NATIONAL WAITING TIMES CENTRE BOARD

ANNUAL REPORT AND ACCOUNTS

For Year ended 31 March 2015

Annual Report and Accounts

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ANNUAL ACCOUNTS AND NOTES FOR YEAR ENDED 31 MARCH 2015

ANNUAL REPORT

In accordance with the Financial Reporting Manual (FReM) the Board is required to prepare an annual report alongside the annual accounts, this is consistent with prior years. The annual report comprises:

- **Management Commentary**
  - The Strategic Report.
  - The Directors Report.
- **The Remuneration Report**

STRATEGIC REPORT

Strategy, Principal Activities and Review of the Year

The NHS National Waiting Times Centre is a national resource for NHSScotland made up of four distinct parts - the Golden Jubilee National Hospital, the Beardmore Hotel and Conference Centre, the Beardmore Centre for Health Science and the Innovation Centre. The overall vision of the Board is to lead quality, research and innovation for NHSScotland.

Leading quality research and innovation

Over the last year our Board has refined our unique Quality Framework that provides assurance that safe, effective, person centred care is our top priority and delivered at all times. For our Board this has been integrated into our everyday working and thinking. In summary the three workstreams are

- ***Board Governance*** – through all the work the Board is involved in with for example review and realignment of Board Agenda, Committees, the development of the Board Vision and Values and alignment of our LDP, Scorecard, Corporate Objectives etc in line with the NHS Scotland Quality Strategy and Ambitions.

- ***Quality indicators*** – through the development of our range of visual and interactive indicators displayed on our dashboards, eg – clinical outcomes, patient experience, staff values, performance and public expectations all of which links together into our overall Board Quality Dashboard.

- ***Values based Workforce*** – through our leadership programmes and developing framework, values based recruitment process, values measurements and staff performance indicators.

In 2014, The Cabinet Secretary for Health and Wellbeing announced that the Golden Jubilee National Hospital will lead an ambitious new national health & social care innovation fund, which aims to raise millions of pounds, to develop original and pioneering treatments for Scotland's patients. The Golden Jubilee National Hospital are now working on behalf of the whole NHS in Scotland to raise funds from a variety of sources, including donations and European grants. This dedicated fund is about giving innovators the support they need to turn their excellent ideas into world-leading health services for the people of Scotland. The fund will enable ideas where there is a proof of concept but not evidence of benefits to NHSScotland patients to be tested.

We have developed the Medical Devices Alpha Test (MDaT) process, which enables individuals and organisations (commercial device companies, academic organisations etc) to submit an idea or device for review by clinical experts. The presenting entity owns the idea/device and has ownership of the outcome of the MDaT process, including any Intellectual Property.

Strategy, Principal Activities and Review of the Year (continued)

We have pioneered the 'Enhanced Recovery' for patients undergoing hip and/or knee replacements, allowing them to be mobile on the same day as their surgery, and creating the lowest length of stay for these procedures.

In a series of Scottish firsts the Golden Jubilees:

- cardiologists replaced a patient's heart valve through a vein in his leg, avoiding the need for open heart surgery;
- heart surgeons began implanting Ventricular Assist Devices (VADs) – also known as artificial hearts – into patients with advanced heart failure, giving patients the time they need until their own heart recovers or a transplant becomes available;
- anaesthetists developed Scotland's first ever training course for doctors on single lung ventilation using a patient simulator. This event now takes place regularly on site; and
- Our pioneering team developed an innovative programme which allows medical students, trainee doctors and clinicians to practice surgical techniques on 3D models and animations. In the future, it could also be used to help patients understand their diagnosis and treatment options, through seeing a visual representation of what their treatment will involve. The training is currently being used within the Golden Jubilee's Enhanced Recovery Programme for teaching knee anatomy and regional anaesthesia, however it could potentially be used for training in more specialties.

With our Board vision of "Leading Quality, Research and Innovation" for NHS Scotland, our "Innovation campus/enterprise" includes all four of our onsite facilities – the Golden Jubilee National Hospital, the Beardmore Hotel and Conference Centre, the Beardmore Centre for Health Science and the Innovation Centre. Each area currently has its own identity/brand, however it was agreed that there is a real need to have an overarching identity/brand for the full Innovation campus/enterprise.

During 2014/15, we developed our 'brand' that will take a lead role in positioning our "Innovation Campus" as the leading site for new concepts and innovations on behalf of NHS Scotland. Going forward, our campus will be known as the Golden Jubilee Foundation with four key elements – the Golden Jubilee National Hospital, the Golden Jubilee Innovation Centre, the Golden Jubilee Conference Hotel and the Golden Jubilee Research Institute.

The Golden Jubilee National Hospital

Based in Clydebank, near Glasgow, the Golden Jubilee is Scotland's flagship hospital specialising in heart, lung, orthopaedic and ophthalmic services. The hospital also carries out a number of diagnostic and surgical specialties to help reduce patient waiting times across the country.

The Golden Jubilee National Hospital manages regional and national heart and lung services such as:

- 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 Scottish National Advanced Heart Failure Service, including the heart transplant unit;
- the Scottish Pulmonary Vascular Unit; and the
- Scottish Adult Congenital Cardiac Service.

The hospital is also one of only two specialist centres in the West of Scotland that provides 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.

Strategy, Principal Activities and Review of the Year (continued)

It is also a major centre for orthopaedics and following the announcement of recent expansion plans will carry out over 25% of all Scottish hip and knee replacements. The Golden Jubilee National Hospital ophthalmology department has also continued to expand to meet demand of NHSScotland and carries out at least 12% of all cataract operations.

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
- Bariatric surgery

Diagnostic Imaging Services

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

2014/15 Patient activity

In 2014/15, we were set a target of carrying a total of 27,110 inpatient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, bariatric surgery, hand surgery, endoscopy and diagnostic imaging. This number excludes any activity associated with the regional and national heart and lung services.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2014/15 was 32,012 which was 4,902 procedures more than anticipated at the beginning of the year, and 18.1% ahead of plan (adjusted for complexity). Collectively, (in patient/day case and imaging) activity for 2014/15 was 19% higher than in 2013/14. This percentage increase equates to 5,037 more patients than last year.

At the year end 4,460 orthopaedic theatre slots were used against a plan of 4,005. This represents an increase of 11% in comparison to 2013/14. A total of approximately 6,500 new out patients have been seen in the orthopaedic clinic this year to achieve this level of activity. In addition to this activity our orthopaedic surgeons have facilitated three outreach clinics in Shetland and three outreach clinics in Highland at which time the consultants saw a total of approximately 468 new out patients. Patients identified as requiring orthopaedic surgery, have their procedure carried out at the Golden Jubilee. Follow up clinics are now routinely conducted via a telehealth link. Patient and staff feedback from these clinics has continued to be positive throughout the year.

In Ophthalmology at the year-end a total of 4,146 cataract procedures were delivered against a plan of 3,600 (15.2% rise). Approximately 5,460 new out patients have been seen this year in the ophthalmology clinic to achieve this level of activity. Also, the ophthalmology service has undergone significant redesign to achieve this activity and this has resulted in a 66% increase in ophthalmic surgery since 2013/14.

Diagnostic imaging activity was significantly ahead of the full year plan by 4,480 examinations (28%) - 15% higher than at the end of March 2014.

Strategy, Principal Activities and Review of the Year (continued)

Cardiac surgery waiting time

In 2014/15, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees and ensuring that we meet the Treatment Time Guarantee for patients.

Although, heart and lung services are measured through the Treatment Time Guarantee, activity was nearly 8% ahead of plan, with a significant variance in interventional cardiology which was 70% higher than expectations.

Scottish National Advanced Heart Failure Service (SNAHFS)

The service continues to exceed the target transplant activity outlined in the Strategy for the service and through the focussed work of the SNAHFS team there continues to be increasing numbers of transplantations. We experienced a slower start to activity in 2014/15 than in the previous year ***where a*** total of 19 transplants were performed, however, we carried out 13 transplants in 2014/15.

Our Ventricular Assist Device (VAD) programme continues, although numbers of implanted VADs have reduced, and are expected to stay at current levels. The use of VAD implantation as a bridge to transplant is being successfully maintained.

We continue to focus on our Retrieval Strategy and have undertaken significant redesign of our retrieval service to bring it in line with other centres in the UK.

Scottish Adult Congenital Cardiac Service (SACCS)

The establishment of the Scottish Congenital Cardiac Network has been a major achievement and has heralded a new approach to the care of patients of all ages with congenital heart disease. The foundation has been laid to take major strides forward in the management of patients with adult congenital heart disease (ACHD) through the development of Scottish Standards of ACHD care, the introduction of Scotland wide guidelines for clinical management and further develop the expanding clinical network of care providers. Patient involvement is now paramount in all stages of the process.

There has been expansion of outreach support to all but one hospital in the Northern, and South East and Tayside regions. This has facilitated, for the first time in Scotland, the wide acceptance of a shared model of care in which patients can access high quality local services whilst maintaining access to the specialist service when required. The expansion of the SACCS service and associated resource demand recently resulted in an additional allocation of £275,000 from National Services Division (NSD) to support this service.

The development of a non national ACHD outpatient review service for those with congenital heart disease in the West of Scotland has had a major impact on the workload of the SACCS service.

This has allowed the specialist team to concentrate on delivering the highly specialist aspects of care and is improving equity of access to the SACCS national service from other regions within Scotland.

Currently this non-national outpatient review service is provided within GJNH; however it is planned that the individual Boards within the region will provide this care at a local level by the end of 2015. The first of these Board–based non national clinics commences in Glasgow in summer 2015.

Strategy, Principal Activities and Review of the Year (continued)

Scottish Pulmonary Vascular Unit (SPVU)

Specialist services for pulmonary arterial hypertension are designated as a national specialist service and are commissioned on behalf of NHSScotland by the National Services Division; its mission is to provide first class investigation and appropriate treatment for those patients who have this rare and life threatening illness.

We continue to develop the patient pathway based on receiving patient referrals from respiratory medicine or cardiology and these are vetted by our Consultant team. Some of the changes that we have introduced include direct admission for selected patients, initiation of therapy on the day of the multidisciplinary meeting, and assigning new patient slots in every clinic, which have resulted in a reduction in the time between referral and diagnosis/treatment.

Outpatient activity at both GJNH and at the satellite Aberdeen clinic continues to increase and all available space has been utilised. The Aberdeen outreach clinic is extremely popular with patients in the north east of Scotland, preventing around 80 trips to Glasgow per year. NSD have agreed to review the need for further outreach clinics and scoping work is underway. The respiratory medicine element of the SPVU service continues to be provided by NHS Greater Glasgow and Clyde as part of the much larger respiratory medicine service.
We have initiated a review of the SPVU patient pathway at GJNH and it is intended that during 2015, further capacity modelling work will be initiated which will help to define the ongoing resource requirement at GJNH and support the future strategic direction of the SPVU Clinical Strategy.

The Beardmore Hotel and Conference Centre

The four star Beardmore Hotel and Conference Centre has been managed by the NHS National Waiting Times Centre Board since 2002.

The Beardmore Strategy to date has focused on the facility becoming the NHS and public sector conference and training venue of choice. Since then, the Beardmore has consolidated its position, sustained growth, generated efficiency savings and invested in the infrastructure and service.
In the last three years, over 50% of Beardmore business has been derived from the NHS, Public Sector and Third Sector.

