensions are increased in line with the Retail Prices Index.

On death, pensions are payable to the surviving spouse at a rate of half the member's pension. On death in service, the scheme pays a lump-sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension. The enhancement depends on length of service and cannot exceed 10 years. Child allowances are payable according to the number of dependent children and whether there is a surviving parent who will get a scheme widow/widower's pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than 2 years' service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

Members aged 50 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.

New 2008 Arrangements:

The scheme provides benefits on a 'final salary' basis at 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 the Pension benefits for a cash lump sum at retirement, up to 25% of overall Pension value. Members pay tiered contribution rates ranging from 5% to 8.5% of pensionable earnings. Pensions and allowances are index linked to protect their value.

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 earned.

Staff remaining under HCI terms and conditions of employment continue to receive benefits in the format of contribution to a defined contribution pension scheme unless they elected to join the National Health Superannuation Scheme. Contributions to the defined contribution pension scheme amounted to £6,179.

Pension Costs	2009/10	2008/09
	£'000	£'000
Pension cost charge for year	4,485	4,279
Additional Costs arising from early retirement	-	-
Provisions/Pre-payments included in the Balance Sheet	-	-

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Note 25 First Time Adoption of IFRS

For all periods up to and included year ended 31 March 2009, the Board prepared its annual report and accounts in accordance with UK GAAP. For the year ended 31 March 2010, the Board is required to prepare its annual accounts in accordance with International Financial Reporting Standards (IFRS) as interpreted by IFRem.

IFRS 1 requires that where an entity adopted IFRS for the first time, comparative amounts should be restated to the new accounting policies, and that the date of transition to IFRS is the beginning of the earliest comparative year reported in the financial statements. For the Board applying IFRS from 2009/10, this means that the effective date of transition to IFRS is 1 April 2008.

IFRS also requires that accounting policies are applied retrospectively, ie as if the transactions had always been accounted for under the new policy.

Reconciliation of Operating Cost Statement for the year ended 31 March 2009 from UK GAAP to IFRS

	£'000
Net Operating Cost for 2008/09 under UK GAAP	60,008
UK GAAP Prior year adjustment	-
Restated Net operating cost for 2008/09 under UK GAAP	60,008
Adjustments for:	
IAS 19 Employee Benefits	136
Net operating cost for 2008/09 under IFRS	60,144

Reconciliation of Impairment Losses for the year ended 31 March 2009 from UK GAAP to IFRS

IFRS

	Charged To OCS	Taken to revaluation reserve	Total
	£'000	£'000	£'000
Net Impairment losses previously recognised for 2008/09 under UK GAAP	(981)	-	(981)
Adjustments for:			
IAS 38 Intangible Assets	-	-	-
IFRS 5 Non-current assets held for sale	-	-	-
IAS 36 Impairment of Assets	-	-	-
IAS 16 Property, Plant and Equipment	-	-	-
Net impairment losses for 2008/09 under IFRS	(981)	-	(981)

An explanation of the adjustment made on first time adoption of IFRS is provided below

IAS 19 Employee benefit

An adjustment was made to recognise short-term employees benefits in accordance with IAS 19.

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Note 26 Restated Balance Sheet

For Period ended 31 March 2009	Per UK GAAP Accounts 2008/9 £'000	IAS 19 Employee Benefit £'000	IFRS Balance Sheet 2008/09 £'000
Non-current assets:			
Property, plant and equipment	136,303	-	136,303
Total Non-current assets	136,303	-	136,303
Current Assets:			
Inventories	1,542	-	1,542
Trade and other receivables	17,395	-	17,395
Cash and cash equivalents	3,269	-	3,269
Total Current Assets	22,206	-	22,206
Total Assets	158,509	-	158,509
Current Liabilities:			
Provisions	(248)	-	(248)
Trade and other payables	(20,698)	(245)	(20,943)
Total Current Liabilities	(20,946)	(245)	(21,191)
Non-current assets plus/less net current assets/liabilities	137,563	(245)	137,318
Total Non-current liabilities	-	-	-
Assets less liabilities	137,563	(245)	137,318
Taxpayers' Equity			
Opening General Fund at 1 April 2008	51,290	(109)	51,181
Funding Drawn down	65,983	-	65,983
Movement in General fund (Creditor)/Debtor	(1,072)	-	(1,072)
Non-cash charges – cost of capital	4,654	-	4,654
Transfer of fixed assets from other bodies	4,034	-	4,034
Net Operating cost for the year	(60,008)	(136)	(60,144)
Closing General Fund at 31 March 2009	64,881	(245)	64,636
Opening Revaluation Reserve at 1 April 2008	74,421	-	74,421
Net gain/ (loss) on revaluation/indexation of property	(1,739)	-	(1,739)
Closing Revaluation Reserve at 31 March 2009	72,682	-	72,682
Total Taxpayers' Equity	137,563	(245)	137,318