In addition, the Beardmore has increased its support to the Golden Jubilee National Hospital through patient, relative and staff accommodation as well as supporting international medical training and conferences. In 2014/15, over 7,000 patient related bedrooms were provided in the hotel, facilitating improved patient access to treatment and reduced waiting times.

Over the last year, we have been working on a new strategy that allows us to build on the foundations of this success whilst supporting the NHS quality ambitions, 2020 route map and our own Board vision of ‘leading quality, research and innovation for NHSScotland’.

The culmination of this work – The Beardmore 2020 Strategy – identifies an optimal and innovative future for hotel and conference centre as a more enhanced, active and productive part of our NHS Board whilst maximising its potential as a national resource.

Put simply, by 2020 the Beardmore (under the new name of the Golden Jubilee Conference Hotel) will be recognised as a pivotal meeting and hospitality element of an internationally renowned innovation campus – the Golden Jubilee Foundation - a global centre of excellence for quality, research and innovation in medicine and health care.

Strategy, Principal Activities and Review of the Year (continued)

The Beardmore Centre for Health Science

Opened in May 2011, The Beardmore Centre for Health Science is a world class research and clinical skills centre supporting our Board vision on Leading Quality, Research and Innovation.

Similar to the Hotel and Conference Centre, this first-class centre is a crucial element of the Golden Jubilee Foundation. It will continue to:

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

In 2015, The Beardmore Centre for Health Science will change its name to the Golden Jubilee Research Institute and will continue to undertake ground-breaking research across all of our hospital specialties including interventional cardiology, electrophysiology, pulmonary vascular disease, advanced heart failure, orthopaedics and anaesthetics.

Since starting our research programme in 2008/09, research projects had increased by 150% by 2013/14 (14-35)

Researchers and clinicians from the Golden Jubilee National Hospital:

- are part of the team of scientists, cardiologists and heart surgeons participating in a £3.9m study into how to prevent the failure of heart bypass grafts;
- carried out a delayed stenting trial which suggested that waiting for a period of time before putting in a stent may improve clinical outcomes for patients experiencing a STEMI heart attack;
- published research which revealed that Computer Assisted Hip Arthroplasty could increase accuracy of the surgery by over 20 per cent, from 70 per cent to over 90 per cent;
- are part of the UK's first gene therapy trials for heart failure patients, called CUPID2 and
- SERCA2a, taking place in only two hospitals; and
- played a major role in the 'PRAMI trial' over the past five years, finding evidence to suggest that preventative angioplasty following a heart attack has the potential to save the lives of thousands of patients every year.

Endowments

The Board has a reasonable level of endowments which are currently administered by NHS Greater Glasgow and Clyde. During the year a detailed review was undertaken of the endowment processes and administration within the Board particularly with regard to research and innovation, it was approved by the Endowments Committee that this function would be moved to the Board during 2015.

Awards gained in 2014/15

In 2014/15, The NHS National Waiting Times Centre climbed 53 places since last year to be listed in the Top 100 Employers in Stonewall's Workplace Equality Index (WEI). The WEI is a measure of how an organisation meets the needs of Lesbian, Gay and Bisexual (LGB) staff and service users and is a good indicator for equality generally.

Strategy, Principal Activities and Review of the Year (continued)

Our Board was ranked in the top five employers in Scotland as well as being the top NHS Scotland Board for the fifth year in a row. In addition, over the past 12 months the Golden Jubilee has continued to invest in finding innovative ways to create an inclusive work environment, and becoming the first NHS Board to have both its Chair and Chief Executive sign the Stonewall Scotland NoBystanders pledge, dedicated to eradicating bullying in the workplace.

Financial Performance

Financial Performance and position

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

The Scottish Government Health and Social Care Directorate (SGHSCD) 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.

	DRAFT	**Limit as set by SGHSCD £'000** (1)	**Actual Outturn £'000** (2)	**Variance (Over)/Under £'000** (3)
1	Revenue Resource Limit - core	59,859	59,358	501
	Revenue Resource Limit – non-core	5,306	5,306	-
2	Capital Resource Limit - core	3,824	3,821	3
3	Cash Requirement	68,000	67,425	575

MEMORANDUM FOR IN YEAR OUTTURN	**£'000**
Brought forward surplus from previous financial year	500
Saving against in year Core Revenue Resource Limit (core funding)	**1**

Provisions for impairement of receivables
A provision of £3,000 has been provided in year in relation to bad/doubtful debts (prior year £3,000).

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.

Financial Performance and position (continued)

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

- Clinical & Medical - £1,103,000 (prior year £814,000)
- Other - £16,000 (prior year £26,000)
- Participation in CNORIS – £409,000 (prior year £464,000)
- Total for year – £1,528,000 (prior year £1,304,000)

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

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £327,000 (prior year £374,000).

Prior year adjustments
During the year adjustments were made to the prior year related to the recognition of the Boards share of the Scottish liability for CNORIS provision. The adjustment is recognised in note 15.

Signifiant changes in non-curent assets
During 2014/15 there has been no significant change in non-current assets, however a small area of land was declared surplus at the net book value of £65,000.

Performance against Key Non-Financial Targets

Local Delivery Plans (LDPs) remain a vital part of the delivery framework and are the 'performance contract' between the Scottish Government and NHS Boards. The Performance targets within LDPs are designed to support delivery of the strategic improvement priorities for Scotland, namely the six Quality Outcomes:

- Everyone gets the best start in life, and is able to live a longer, healthier life
- People are able to live at home or in the community
- Healthcare is safe for every person, every time
- Everyone has a positive experience of healthcare
- Staff feel supported and engaged
- The best use is made of available resources

In 2014/15 the LDP had three elements which were underpinned by finance and workforce planning:

- Our Board local priorities – Board 2020 Strategy
- HEAT plans and delivery trajectories
- Improvement & Co-production Plan

Within our Board local priorities we outlined our strategic vision and developments within our national services. During 2014/15 we continued the expansion of patient services including orthopaedic, ophthalmology and diagnostic services The LDP also described the physical capacity available at GJNH for development of existing services or creation of new services to expand our capacity as a national resource.

The LDP also highlighted the crucial role that the Beardmore Hotel and Conference Centre fulfils in supporting, not only public sector conferences and training, but also directly to the Golden Jubilee through patient, relative, visitor and staff accommodation. The 2020 Beardmore Strategy will look to ensure that this support increases and enhances delivery for NHS Scotland. In addition, the planned developments for the Beardmore Centre for Health Science building cement its success in research and clinical skills.

Within the Improvement and Co-production plan we outlined our priorities against the NHS Scotland 2020 route map. We described how this broad range of improvement activity is supporting us to achieve these aims and objectives as well as helping us to deliver on the three quality ambitions of safe, effective and person-centred care.

The local and relevant national HEAT targets agreed for the 2014/15 Local Delivery Plan (LDP) are as follows:

Local targets and priorities

L1 Strategic changes and expansion within our national services
L2 Expanding capacity as a National Resource
L3 Options to deliver local services
L4 The Beardmore Centres - Hotel and Conference Centre and The Beardmore Centre for Health Science

1. Health Improvement

1.1 Early Cancer Detection – Lung Cancer

Performance against Key Non-Financial Targets (continued)

2. **Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS**

2.1 Reduce carbon emissions/ Reduce energy consumption

3. Access to Services – recognising patients' need for quicker and easier use of NHS services

3.1 Delayed Discharge

4. Treatment Appropriate to Individuals - ensure patients receive high quality services that meet their needs

4.1 MRSA/MSSA Bacteraemia/ Clostridium difficile infections

Key Performance Indicators - LDP HEAT Targets

1. NHS Scotland Objective No.1 – Health Improvement

2014/15 HEAT Target No.	Key Performance Targets	Status at 31/03/15	Comments
1.1	Early Cancer Detection – Lung Cancer Surgical treatment	The NWTCB consistently achieved the 31 day cancer HEAT standard during 2014-15 and works with referring Boards to meet the 62 day standard.	The importance of effective and timely surgical treatment of lung cancer remains a priority for the Board in delivering safe, person-centred care.

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

2014/15 HEAT Target No.	Key Performance Targets	Status at 31/03/15	Comments
2.1	**NHS Scotland Overall HEAT Performance Target** **Energy Efficiency** **Year 5 – 4.29%** **C02 Fossil Fuel** **Year 5 – 12.68%** **(Baseline 2009-10)**	Performance against the energy efficiency and C02 Fossil fuel targets to end March 2015 are being validated and will be published during the first quarter of 2015-16.	Over the five years of this target the Board has continued to deliver sustained increased clinical activity with enhanced use of the estate. During 2014-15 we replaced our existing steam raising plant with medium temperature hot water boilers and it is expected that we will begin to realise the benefits of this in the coming year with reduced energy consumption and carbon emissions.

Performance against Key Non-Financial Targets (continued)

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

2014/15 HEAT Target No.	Key Performance Targets	Status at 31/03/15	Comments
3.1	Delayed Discharge	We have had no delayed discharges in the year 2014/15	NWTCB has well-developed discharge planning arrangements with a dedicated team working closely with patients and referring Boards to ensure that appropriate discharge planning takes place and address any challenges to effective capacity planning with local authority and social services colleagues.

4. NHS Scotland Objective 4 – Treatment

2014/15 HEAT Target No.	Key Performance Targets	Status at 31/03/15	Comments
4.1	MRSA/MSSA Bacteraemias: 0.24 cases per 1000 occupied bed days by end March 2015 is the national target.	Our local target is to maintain at 0.12 cases per 1000 total occupied bed days. For the year April 2014-March 2015 we achieved our performance with 0.04 cases per 1000 acute occupied bed days.	We continue to maintain this extremely challenging target with only two reported cases during 2014-15.
	Clostridium difficile infections in ages 15+: Maintain at 0.25 cases per 1000 total acute occupied bed days is the national target.	Our local target is to maintain at 0.10 cases per 1000 total occupied bed days and this has been achieved.	We continue to maintain this extremely challenging target with no cases of clostridium difficile infection in 2014-15.

Improvement and Coproduction Plan
The relevant national 2020 route map priorities for the Local Delivery Plan (LDP) are as follows:

1. Person-centred Care
2. Safe Care
3. Unscheduled and emergency care
4. Integrated Care
5. Care for Multiple and Chronic Illnesses
6. Health Inequalities
7. Workforce
8. Innovation
9. Efficiency and Productivity

Performance against Key Non-Financial Targets (continued)

Improvement and Co-production Plan

1. Person-centred Care progress

A strong person-centred ethos exists within the Board and we have used the National Person Centred Health and Care Programme to further enhance our progress to ensure all care services are centred around people and evidenced by improvements in care and staff experience.

During 2014 we undertook a full review of the role and impact of the Quality Patient Public Group (QPPG) to ensure it continues to be a key voice for patients involving third sector partners, patients and services users and representatives from other NHS Boards.

We continue to develop our management of patient complaints and feedback processes in a continuous and sustainable way within the context of our Board's vision and values. Central to this is empowering and encouraging staff to engage with patients and their families quickly to fully understand their concerns and ensure these are appropriately managed and resolved and to understand the consequences for patients and families.

Our Caring Behaviours Assurance Programme (CBAS) has also proved essential in delivering person centred care. Part of this work has been the evaluation of patient and staff questionnaires by a US researcher who has visited the Board to meet the management team and Executives. This has illustrated that we have sufficient data to establish a baseline and this external analysis has shown high levels of satisfaction for both staff and patients alike. This work will continue in 2015.

The nursing teams and wards have identified their Person Centred Care Quality Indicators that are used to improve Caring Behaviours within clinical areas. This includes 'challenging conversations' with staff encouraged to openly and fairly discuss areas of interaction or practice that does not seem to be in line with person centred care.

Values Based Reflective Practice (VBRP) groups have been designed to help healthcare staff deliver the care they came into the service to provide. This work has been led by a trained VBRP facilitator within the Board and the pilot is due to end in March 2015. A number of teams have engaged with the process and it has been well received by those involved. Other NHS Boards have expressed an interest in the outcomes of the VBRP groups and the aim is to evaluate effectiveness with a view to extending the pilot in 2015 with funding support from the Person Centred Health and Care bids.

2. Safe Care progress

The Board has robust and well managed clinical governance arrangements in place designed to further improve the safety of people in acute adult healthcare.

We have clearly defined roles and responsibilities across managerial and clinical staff to progress the SPSP workstreams. The actions associated with Point of Care and embedding the 10 Safety Essentials are monitored directly by the SPSP Leadership Group and there is a clear line of accountability through the governance structures to the Clinical Governance Committee ultimately providing assurance on compliance with the programme to the Board.

Progress across the Acute Adult Programme includes:

Deteriorating Patient

Following successful implementation in the Cardiothoracic wards the National Early Warning Score (NEWS) tool is now being introduced to the Orthopaedic wards and early discussions are now underway to extend the use of the tool to Cardiology.

Performance against Key Non-Financial Targets (continued)

The **Sepsis** programme integrates well with the Deteriorating Patient workstream and some examples of progress include a GJNH Sepsis screening tool, use of 'Think Sepsis' stickers, and introduction of Sepsis Champions. This is enabling us to identify patients at risk of sepsis at an earlier stage.

The revised **SPSP Falls** care bundles work has been tested using PDSA cycles in one pilot ward and the falls documentation has been developed to produce a form which will cover most of the bundle requirements. Data collection continues and the aim is to spread to other areas with a focus on staff education around the revised paperwork.

As part of our programme to **Reduce Hospital Acquired Pressure Ulcers** we have a number of actions underway including the implementation of the use of validated Risk Assessment Tools across the hospital and measuring compliance with risk assessment within six hours of admission into GJNH including a full skin inspection.

The **Heart Failure** bundle has been reliably implemented within our National Services Division (NSD) ward and key actions include:

- All patients receive expert review (by a consultant cardiologist with a specialist interest in heart failure).
- All patients have received or had consideration of evidence-based drug therapy for heart failure.
- Patients are referred to the Heart Failure Liaison Service on or before discharge and currently 96% of patients in NSD with heart failure receive this.

The **Surgical Site Infection (SSI)** bundle includes ward and theatre based interventions to improve teamwork and communication as well as ensuring evidence based care for preventing SSI. The bundle is now implemented in all orthopaedic theatres for all major cases.

There has been good progress around the **Safer User of Medicines** with the main pieces of work around electronic medicines cupboards and new IV medicine pumps. Electronic Drugs Cupboards (EDCs) will be implemented in 2015 ensuring that that patients receive their drugs in a more efficient and timely manner. The ultimate benefit of the EDCs will come from the reduction in drug selection errors.

Mortality
The Board continues to focus improvement activity on mortality and morbidity arrangements and there continues to be a reduction in mortality across all of our clinical specialties. Our unadjusted mortality rates have fallen from 4.5% in 2008/9 to 1.5% in 2012/13 despite increasing our heart transplant activity.

Vale of Leven Inquiry
As part of Lord Maclean's inquiry report, all Boards were asked to make an assessment of progress against the recommendations. We have responded to this request and all recommendations will be monitored through our internal governance structures and reported to our Board. We have fully reviewed all of our internal procedures and the inquiry recommendations, and have provided assurance to our Board and the Scottish Government that our services are safe.

3. Unscheduled and Emergency Care progress

A key priority for the Board is to ensure that we are able to maximise flow through the system to support both unscheduled and emergency cardiology and cardiac surgery patients, including heart transplant activity.

Performance against Key Non-Financial Targets (continued)

In 2014 we opened a new cardiology unit to support various aspects of interventional cardiology treatments as well as the provision of additional catheterisation laboratory capacity. This unit is designed to support inpatient treatment, specialist patient review (assessment) by the broader multidisciplinary team and inpatient research studies.

We have also recently implemented a revised Critical Care medical model which also supports the optimisation of care of emergency patients.

These developments have resulted in:
- Increased flow and timeliness of Cardiology inpatient transfers
- Facilitated the increased throughput required to reduce waits and maximise patient journey
- Supported the treatment of more urgent inpatients.

4. Integrated Care progress

In line with the Public Bodies (Joint Working) (Scotland) Bill – Integration of Health & Social Care Services, GJNH is developing plans to support other NHS Boards as they establish their integrated structure and are actively engaging with our local authority neighbour West Dunbartonshire Council. In addition we have a passion to design new and innovative models of care partnerships that could help deliver the integration agenda supporting the Scottish Government commitment to public sector reform.

We have begun to explore the feasibility of a range of local developments with West Dunbartonshire:

- Consideration of the modernisation of Clydebank Health Centre which may involve relocation of the Health Centre closer to land around the Golden Jubilee National Hospital, allowing direct access to laboratory and other diagnostic facilities;
- Carrying out a high level feasibility analysis to outline what could be developed at the GJNH campus for the provision of more locally delivered services;
- Opportunities to explore models for sharing a range of corporate support services with the council such as transport or estates services;
- Development of closer training links with West College (Clydebank Campus), reviewing offering apprenticeship opportunities with our Board; and
- Relocation of leisure centre facilities to land close to the Golden Jubilee National Hospital, opening up the possibility of sharing facilities or developing new services.

5. Care for Multiple and Chronic Illnesses progress

NWTCB is the home of the following designated national services:
- Scottish National Advanced Heart Failure Services (SNAHFS)
- Scottish Adult Congenital Cardiac Service (SACCS)
- Scottish Pulmonary Vascular Unit (SPVU)

Additionally our key priorities for these national services are described in detail earlier in this section: L1 “Strategic changes and expansion within our national services”

These services are responsible for treating patients often experiencing multiple and chronic illnesses with the aim of ensuring that they are cared and supported in the highest quality and most effective way for their particular needs. We provide a range of support options to deliver this care:

- A helpline is run by specialist nurses to respond to patient/carer enquiries
- Access is provided to the onsite hotel facilities for patients and their families travelling for clinical assessment or inpatient treatment.

Performance against Key Non-Financial Targets (continued)

- Outreach services have been set up across Scotland supported by specialists from GJNH working with local clinicians, with the aim of providing equity of access to highly specialist advice, review and detailed assessment when it is needed and in a location most appropriate to the clinical needs of the patient.
- Recognising the importance of well supported transition arrangements for patients moving from paediatric to adult care there are both consultant and nurse led clinics twice a month at the Royal Hospital for Sick Children in Glasgow. There is a strong ethos of person-centred care, where patients and their families moving into transition services are supported to ensure consistency of care at a time which can be unsettling for vulnerable young people and their families.

One common aspect of the care provided for patients within these services is the requirement to assess their clinical needs, often on an in-patient basis, utilising the full range of specialist diagnostic services here at the GJNH. There is also close collaboration with the patient's local clinical team providing advice and management on the care of patients across Scotland.

Recognising that for some of these patients palliative care is an important element we have enhanced our provision of psychology services to support the patient and family and have developed links with a number of external organisations providing palliative care.

6. Health Inequalities progress

Equality and Diversity, Involvement and Inclusion

Investor in Diversity
Investor in Diversity (IiD) is an accreditation awarded by the National Centre for Diversity which demonstrates a commitment to attaining the highest standards in Equality and Diversity (E&D). We are now working towards level three Leaders in Diversity accreditation.

Equality outcomes and mainstreaming report
We have developed and approved a mainstreaming report which will be approved by our Board in May 2015 and which reflects progress against our equality outcomes and plans over the period since our last report was published in 2013. We continue to work towards achieving all of our Equality Outcomes, which set out what we wished to achieve in this area from 2013-2015.

We carried out an external access audit at the end of 2014 are working to review the impact and required actions during 2015/16.

We remain committed to creating an inclusive work environment that welcomes individuals of all backgrounds and actively highlights and celebrates our unique mix of staff, patients and visitors.

Diversity Champions
During 2012-13 we introduced the first cohort of Diversity Champions (DC) to the Board and have since evaluated the effectiveness of these roles. The key feedback highlighted that the Diversity Champions have made a significant impact across the organisation and that there is a need to continue to support them. The existing Diversity Champions supported the recruitment drive of a second cohort of 14 Champions, who were recruited and trained in April 2014.

The Champions take an active role in supporting different events, including the annual Equalities Festival, networking meetings, events and awareness-raising sessions with external agencies as mentioned above. This increases not just their own awareness but that of our staff, patients and visitors.

Performance against Key Non-Financial Targets (continued)

Volunteers
We have reviewed our volunteering service and have created a part-time Volunteer Manager post to coordinate and develop this service in conjunction with our partners in West Dunbartonshire Community Volunteer Service.

We have also introduced the National Volunteer Information System, which will become a central tool in developing volunteering roles alongside our continued expansion.

Improving Access to Employment
The number of youth employment opportunities we offer has increased year-on-year since 2013. We have provided 152 opportunities between April 2013 and December 2014, covering a range of positions across support services and administration. We are currently considering introducing Modern Apprenticeships in partnership with West Dunbartonshire Council.

We have continued to develop our relationship with the Glasgow Centre for Inclusive Living (GCIL), GCIL provide and support a trainee to support our equalities and engagement work through their Professional Careers programme.

Improving Access to reduce health inequalities
We continue to work with local clinicians and specialists across Scotland to improve equity of access to our highly specialist National Services.

7. Workforce progress

'Everyone Matters: 2020 Workforce Vision' recognises the key role the workforce will play in responding to the challenges that NHSScotland is facing, and in improving patient care and overall performance. We are now in a position to reflect on our first stage implementation place for 2014/15 and have summarised our progress in the following sections.

Healthy Organisational Culture
What we have achieved:

- Continued to roll out sessions with managers and clinicians to support values-based conversations across the organisation.
- Delivered and evaluated a bespoke in-house training programme to support all staff with managerial/supervisory responsibilities (Band 3 – 8).
- Agreed Board roll out of 'iMatter' Staff Experience continuous improvement model and develop its associated implementation plan.

Sustainable Workforce
What we have achieved:

- Consulted on Board 2020 Workforce Vision incorporating both Human Resources and Learning and Development strategies.
- Conducted a formal review of workforce planning requirements to determine future needs.
- Carried out a review of healthcare support worker roles and mandatory standards.

Capable Workforce
What we have achieved:

- Provided specific interventions to enable support services staff to access learning and to develop their skills.

Performance against Key Non-Financial Targets (continued)

- Continued to focus on the quality of appraisal training and objective setting and enhance delivery of organisational values at individual level.
- Invested further in training on professionalism and human factors for clinical staff.

Integrated workforce
What we have achieved:

- Supported NHS Boards who are directly involved with the health and social care integration agenda by increasing patient activity at GJNH.
- Supported local and national actions to facilitate the integration agenda.

Effective leadership and Management
What we have achieved:

- Delivered a Values Development workshop for Senior Managers.
- Implemented the refreshed Board Coaching Strategy.
- Delivered a second cohort of the Leadership Three Programme for clinical managers.