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Note 26 Restated Balance Sheet (continued)

For Period ended 31 March 2008	Per UK GAAP Accounts 2007/08 £'000	IAS 19 Employee Benefit £'000	IFRS Balance Sheet 2007/08 £'000
Non-current assets:			
Property, plant and equipment	134,179	-	134,179
Total Non-current assets	134,179	-	134,179
Current Assets:			
Inventories	1,003	-	1,003
Trade and other receivables	3,118	-	3,118
Cash and cash equivalents	2,197	-	2,197
Total Current Assets	6,318	-	6,318
Total Assets	140,497	-	140,497
Current Liabilities:			
Provisions	(9)	-	(9)
Trade and other payables	(14,777)	(109)	(14,886)
Total Current Liabilities	(14,786)	(109)	(14,895)
Non-current assets plus/less net current assets/liabilities	125,711	(109)	125,602
Total Non-current liabilities	-	-	-
Assets less liabilities	125,711	(109)	125,602
Taxpayers' Equity			
General Fund	51,290	(109)	51,181
Revaluation Reserve	74,421	-	74,421
Total Taxpayers' Equity	125,711	(109)	125,602

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Note 27 Financial Instruments

27a Financial Instruments by category

Financial Assets	Loans and Receivables £'000	Assets at fair value through profit and loss £'000	Achievable for sale £'000	Total £'000
At 31 March 2010				
Assets per balance sheet				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	387	-	-	387
Cash and cash equivalents	3,286	-	-	3,286
	<u>3,673</u>	<u>-</u>	<u>-</u>	<u>3,673</u>

Financial Assets	Loans and Receivables £'000	Assets at fair value through profit and loss £'000	Achievable for sale £'000	Total £'000
At 31 March 2009				
Assets per balance sheet				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	343	-	-	343
Cash and cash equivalents	3,269	-	-	3,269
	<u>3,612</u>	<u>-</u>	<u>-</u>	<u>3,612</u>

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Note 27 Financial Instruments (continued)

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2010			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT, income tax and social security)	-	14,178	14,178
	<hr/>	<hr/>	<hr/>
	-	14,178	14,178
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2009			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT, income tax and social security)	-	10,316	10,316
	<hr/>	<hr/>	<hr/>
	-	10,316	10,316
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

27b 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.

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Note 27 Financial Instruments (continued)

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	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2010	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	14,191	-	-	-
Total	-	-	-	-

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2009	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	16,459	-	-	-
Total	16,459	-	-	-

Note 27 Financial Instruments (continued)

National Waiting Times Centre Board

C – Market Risk

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

i) Cash flow and fair value interest rate risk

The Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign currency risk

The Board's only exposure to foreign exchange rates is through payment of £2,030 and receipt of £3,519. The Board is not exposed to foreign exchange rates.

iii) Price risk

The Board is not exposed to equity security price risk.

27c Fair value estimation

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Board does not currently hold any such assets.

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 28 Derivative Financial Instruments

The Board does not hold any forward exchange contracts.

Note 29 Related Party Transactions

The Board had no transactions with other government departments and other central bodies.

No Board member, key manager or other related party has undertaken any material transactions with the Board during the year.

Note 30 Segment Information

Segmental information as required under IFRS has been reported for each strategic objective.

	Segment 1 2009/10 £'000	Segment 1 2008/09 £'000
Net Operating Cost	61,386	60,137
Total Assets	138,049	152,976

In line with the requirement of IFRS the segments included in these accounts are in line with what is reported to management on a monthly basis.

Note 31 Third Party Assets

National Waiting Times Centre Board

There are no third party assets within the accounting period.

National Waiting Times Centre Board



DIRECTION BY THE SCOTTISH MINISTERS

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

Signed by the authority of the Scottish Ministers

Dated 8 February 2006