8. Innovation progress

Developing our Innovation Infrastructure
The Innovation Centre was opened on 18 July 2014 by the Cabinet Secretary. The idea was to create a space where innovation could be channelled while working with industry, academia and the NHS. Since it has been opened it has been used extensively either by the Board to host the Medical Devices Alpha Test (described further below) or to showcase with a wide range of stakeholders including industry, the Cabinet Secretary, public sector organisations and potential partners (e.g. recently hosted visits from China, Sweden and Norway).

As part of our commitment to creating a culture of continuous improvement, we opened our Innovation Hub in August 2014. It been designed as a flexible, drop-in environment for staff and partners which is ideal for encouraging creativity and developing new ideas and projects. The Hub is designed to provide an environment to encourage all staff to become creative thinkers and develop innovative, practical and effective new ideas to improve our services. It provides staff with the space, technology and resources to undertake projects which lead to direct improvement for our patients and service users. These projects can be anything from ground-breaking medical research to a small change which allows one area to run more efficiently.

Innovation Fund update
The governance arrangements for the Board charity and the innovation work have been strengthened as previously described. We now have in place:

- An endowments charter and standing operating procedures.
- Progress on track to transfer the funds from NHS GG&C.
- Systems in place to provide controls, delegated responsibilities and reporting for the fundholders.
- Governance to support the charity trustees through the endowments sub-committee and good reporting between trustees and the Board.
- Collaboration and data sharing with the other Health Board charities to ensure good practice models can be put in place.
- Arrangements in place to appoint external auditors and investment management support.

Performance against Key Non-Financial Targets (continued)

The concept of raising funds to improve the health of the Scottish population through the investment in innovation is a key driver of the innovation fund. As the host organisation of the NHS Innovation Fund, we are progressing work to 'test this concept' of philanthropic or business funding to be used, if successful, to potentially generate significant funds for NHS Scotland to invest in innovation.

9. Efficiency and Productivity progress

In recognition of the challenge the Board has set up an efficiency and productivity group including all key Executive Directors and senior managers within the organisation. A three-five year work plan has been developed with key managers identified in taking schemes forward. Links into the NHS Efficiency and Productivity Framework through the Quality and Efficiency Support Team have also been established.

The work plan focuses on the following key areas:

- Telehealth
- Job planning
- Prescribing
- Income generation
- Clinical portal and Electronic patient record
- Radiology redesign
- Beardmore centre for health sciences
- Workforce planning- e-rostering
- Bed planning

In addition to the above the Board is committed to undertaking benchmarking and redesign to ensure efficiencies are being progressed at all levels. The Board has also set up regular management and partnership forum workshops which are used to keep partnership forum up to date with the current schemes progress and more importantly any future schemes being considered. The Board is also working closely with the West of Scotland and Special Health Boards to review areas of shared services and joint efficiency schemes.

Sustainability and environmental reporting

During the year the Board has formally established a Property and Asset Management Steering Group to oversee all elements of CEL 2010 (35) and subsequent circulars. The remit of this group includes all elements of property and asset management along with all elements of sustainability. The group is made up of the former energy group, estates strategy and sustainability group.

The Group approved a sustainable development policy statement during the year. This statement is to be viewed in line with the Sustainable Development Action Plan and the work undertaken in relation to the Good Corporate Citizen Assessment Model (GCCAM).

In undertaking the above assessment the Board has put plans in place to address all strands of sustainability which are included in the Sustainable Development Action Plan and form part of the GCCAM):

- Facilities Management, this includes the following;
    - Energy management;
    - Carbon Management;
    - Water management;
    - Waste management; and
    - Biodiversity

Sustainability and environmental reporting (continued)

- Transport;
- Procurement – engage and participate with local partners to promote sustainable procurement objectives;
- Employment and skills;
- Community Engagement; and
- New build projects – encourage the use of low carbon and recycled materials in building projects.

Work has commenced to enable the production of a full sustainability report for 2015/16, a summary of this report will be provided in the Annual Report and Accounts with a full report being published separately.

The Board is also building on the work included in its Environmental Management Action Plan with work having been commenced during the year to implement Greencode which will provide an Environmental Management System in line with good practice which will replace the current system.

Staff engagement is also a key area of focus with a range of communications methods (e.g. staff bulletins, the intranet etc) used to reiterate the need for improved environmental management. A number of other initiatives have also been commenced both within the Board and with external parties, these will be reported in full in 2015/16.

Social, Community and Human Rights

In accordance with the Equality Act 2010 and regulations, the Board promotes equality and celebrates the diversity of the population that it serves. In the Mainstreaming Report (2015) the Board demonstrated how it aims to mainstream and build equality and diversity and its wider aspects into all of its functions. The report showed how it will meet the three aims of the General Duty; eliminating discrimination, harassment, victimisation and any other prohibited conduct; advancing equality of opportunity; fostering good relations. The development of equality outcomes provides assurance that the NHS NWTC meets the equality and diversity needs of people with the nine relevant protected characteristics (race, disability, age, sex, sexual orientation, gender reassignment, pregnancy and maternity, marriage and civil partnership, religion or belief), whether they are patients, public, carers or staff.

The NHS NWTC Equality Impact Assessment tool ensures that the impact of equality, human rights and health inequalities is embedded and integrated into the decisions and actions of the Board. The systems of training, education and appraisal of staff also include the requirements of knowledge and understanding of equality, diversity and discrimination.

NHS NWTC is required to publish a mainstreaming report and other relevant information every two years, and to revise the mainstreaming report and develop new equality outcomes every four years.

The Board to be best of its knowledge complies with the relevant parts of the Human Rights Act.

Breakdown of staff by Gender

The analysis of all current staff by gender as at 31 March 2015 is noted below:

Female – 73.5%
Male – 26.5%

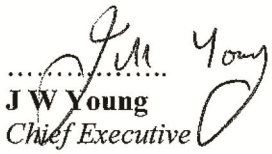
The split between male and female employees is in line with other NHS Boards.

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.

Approval



J W Young
Chief Executive

Date: 24 June 2015

The Accounting Officer authorised these financial statements for issue on 24 June 2015

DIRECTORS REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2015.

Date of Issue

Financial statements were approved and authorised for issue by the Board on 24 June 2015.

Appointment of auditors

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

Board Membership

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

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

The Directors during the period were as follows:

Chair	J Freeman OBE	
Non-Executive	J Christie – Employee Director	
	M Whitehead	
	J Rae	
	P Cox	
	S MacKinnon	
	K Harriman	
	M MacGregor	
Executive Directors	J W Young	- Chief Executive
	J M Carter	- Director of Finance
	S Chaib	- Director of Nursing – left 19 June 2014
	AM Cavanagh	– Interim Director of Nursing – Commenced 22 June 2014 to 31 March 2015
	M Higgins	- Medical Director
	L Ferries	- Director of Human Resources
	D Miller	- Acting Director of Human Resources
	J Rogers	- Director of Operations

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

Details of any interests of Board members, senior managers and other senior staff in contracts or potential contractors with the Board as required by IAS 24 are disclosed in note 24. No Board members or senior managers had any interests in contracts or potential contractors with the Health Board during 2014/15, the following interests have been declared:

Name	Interest
J Freeman OBE	Freeman Associates Ltd Member – Scottish Police Services Authority Board Member – Judicial Appointments Board for Scotland Member – Woman for Independence
JW Young	Board Director - Clydebank Rebuilt Ltd Board Director – Scottish Health Innovations Ltd (SHIL) Member – Innovation Partnership Board (Scottish Government)
J Carter	Shareholder of 21 Colour Ltd (11% shareholding) and related to the owner of 21 Colour Ltd which is on the public sector contract list. Is removed from any negotiations with the company.
M Whitehead	Non-executive Director – The State Hospital Lay assessor – NHS Education for Scotland Trustee – City of Glasgow College Foundation
J Rae	Trustee - Ardgowan Hospice Non-executive – NHS 24 Trustee – Institute of Counselling
S MacKinnon	Managing Director – MacKinnon Consulting Ltd Visiting Professor (Accounting and Finance) – Strathclyde Business School, University of Strathclyde Non-executive Director – Canadian Payments Association Senior Tutor – Chartered Institute of Bankers in Scotland Senior Consultant – Chartered Management Institute
K Harriman	HR Director – Hilton Hotels
P Cox	Chief Executive – Scottish Veterans Residences Non-remunerated Director of Housing Pillar – Veterans Charities
M MacGregor	Consultant, Nephrologists/Physician – NHS Ayrshire and Arran Honorary Clinical Senior Lecturer – University of Glasgow Member – UK Renal Association Executive Committee Member – Scottish Medicine Consortium Fellow – Royal College of Physicians and Surgeons of Glasgow

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 20 and the remuneration report.

Remuneration for non-audit work

No fees were payable to auditors in respect of consultancy or non-audit services during 2014/15.

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.

Public Services Reform (Scotland) Act 2010

Following the publication of the public services reform (Scotland) act 2010 the Board is required to publish information as defined by the Act, this information can be found via the following link:
http://www.nhsgoldenjubilee.co.uk/about/our-board/public-spending-psra/

Sickness absence data

The sickness absence rates for 2014/15 were 4.51% (3.36% for 2013/14).

Personal data related incidents

There were no personal data related incidents reported during 2014/15.

Payment policy

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

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

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

In 2014/15 average credit taken was 9 days (2013/14 – 9 days).
In 2014/15 the Board paid 91.64% by value (2013/14 – 92.19%) and 93.52% by volume within 30 days (2013/14 – 92.71%).
In 2014/15 the Board paid 81.60% by value (2013/14 – 82.41%) and 89.79% by volume within 10 days (2013/14 – 86.83%).

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

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 (Safe)
- Audit (Effective) – now known as the Audit and Risk Committee
- Staff Governance (Person Centred)
- Ethics (provided by West of Scotland Research Ethics Service).

All Board business is now conducted under the overarching principles of 'Person Centred', 'Safe' and 'Effective'. Changes to the remit for the audit committee, noted below, were agreed in March 2014 with these changes being implemented from 2014/15 onwards.

Corporate Governance (continued)

Clinical governance (Safe)
The membership of the Clinical Governance Committee comprises: S MacKinnon, M Whitehead, K Harriman and is chaired by M McGregor. The Committee as a minimum meets four times per year.

The Committee is responsible for the oversight of clinical governance within the Board. Specifically its role is to:

- provide coordination and leadership to enable effective delivery of the Safe and Clinical Governance elements within the Healthcare Quality Strategy for NHS Scotland. The lead role for person centred and patient focus will be taken by the Person Centred and Staff Governance Committee.
- assure the Board that appropriate structures and processes are in place to meet statutory obligations and any other guidance issued by the Scottish Executive and Healthcare Improvement Scotland.
- review outcomes of patient care through scrutiny of relevant reports and self assessments.

Audit and Risk Committee (Effective)
The Audit and Risk Committee comprises: J Rae, P Cox, M Whitehead and is chaired by S MacKinnon. The committee meets approximately four times per year to consider the work of internal audit, external audit and other matters as appropriate. During the year the committee has provided assurance on the Board Risk Register as set out in the terms of reference.

The Audit and Risk Committee is a standing committee of the Board and supports them in their responsibilities for the issues of risk, control and governance and associated assurance through a process of constructive challenge. The purpose of the Committee is to assure the Board that an appropriate system of internal control has been implemented and is working effectively. In meeting this requirement the Chair of the Audit and Risk Committee submits an annual report summarising the activities of the Committee to assure the Board that the Committee's responsibilities are being discharged in accordance with its remit.

The remit has been widen and the committee continues to take a more substantial role in ensuring that the risk management processes are robust and risks are being managed effectively.

Staff Governance (Person Centred)
The membership of the Staff Governance committee comprises: K Harriman, P Cox, M MacGregor, J Christie (employee director), and two lay representatives nominated by the partnership forum and is chaired by J Rae. The Committee as a minimum meets four times per year.

It is the responsibility of the Person Centred Committee to assure the Board that appropriate structure and processes are in place for the effective governance of the Board's person centred agenda. The Committee shall be responsible for ensuring that the governance processes to meet statutory obligations and any other guidance issued by the Scottish Executive and Health Improvement Scotland are met.

This Committee is a standing committee of the Board which is part of the governance framework for NHS Boards.

Corporate Governance (continued)

Staff Governance (Person Centred)

The Person Centred Committee provides coordination and leadership to enable effective delivery of the Involving People Strategy and the Staff Governance Standard. This will include supporting the delivery of the highest standard possible of person centred care including an understanding that staff management is the responsibility of everyone working within the system and is built upon partnership and collaboration.

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 provided by West of Scotland Research Ethics Service.

In addition the Board research steering group considers all aspects of Governance associated with research.

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 was the first NHS organisation in Scotland to sign up for the new Investor in Diversity standard. As a national resource for NHS Scotland, the Board strives to lead the way in everything that it does. We are demonstrating our commitment to diversity and equality issues and leading the way for other NHS and public sector organisations to do the same. In addition to climbing 53 places since last year to be listed in the Top 100 Employers in Stonewall's Workplace Equality Index (WEI)., the NHS National Waiting Times Centre was ranked in the top five employers in Scotland as well as being the top NHS Scotland Board for the fifth year in a row.

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

- Performance and Planning Committee Minutes;
- Senior Managers Meeting Minutes;
- Partnership Forum Minutes;
- Internet and Intranet service/GJNH and Beardmore Website;
- Staff magazine (JABS) and weekly e-digest staff communication bulletins;
- General and organisational information given to all new staff at induction;
- Communications Department;
- Departmental and Team Meetings;
- Hospital and Hotel Departmental and General Notice Boards; and
- Social Networking i.e. Twitter and Facebook.

Human Resources (continued)

The Board consults employees and Trade Union 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, Disciplinary and Grievance etc. The group also ensures the Board meets its commitments towards the staff governance standard;
- Clinical Governance, Risk and Quality groups where the views of staff are taken into account in the provision of service delivery; and
- Workforce Development Group includes representation from a range of Hospital disciplines on areas such as Service Redesign and Development of new roles.

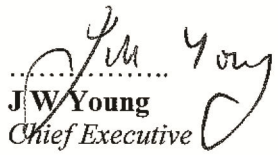
Events after the end of the reporting period

There were no post balance sheets events.

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 23.

Approval



J W Young
Chief Executive

Date: 24 June 2015

The Accounting Officer authorised these financial statements for issue on 24 June 2015

REMUNERATION REPORT

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

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

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

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

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

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

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

Remuneration Committee will seek specialist guidance and advice as appropriate.

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

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

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

Payments to past senior managers
No significant payments were made to past senior managers during 2014/15.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

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

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2014/15.

FOR THE YEAR ENDED 31 MARCH 2015

Remuneration Table

2015 **Name**	**Directors Gross Salary (bands of £5,000)**	**Bonus Payments (bands of £5,000)**	**Benefits in Kind**	**Total Earnings in Year (bands of £5,000)**	**Pension Benefits**	**Total Remuneration (bands of £5,000)**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Remuneration of:						
Executive Members						
Chief Executive: JW Young	110-115	-	2.9	115-120	133	245-250
Director of Finance: J M Carter	70-75	-	6.2	75-80	5	80-85
J Rogers	75-80	-	5.4	80-85	7	90-95
M Higgins	150-155	-	4.5	155-160	66	220-225
AM Cavanagh – from 22 June 2014-31 March 2015	55-60		-	55-60	69	125-130
S Chaib – Left 19 June 2014	15-20	-	-	15-20	-	15-20
L Ferries	75-80	-	3.8	80-85	9	90-95
D Millar –from 5 January 2015	15-20		3.0	15-20	14	30-35
Non-Executive Members						
Chair: J Freeman OBE	25-30	-	-	25-30	-	25-30
J Christie	50-55	-	-	50-55	1	50-55
J Rae	5-10	-	-	5-10	-	-
M Whitehead	5-10	-	-	5-10	-	-
M MacGregor	5-10	-	-	5-10	-	-
S MacKinnon	5-10	-	-	5-10	-	-
K Harriman	5-10	-	-	5-10	-	-
P Cox	5-10	-	-	5-10	-	-

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2014/15 and are included in the salary costs.

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

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2015

Pension Values

2015 **Name**	**Accrued pension at age 60 as at 31/03/15* (bands of £5,000)**	**Real increase in pension at age 60 (bands of £2,500)**	**Cash equivalent Transfer Value (CETV) at 31 March 2015 (bands of £5,000)**	**Cash equivalent Transfer Value (CETV) at 31 March 2014**	**Real increase in cash equivalent Transfer Value (CETV) at 31 March**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Pension Values of:					
Executive Members					
Chief Executive: JW Young	50-55	5-7.5	1,099	935	148
Director of Finance: J M Carter	20-25	0-2.5	352	334	11
J Rogers	15-20	0-2.5	330	304	16
M Higgins	55-60	2.5-5	1,245	1,126	96
AM Cavanagh –from 22 June 2014-31 March 2015	20-25	0-2.5	438	366	64
S Chaib – Left 19 June 2014	10-15	0-2.5	237	229	5
L Ferries	10-15	2.5-5	262	237	14
D Millar – from 5 January 2015	-	-	-	-	-
Non-Executive Members					
Chair: J Freeman OBE	-	-	-	-	
J Christie	15-20	0-2.5	244	234	6
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
S MacKinnon	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2013/14.

FOR THE YEAR ENDED 31 MARCH 2014

Remuneration Table

2014 **Name**	**Directors Gross Salary (bands of £5,000)**	**Bonus Payments (bands of £5,000)**	**Benefits in Kind**	**Total Earnings in Year (bands of £5,000)**	**Pension Benefits**	**Total Remuneration (bands of £5,000)**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Remuneration of:						
Executive Members						
Chief Executive: JW Young	100-105	-	2.7	100-105	-	100-105
Director of Finance: J M Carter	70-75	-	5.9	75-80	36	110-115
J Rogers	75-80	-	5.1	80-85	14	95-100
M Higgins	145-150	-	3.6	145-150	187	335-340
S Chaib	75-80	-	-	75-80	14	90-95
L Ferries	75-80	-	3.6	80-85	13	90-95
Non-Executive Members						
Chair: J Freeman OBE	20-25	-	-	20-25	-	20-25
J Christie	50-55	-	-	50-55	-	50-55
J Rae	5-10	-	-	5-10	-	5-10
M Whitehead	5-10	-	-	5-10	-	5-10
M MacGregor	5-10	-	-	5-10	-	5-10
S MacKinnon	5-10	-	-	5-10	-	5-10
K Harriman	5-10	-	-	5-10	-	5-10
P Cox	5-10	-	-	5-10	-	5-10

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2012/13 and are included in the salary costs.

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

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

FOR THE YEAR ENDED 31 MARCH 2014

Pension Values

2014 Name	Accrued pension at age 60 as at 31/03/14* (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Cash equivalent Transfer Value (CETV) at 31 March 2014 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2013	Real increase in cash equivalent Transfer Value (CETV) at 31 March
	£'000	£'000	£'000	£'000	£'000
Pension Values of:					
Executive Members					
Chief Executive: JW Young	40-45	0-2.5	924	872	(3)
Director of Finance: J M Carter	20-25	0-2.5	330	290	17
J Rogers	10-15	0-2.5	301	257	22
M Higgins	50-55	7.5-10	1,113	884	167
S Chaib	10-15	0-2.5	226	194	14
L Ferries	10-15	0-2.5	235	206	9
Non-Executive Members					
Chair: J Freeman OBE	-	-	-	-	-
J Christie	10-15	(0-2.5)	231	237	(21)
J Rae	-	-	-	-	-
M Whitehead	-	-	-	-	-
M MacGregor	-	-	-	-	-
S MacKinnon	-	-	-	-	-
K Harriman	-	-	-	-	-
P Cox	-	-	-	-	-

*the accrued pension lump sum associated with staff on the 1995 scheme is three times the accrued pension stated above.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

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

2014/15	**£000s**	**2013/14**	**£000s**
Highest earning Director's total remuneration	155-160	Highest earning Director's total remuneration	145-150
Median Total remuneration	29,363	Median Total remuneration	28,079
Ratio	5.36	Ratio	5.25

Minor changes have been made to the calculation method for this disclosure, they do not have a material impact on the numbers included above.

.....

J W Young
Chief Executive

Date: 24 June 2015

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.

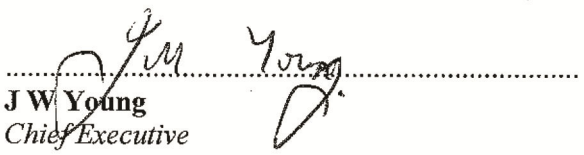
This designation carries with it, responsibility for:

- 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 25 October 2004.



J W Young
Chief Executive

Date: 24 June 2015

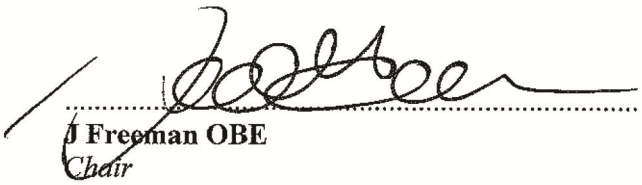
Statement of NHS Board members' responsibilities in Respect of the Accounts

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 2015 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 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.



J Freeman OBE
Chair

J M Carter
Director of Finance

Date: 24 June 2015

Governance Statement

Responsibility

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

Purpose of Internal Control

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

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

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

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

Governance Framework

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2015, with the key points of this framework detailed below:

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

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

  Our values are:

  - Valuing dignity and respect
  - A 'can do' attitude
  - Leading commitment to quality
  - Understanding our responsibilities
  - Effectively working

- The Board measures the quality of its services on an ongoing basis via patient and customer satisfaction surveys. The Board's Performance and Planning Committee uses our corporate balanced scorecard to review how the Board is performing against set indicators, including the use of available resources. This information is also reviewed at every meeting of the Senior Management Team and the Board.

Governance Statement (continued)

- The Board has developed a Quality Framework to provide assurance on patient care, staff governance and performance. Part of the framework includes Clinical Dashboards which have been fully implemented within clinical areas. Scrutiny of the dashboards are at local governance groups, the Quality and Innovation Group which has been in place since 2013/2014 and the Board including Board sub-committees. They aim to provide quality performance in a timely manner for all clinical service areas.
- The Audit (Audit and Risk) Committee of the Board has updated its terms of reference which govern its function in line with the requirements of the Government Audit Committee Handbook and the reviews conducted during the year. The Committee meets a minimum of four times a year, with any documents which affect the overall governance arrangements in the Board being approved at the committee prior to Board approval. The Committee also considers all audit work. The Staff Governance (person centred) and Clinical Governance (safe) Committees also function in line with clear terms of reference and review assurance in these specific areas, annual reports have been presented to reflect this for 2014/15.
- During the year the Board continued to review the role of each of the governance committees (audit and risk (effective), clinical (safe) and staff (person centred) to ensure that they were fulfilling the governance requirements of the Board and were demonstrating clear links to the NHS in Scotland quality strategy.
- Work regarding the role of the audit and risk committee has continued during the year with an increased focus on Board wide or enterprise risk, this has continued during the year with regard to this new role. This work will be finalised during 2015/16.
- Each governance committee performs a 360 review of each meeting assessing the performance and content of each meeting, this is to ensure that any areas for improvement are identified and appropriate actions taken to address.
- In addition all committees have submitted formal annual reports regarding the work of the committee to the Board.
- The Board has in place the following policies which govern the work of core Board functions. These documents are reviewed on an annual basis and updated as required to reflect guidance issued by the Government or changes within the Board:
  - The role of the Board is clearly defined in the Standing Orders, which details how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements.
  - Standing Financial Instructions, including authorised signatory list – these govern all financial related business of the Board and are approved by the Audit Committee following updates – these were updated during 2014/15;
  - Procurement policy – this details the process for procurement within the Board in line with UK and European procurement rules. The policy is referred to in the Standing Financial Instructions with both being intrinsically linked. The Policy is reviewed on an ongoing basis.
- Assurance statements are signed by each executive Director detailing that all Board policies have been adhered to during the year 2014/15.
- The Board follows all applicable laws and regulations, with this being confirmed via internal and external audits. All policies and procedures are prepared, taking into account appropriate guidance issued by the Government.
- The Board's Whistle-blowing policy, which is overseen by the Staff Governance (Person Centred) Committee, details the processes to be followed by staff members. One of the Non-Executive Board Members also acts as the Board Whistle-blowing Champion.
- The Board has a Fraud Policy in line with the Counter Fraud Services partnership agreement. The Chair of the Audit Committee (a Non-Executive Board Member) acts our Counter Fraud Champion, and we also have a Fraud Liaison Officer.

Governance Statement (continued)

- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.
- The Board Communications Strategy is continually reviewed to ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Person Centred Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel. Our Communications and Public Affairs Strategy is currently under development which will ensure that we are evolving to meet the communication needs of our staff and stakeholders in appropriate and innovative ways.
- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year a series of finance workshops have been undertaken for the Partnership Forum.
- Active participation is also demonstrated in regional and national groups.
- The Board has approved the Beardmore Hotel 2020 Strategy and a detailed implementation plan is in place.
- In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. Arrangements have been made to secure Best Value as set out in the SPFM.

During the year the Board worked on the process for assessing its performance, an update on the Role of the Board has been undertaken and a process has been put in place to complete the Board Diagnostic self-assessment toolkit for 2015/16. A number of Board workshops have taken place during 2014/15 with further areas identified for 2015/16.

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

Review of Adequacy and Effectiveness

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

- The executives and senior managers within the Board who have responsibility for developing, implementing and maintaining internal controls across their areas;
- The work of the internal auditors, who submit to the organisation's Audit Committee (Audit and Risk Committee) regular reports which include their independent and objective opinion on the effectiveness of risk management, control and governance processes, together with recommendations for improvement; and
- Comments by the external auditors in their management letters and other reports.

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

Governance Statement (continued)

The Audit and Risk Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Group, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer. The change in the Audit (and Risk) committees' role with regard to risk was fully implemented during 2014/15 and therefore this committee provides additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2014/15 via the receipt of formal reports relating to each of the governance committees. All senior managers/executive directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

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

Risk Assessment

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

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

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

The Clinical Governance and Risk Management Group and Senior Management Team ensures that all risks are addressed fully and in a timely manner. The groups meet on a regular basis with updates being provided during 2014/15 via the Clinical Governance Committee to the Board and Audit and Risk Committee. This continues to be strengthened taking account of the enhanced role of the Audit and Risk Committee with regard to provision of assurance regarding risk management to the Board.

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

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

- Continued to review the risk management reporting arrangements within the Board to ensure that these are robust; and
- During the year that Audit and Risk Committee have been undertaking development work on Enterprise risk management including the establishment of the Board risk appetite and risk tolerances, this innovative work will continue during 2015/16.

Governance Statement (continued)

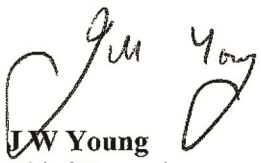
Disclosures

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

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

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

During the course of the year the Board registered the National Waiting Times Centre Board Endowment Fund as a Charity with OSCR, however no financial transactions were undertaken during 2014/15 and therefore there is no requirement for the Board to consolidate the charity into the Annual Accounts. However an annual report from the Endowment Sub-Committee was presented to the Audit and Risk Committee for information and to the Board of Trustees for approval. Annual and Monitoring returns will also be provided to OSCR in line with regulatory reporting requirements.



J W Young
Chief Executive
Date: 24 June 2015

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

We have audited the financial statements of The National Waiting Times Centre Board for the year ended 31 March 2015 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn, the Balance Sheet, the Statement of Cash Flow, the Statement of Changes in Taxpayers' Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2014/15 Government Financial Reporting Manual (the 2014/15 FReM).

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 125 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Respective responsibilities of Accountable Officer and auditor

As explained more fully in the Statement of the Chief Executive's Responsibilities as the Accountable Officer of the Health Board, the Accountable Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and income. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements. It also involves obtaining evidence about the regularity of expenditure and income. In addition, we read all the financial and non-financial information in the Annual Report and Accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements, irregularities, or inconsistencies we consider the implications for our report.

Opinion on financial statements

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2015 and of its net operating cost for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2014/15 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

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

Opinion on regularity

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

Opinion on other prescribed matters

In our opinion:

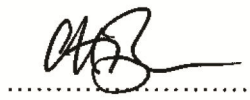
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers; and
- the information given in the Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We are required to report to you if, in our opinion:

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

We have nothing to report in respect of these matters.



.....

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

24 June 2015

Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2015

	Note	**2015**	**2015**	**2014 Restated**	**2014 Restated**
		£'000	**£'000**	**£'000**	**£'000**
Clinical Services Costs					
Hospital and Community Health Services	*4*	113,110		108,068	
Less: Hospital and Community Income	*7*	51,695		47,843	
Total Clinical Services Costs			**61,415**		**60,225**
Administration Costs	*5*	9,076		8,991	
Less: Administration Income	*7*	-		-	
			9,076		8,991
Other Non Clinical Services	*6*	224		232	
Less: Other Operating Income	*7*	6,051		5,898	
			(5,827)		(5,666)
Net Operating Costs	*SOCTE*		**64,664**		**63,550**

Other Comprehensive Net Expenditure	**2015**	**2014**
	£'000	**£'000**
Net (gain)/loss on Revaluation of Property, Plant and Equipment	-	195
Other comprehensive expenditure	**-**	**195**
Total Comprehensive Expenditure	**64,664**	**63,745**

SUMMARY OF CORE REVENUE RESOURCE OUTTURN	**2015**	**2015**
	£'000	**£'000**
Net Operating Costs		**64,664**
Total Non Core Expenditure (see below)		(5,306)
Total Core Expenditure		**59,358**
Core Revenue Resource Limit		59,859
Saving/(excess) against Core Revenue Resource Limit		**501**

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN		
Depreciation/Amortisation	5,926	
Annually Managed Expenditure - Creation of Provisions	(625)	
Additional SGHSCD non-core funding	5	
Total Non Core Expenditure		**5,306**
Non Core Revenue Resource Limit		5,306
Saving/(excess) against Non Core Revenue Resource Limit		**-**

SUMMARY RESOURCE OUTTURN	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	59,859	59,358	501
Non Core	5,306	5,306	-
Total	**65,165**	**64,664**	**501**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

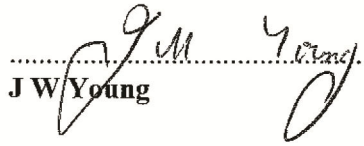
Balance sheet as at 31 March 2015

	Note	**2015**	**2015**	**2014 Restated**	**2013 Restated**
		£'000	**£'000**	**£'000**	**£'000**
Non-Current Assets					
Property, plant and equipment	*10*	128,006		127,163	130,199
Intangible Assets	*9*	143		143	143
Total Non-current Assets			**128,149**	**127,306**	**130,342**
Current assets					
Inventories	*11*	4,205		2,635	2,449
Financial Assets:					
- Trade and other receivables	*12*	4,691		2,195	4,329
- Cash and cash equivalents	*13*	3,172		3,067	7,692
Assets classified as held for sale	*10b*	65		-	20
Total Current Assets			**12,133**	**7,897**	**14,490**
Total Assets			**140,282**	**135,203**	**144,832**
Current Liabilities					
Provisions	*15*		(1,528)	(1,304)	(975)
Financial Liabilities:					
- Trade and other payables	*14*		(16,982)	(17,808)	(29,244)
Total Current Liabilities			**(18,510)**	**(19,112)**	**(30,219)**
Non-current assets plus/less net current assets/liabilities			**121,772**	**116,091**	**114,613**
Total Non-current liabilities			-	-	-
Assets less liabilities			**121,772**	**116,091**	**114,613**
Taxpayers' Equity					
General Fund	*SOCTE*		45,907	42,482	40,068
Revaluation reserve	*SOCTE*		75,865	73,609	74,545
Total Taxpayers' Equity			**121,772**	**116,091**	**114,613**

Adopted by the Board on 24 June 2015

.....Director of Finance

J M Carter



.....Chief Executive

J W Young

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Cash flow statement for the year ended 31 March 2015

	Note	2015 £'000	2015 £'000	2014 Restated £'000	2014 Restated £'000
Cash flows from operating activities					
Net operating cost	*SOCNE*	(64,664)		(63,550)	
Adjustments for non-cash transactions	*3*	5,927		5,911	
(Increase)/decrease in trade and other receivables	*16*	(2,496)		2,134	
(Increase)/decrease in inventories	*16*	(1,570)		(186)	
Increase/(decrease) in trade and other payables	*16*	(931)		(6,811)	
Increase in provisions	*16*	224		329	
			(63,510)		**(62,173)**
Cash flows from investing activities					
Purchase of property, plant and equipment		(3,821)		(3,050)	
Proceeds of disposal of property, plant and equipment		11		-	
Net cash outflow from investing activities			**(3,810)**		**(3,050)**
Cash flows from financing activities					
Funding	*SOCTE*	67,320		65,223	
Movement in general fund working capital	*SOCTE*	105		(4,625)	
Cash drawn down		67,425		60,598	
Net financing			**67,425**		**60,598**
Net Increase/(decrease) in cash and cash equivalents in the period			105		(4,625)
Cash and cash equivalents at the beginning of the period			3,067		7,692
Cash and cash equivalents at the end of the period			**3,172**		**3,067**
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			105		(4,625)
Net debt/cash at 1 April	*13*		3,067		7,692
Net debt/cash at 31 March	*13*		**3,172**		**3,067**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2015

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2014		**42,652**	**73,609**	**116,261**
Prior year adjustments for changes in accounting policy and material errors	-	(170)	-	**(170)**
Restated balance at 1 April 2014		**42,482**	**73,609**	**116,091**
Changes in taxpayers' equity for 2014/15				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10*	-	3,025	3,025
Transfers between reserves		769	(769)	-
Net operating cost for year		(64,664)	-	**(64,664)**
Total recognised income and expense for 2014/15		**(63,895)**	**2,256**	**(61,639)**
Funding:				
Drawn Down		67,425	-	**67,425**
Movement in General Fund (Creditor)/Debtor		(105)	-	**(105)**
Balance at 31 March 2015		**45,907**	**75,865**	**121,772**

Statement of changes in taxpayers' equity for the year ended 31 March 2014

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2013		**40,362**	**74,545**	**114,907**
Prior year adjustments for changes in accounting policy and material errors	-	(294)	-	**(294)**
Restated balance at 1 April 2013		**40,068**	**74,545**	**114,613**
Changes in taxpayers' equity for 2013/14				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	*10*	-	(195)	(195)
Impairment of property, plant and equipment	*10*	-	(150)	(150)
Revaluation & impairments taken to operating cost statement	*3*	-	150	**150**
Transfers between reserves		741	(741)	**-**
Net operating cost for year		(63,380)	-	**(63,380)**
Total recognised income and expense for 2013/14		**(62,639)**	**(936)**	**(63,575)**
Funding:				
Drawn Down		60,598	-	**60,598**
Movement in General Fund (Creditor)/Debtor		4,625	-	**4,625**
Balance at 31 March 2014		**42,652**	**73,609**	**116,261**

The Notes to the Accounts, numbered 1 to 24, form an integral part of these Accounts.

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 financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 27 below.

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

There are no new standards, amendments or interpretations effective for the first time this year that have a material impact on the Board's financial statements.

(b) Standards, amendments and interpretations early adopted in current year

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

- IFRS 13 – Fair Value Measurement; and
- IAS 36 – 'Impairment of assets' on recoverable amount disclosures.

Management do not expect that the adoption of the standards listed above will have a material impact on the financial statements of the Board in future periods.

2. Basis of Consolidation

In accordance with IAS 27 – Consolidated and Separate Financial statements, the board have considered the requirement to consolidate the financial statements of the Board endowment funds.

It has been agreed that the value of income and expenditure of the funds are not sufficiently material to require consolidation.

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

The National Waiting Times Centre Board is now a registered charity with the office of the charity regulator of Scotland (OSCR) and is required to prepare and submit Audited Financial Statements to OSCR on an annual basis. Currently the Board funds are administered by NHS Greater Glasgow and Clyde with the financial transactions been accounted for under the NHSGG&C charity number, the migration of these funds to the Board charity number has been agreed for start of financial year 2015/16.

3. Prior Year Adjustments

Prior year adjustments have been made with regard to the CNORIS provision which are separately disclosed in note 21 and 22.

Note 1 Accounting Policies (continued)

4. Going Concern

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

5. Accounting Convention

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

6. Funding

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

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

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

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

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

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

7. Property, plant and equipment

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

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

7.1 Recognition

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

All assets falling into the following categories are capitalised:

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

Note 1 Accounting Policies (continued)

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

7.2 Measurement

Valuation

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

All assets 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.

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 Statement of Comprehensive New Expenditure. If part of an asset is replaced, then the part it replaces is de-recognised, regardless of whether or not it has been depreciated separately.

   Revaluation and Impairment:

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

Note 1 Accounting Policies (continued)

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

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

7.3 Depreciation

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

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

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

Depreciation is charged on a straight-line basis.
The following asset lives have been used for the period:

Asset Category/Component	**Useful Life**
Building - Structure	33 – 73 years
Building - Landscaping & Surfacing	18 – 40 years
Building - Engineering	28 – 49 years
Medical Equipment	10 years
Plant	10 - 20 years
Information Systems & Office Equipment	5 years

8. Intangible Assets

8.1 Recognition

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

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

The main classes of intangible assets recognised are:

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

Note 1 Accounting Policies (continued)

8.2 Measurement

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

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

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

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

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

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

8.3 Amortisation

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

There has been no charge in relation to this asset to date as the asset is not yet in operational use.

The following asset lives will be used when the asset comes into operational use.

- Software licences 5 years

Note 1 Accounting Policies (continued)

9. Non-current assets held for sale

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

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

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

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

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

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

11. Leasing

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

12. Impairment of non-financial assets

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

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

Note 1 Accounting Policies (continued)

13. General Fund Receivables and Payables

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

14. Inventories

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

15. Losses and Special Payments

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

16. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

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

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

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

Note 1 Accounting Policies (continued)

17. Clinical and Medical Negligence Costs

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

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

18. Related Party Transactions

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

19. Value Added Tax

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

20. 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.

21. Contingencies

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 17 where an inflow of economic benefits is probable.

Contingent liabilities are not recognised, but are disclosed in note 17, 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)

22. Corresponding Amounts

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

23. Financial Instruments

Financial assets

Classification

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

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.

Recognition and measurement

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

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

Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the

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

Note 1 Accounting Policies (continued)

Financial Liabilities

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

Other financial liabilities

Other financial liabilities are included in current liabilities, except for maturities greater than 12 months after the 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.

Other financial liabilities

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

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

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.

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.

Note 1 Accounting Policies (continued)

Impairments
The value of impairment included within the accounts was provided by James Barr as part of the valuation work undertaken.

Material Provisions
There has been material movement in the provision related to Clinical Negligence and Other Risks Indemnity Scheme, this is disclosed in Notes 15 and 15b.

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

Note 2(a) Staff Numbers and Costs

(i) Segmentation of Staff Costs

2015	Executive Board Members	Non Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2014
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	586	82	55,537	-	506	(127)	**56,584**	52,714
Social security costs	69	4	4,838	-	24	(10)	**4,925**	4,645
NHS Scheme employers' costs	79	-	5,924	-	26	(17)	**6,012**	5,598
Other employers' pension costs	-	-	4	-	-	-	**4**	4
Inward Secondees	-	-	-	218	247	-	**465**	448
Agency staff	-	-	-	-	3,096	-	**3,096**	2,530
Total	**734**	**86**	**66,303**	**218**	**3,899**	**(154)**	**71,086**	**65,939**

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

	Annual Mean 2015 No.	Annual Mean 2014 No.
Administration Costs	318.5	303.4
Hospital and Community Services	1,046.5	951.3
Non Clinical Services	170.9	156.2
Inward Secondees	4.7	2.0
Agency staff	61.8	58.5
Outward Secondees	(3.7)	(2.6)
Total Board Average Staff	**1,598.8**	**1,468.8**
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 20.

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:

			2015	2014
Clinicians				
£50,001	-	£60,000	2	7
£60,001	-	£70,000	5	7
£70,001	-	£80,000	16	7
£80,001	-	£90,000	5	3
£90,001	-	£100,000	6	5
£100,001	-	£110,000	2	5
£110,001	-	£120,000	4	5
£120,001	-	£130,000	5	6
£130,001	-	£140,000	10	6
£140,001	-	£150,000	6	5
£150,001	-	£160,000	8	4
£160,001	-	£170,000	6	6
£170,001	-	£180,000	1	3
£180,001	-	£190,000	2	3
£190,001	-	£200,000	3	4
£200,001	and above		10	7
Other				
£50,001	-	£60,000	37	33
£60,001	-	£70,000	10	9
£70,001	-	£80,000	-	1
£80,001	-	£90,000	2	3
£90,001	-	£100,000	1	-

The number of clinical staff earning over £200k primarily relates to additional payments in relation to waiting list initiative sessions caused by the variation in demand of patient activity from other NHS Boards.

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

Note 3 Other Operating Costs

Expenditure Not Paid in Cash	*Note*	2015 £'000	2014 £'000
Depreciation	*10*	5,927	5,761
Impairments on property, plant and equipment charged to OCS	*10*	-	150
Total Expenditure Not Paid in Cash		**5,927**	**5,911**

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

Statutory Audit	2015 £'000	2014 £'000
External auditor's remuneration and expenses	70	69
	70	**69**

Note 4 Hospital and Community Health Services

By Provider

	2015 £'000	2014 £'000
Treatment of NHS Scotland Patients	113,020	108,032
Private Sector	90	36
Total NHS Scotland Patients	**113,110**	**108,068**
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	**113,110**	**108,068**

All expenditure has been in the Acute Services category.

Note 5 Administration Costs

	2015 £'000	2014 £'000
Board Members' Remuneration	820	779
Administration of Board Meetings and Committees	150	152
Corporate Governance and Statutory Reporting	119	79
Health Planning, Commissioning and Performance Reporting	141	170
Treasury Management and Financial Planning	25	26
Other Support Functions	7,821	7,785
Total Administration Costs	**9,076**	**8,991**

Note 6 Other non-clinical services

	2015 £'000	2014 £'000
Compensation payments - Clinical	(52)	181
Compensation payments - Other	(3)	(11)
Post Graduate Medical Education	279	62
Total Other Non Clinical Services	**224**	**232**

Note 7 Operating Income

HCH Income	2015 £'000	2014 £'000
NHS Scotland Bodies – Boards	50,438	46,972
Non-NHS:		
Private patients	129	51
Other HCH Income	1,128	820
Total HCH Income	**51,695**	**47,843**
Other operating income		
NHS Scotland Bodies	1,283	1,168
Other	4,768	4,730
Total other operating income	**6,051**	**5,898**
Total income	**57,746**	**53,741**
Of the above, the amount derived from NHS bodies is	**51,721**	**48,140**

Note 8 Analysis of Capital Expenditure

	Note	2015	2014
Expenditure		**£'000**	**£'000**
Acquisition of property, plant and equipment	*10*	3,821	3,050
Gross Capital Expenditure		**3,821**	**3,050**
Income			
Net Book Value of disposal of Property, plant and equipment	*10a*	11	-
Capital Income		**11**	**-**
Net Capital Expenditure		**3,810**	**3,050**
Summary of Capital Resource Outturn			
Net capital expenditure as above		3,821	3,050
Capital Resource Limit		3,824	3,050
Savings/(Excess) against capital resource limit		**3**	**0**

Note 9 Intangible Fixed Assets for year-ended 31 March 2015

	Software Licences 2014/15 £'000	**Software Licences 2013/14 £'000**
Cost or valuation		
At 1 April	**143**	**143**
At 31 March	**143**	**143**
Depreciation		
At 1 April	**-**	**-**
At 31 March	**-**	**-**
Net book value purchased assets		
At 1 April	143	143
At 31 March	**143**	**143**

10 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2015

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation							
At 1 April 2014	**5,700**	**103,804**	**40,047**	**8,881**	**130**	**271**	**158,833**
Additions	-	-	986	73	-	2,762	3,821
Transfers (to)/from non-current assets held for sale	(65)	-	-	-	-	-	(65)
Revaluation	51	532	-	-	-	-	583
Disposals	-	-	(93)	-	-	-	(93)
At 31 March 2015	**5,686**	**104,336**	**40,940**	**8,954**	**130**	**3,033**	**163,079**
Depreciation							
At 1 April 2014	**-**	**-**	**25,364**	**6,217**	**89**	**-**	**31,670**
Provided during the year	-	2,442	2,828	651	6	-	5,927
Revaluation	-	(2,442)	-	-	-	-	(2,442)
Disposals	-	-	(82)	-	-	-	(82)
At 31 March 2015	**-**	**-**	**28,110**	**6,868**	**95**	**-**	**35,073**
Net book value purchased assets							
At 1 April 2014	5,700	103,804	14,683	2,664	41	271	127,163
At 31 March 2015	5,686	104,336	12,830	2,086	35	3,033	128,006
Open Market value of Land included above	5,686						
Asset Financing:							
Owned							
Net Book Value at 31 March 2015	**5,686**	**104,336**	**12,830**	**2,086**	**35**	**3,033**	**128,006**

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

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Cost or valuation	**5,680**	**106,283**	**37,608**	**8,111**	**130**	**1,193**	**159,005**
At 1 April 2013	-	-	1,856	770	-	424	3,050
Additions	-	161	1,061	-	-	(1,222)	-
-Transfers	20	-	-	-	-	-	20
Transfers (to)/from non-current assets held for sale	-	(2,640)	-	-	-	-	(2,640)
Revaluation	-	-	(26)	-	-	(124)	(150)
Impairment Reversal	-	-	(452)	-	-	-	(452)
Disposals							
At 31 March 2014	**5,700**	**103,804**	**40,047**	**8,881**	**130**	**271**	**158,833**
Depreciation	**-**	**-**	**23,127**	**5,597**	**82**	**-**	**28,806**
At 1 April 2013	-	2,445	2,689	620	7	-	5,761
Transfers (to)/from non-current assets held for sale	-	(2,445)	-	-	-	-	(2,445)
Impairment Reversal	-	-	(452)	-	-	-	(452)
Disposals							
At 31 March 2014	**-**	**-**	**25,364**	**6,217**	**89**	**-**	**31,670**
Net book value purchased assets							
At 1 April 2013	5,680	106,283	14,481	2,514	48	1,193	130,199
At 31 March 2014	5,700	103,804	14,683	2,664	41	271	127,163
Open Market value of Land included above	5,700						
Asset Financing:							
Owned	5,700	103,804	14,683	2,664	41	271	127,163
Net Book Value at 31 March 2014	**5,700**	**103,804**	**14,683**	**2,664**	**41**	**271**	**127,163**

Note 10 (b) Assets Held for Sale

	Note	£'000
At 31 March 2014		**0**
Transfers (to)/from property, plant and equipment	*10a*	65
As at 31 March 2015	*BS*	**65**
Assets Held for Sale (prior year)		
At 31 March 2013		**20**
Transfers (to)/from property, plant and equipment		(20)
As at 31 March 2014		**0**

Note 11 Inventories

	2015 £'000	2014 £'000	2013 £'000
Raw Materials and Consumables	4,205	2,635	2,449

Note 12 Trade and Other Receivables

	2015 £'000	£'000	2014 £'000	2013 £'000
Debtors due within one year				
National Health Service in Scotland				
Boards	2,464		1,070	2,822
Total National Health Service in Scotland Receivables		2,464	1,070	2,822
NHS Non-Scottish Bodies				
General Fund Receivable				
VAT recoverable		89	41	76
Prepayments		495	550	414
Accrued income		341	197	159
Other Receivables		452	337	858
Reimbursement of provisions		850	-	-
Total Receivables within one year		**4,691**	**2,195**	**4,329**
Total Receivables due after more than one year			-	-
Total Receivables		**4,691**	**2,195**	**4,329**

The total receivables figure above includes a provision for bad debts of £3k (prior year £3k).

Movements on the provision for Impairment of Debtors are as follows:	2015 £'000	2014 £'000
As at 1 April	3	5
Provisions for debtors impairment	3	3
Unused amounts reverses	(3)	(5)
At 31 March	**3**	**3**

As at 31 March 2015, debtors with a carrying value of £8,446 (2013/14: £5,354) were impaired and provided for. The amount of the provision was £3,453 (2013/14: £3,112). The aging of these receivables is as follows:

	2015 £'000	2014 £'000
3 to 6 months past due	2	-
Over 6 months past due	1	3
	3	**3**

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.

Note 12 Trade and Other Receivables (continued)

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2015 debtors of carrying value of £1,341,673 (2013/14: £1,130,416) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	2015 £'000	2014 £'000
Up to 3 months past due	1,088	796
3 to 6 months past due	46	128
Over 6 months past due	208	206
	1,342	**1,130**

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 it 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	2015 £'000	2014 £'000
A	150	27
BB	15	1
BBB	27	2
Existing customers with no defaults in the past	-	1
Total neither past due or impaired	**192**	**31**

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

All receivables are denominated in sterling.

Note 13 Cash and Cash Equivalents

	As at 1 April 2014 £'000	Cash Flows £'000	As at 31 March 2015 £'000
Government Banking Service account balance	2,206	199	2,405
Cash at Bank and in Hand	861	(94)	767
Total cash and cash equivalents	**3,067**	**105**	**3,172**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**3,067**	**105**	**3,172**

Prior Year

	As at 1 April 2013 £'000	Cash Flows £'000	As at 31 March 2014 £'000
Government Banking Service account balance	7,358	(5,152)	2,206
Cash at Bank and in Hand	334	527	861
Total cash and cash equivalents	**7,692**	**(4,625)**	**3,067**
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	**7,692**	**(4,625)**	**3,067**

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

Note 14 Trade and Other Payables

	2015 £'000	£'000	2014 £'000	2013 £'000
Payables due within one year				
National Health Service in Scotland				
Boards	1,082		694	6,669
Total NHS Scotland Payables		**1,082**	**694**	**6,669**
General fund payable		3,172	3,067	7,692
Trade payables		168	399	561
Accruals		8,032	10,733	11,387
Deferred Income		1,823	262	487
Payments received on account		80	177	56
Income tax and social security		1,468	1,387	1,395
Superannuation		869	808	690
Holiday pay accrual		288	280	307
Other Public Sector Bodies		-	1	-
Total Payables due within one year		**16,982**	**17,808**	**29,244**
Total Payables due after more than one year		-	-	-
Total Payables		**16,982**	**17,808**	**29,244**

There are no borrowings included in the above.

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

All payables are denominated in sterling.

Note 15 Provisions for year-ended 31 March 2015

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
As at April 2014	**814**	**464**	**26**	**1,304**
Arising during the year	577	-	(2)	**575**
Utilised during the year	(157)	-	(8)	**(165)**
Reversed unutilised	(131)	(55)	-	**(186)**
At 31 March 2015	**1,103**	**409**	**16**	**1,528**

The amounts above are stated gross and the amounts of any expected re-imbursements are separately disclosed as receivables in note 12.

All provisions are considered to be current liabilities.

Provisions for Prior-year

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
As at April 2013	**625**	**294**	**56**	**975**
Arising during the year	746	170	40	**956**
Utilised during the year	(180)	-	(23)	**(203)**
Reversed unutilised	(377)	-	(47)	**(424)**
At 31 March 2014	**814**	**464**	**26**	**1,304**

All provisions are considered to be current liabilities.

Provisions for year-ended 31 March 2013

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
As at April 2012	**551**	**-**	**85**	**636**
Arising during the year	204	294	46	**544**
Utilised during the year	(77)	-	(27)	**(104)**
Reversed unutilised	(53)	-	(48)	**(101)**
At 31 March 2013	**625**	**294**	**56**	**975**

All provisions are considered to be current liabilities.

Note 15 Provisions for year-ended 31 March 2015

Clinical and Medical

The Board holds a provision to meet costs of all outstanding and potential medical negligence claims. All legal claims notified to the Board are processed by the Scottish NHS Central Legal Office who will decide upon risk liability and likely outcome of each case. The provision contains sums for settlement awards, legal expenses and third party costs. Clinical and medical negligence cases lodged can be extremely complex. It is expected that expenditure will be charged to this provisions for a period of up to 10 years. The amounts disclosed are stated gross and the amount of any expected reimbursements are shown separately in the notes to the accounts.

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.

Note 15b Clinical Negligence and Other Risks Indemnity Scheme (CNORIS)

2013 £'000	2014 £'000		2015 £'000
625	814	Provision recognising individual claims against the Board as at 31 March	1,103
-	-	Associated CNORIS receivable at 31 March	(850)
294	464	Provision recognising the Board's liability from participating in the scheme as at 31 March	409
919	**1,278**		**662**

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

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

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

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

Note 16 Movement on Working Capital Balances

	Opening Balances £'000	Closing Balances £'000	2015 Net Movement £'000	2014 Net Movement £'000
Inventories				
Balance Sheet	2,635	4,205		
Net Decrease/(Increase)			(1,570)	(186)
Trade and Other Receivables				
Due within one year	2,195	4,691		2,134
	2,195	4,691		
Net Decrease/(Increase)			(2,496)	2,134
Trade and Other Payables				
Due within one year	17,808	16,982		(11,436)
Less: General Fund Creditor included in above	(3,067)	(3,172)		4,625
	14,741	13,810		
Net (Decrease)/Increase			(931)	(6,811)
Provisions				
Balance Sheet	1,304	1,528		
Net (Decrease)/Increase			224	329
Net Movement (Decrease)/Increase			**(4,773)**	**(4,534)**

Note 17 Contingent Liabilities

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

Nature	2015 £'000	2014 £'000
Clinical and medical compensation payments	307	339
Other	20	35
Total Contingent Liabilities	**327**	**374**

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

Contingent Assets
The Board currently has contingent assets of £225,000 in year (prior year £238,000).

Note 18 Commitments

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

	2015 £'000	2014 £'000
Contracted		
Boiler Decentralisation	-	1,970
Authorised but not contracted		
Endoscopy replacement	-	650
Cardiac Cath Lab	550	-
Total	**550**	**2,620**

Note 19 Commitments under Leases

At 31 March 2015, the Board had annual commitments under non-cancellable operating leases as follows:

Operating leases	2015 £'000	2014 £'000
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Other		
Not later than one year	147	245
Later than one, not later than two years	13	128
Later than two years, not later than five	37	41
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	479	404

The Board held no finance leases in the reporting period.

Note 20 Pensions Costs

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

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

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

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

Note 20 Pensions Costs (continued)

The employer contribution rate for the period from 1 April 2015 will be 14.9% (prior year 13.5%) of pensionable pay. While the employee rate applied is a variable it will provide an actuarial yield of 9.8% of pensionable pay.

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

The SPPA advise that the total employer contributions received for the NHS Scotland Scheme in the year to 31 March 2014 were £640.5 million. The SPA has not advised the total employer contributions collected in the year to 31 March 2015. The Board's level of participation in the scheme is 0.8% based on the proportion of the employer contributions paid in 2013/14.

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

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

Pension Costs	**2014/15**	**2013/14**
Pension cost charge for year	5,997	5,363

Note 21 Exceptional Items and Prior Year Adjustments

The adjustment to the opening prior year balances for CNORIS participation as at 31 March 2013.

Adjustment to opening balances

The opening general fund position as at 31 March 2013 been reduced by £294,000. This amount represents the Board's share of the total liability of NHS Scotland as at 31 March 2013 as advised by Scottish Government Health and Social Care Directorate and based on information prepared by NHS Boards and the Central Legal Office. An adjustment was also made to reflect an increase of £170,000 in provisions between 31 March 2013 and 31 March 2014. These amounts are recognised in Note 15.

Note 22a Restated SOCNE

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Clinical Services Costs			
Hospital and Community Health Services	108,068	-	**108,068**
Less: Hospital and Community Income	47,843	-	**47,843**
Total Clinical Services Costs	60,225	-	**60,225**
Administration Costs	8,991	-	**8,991**
Less: Administration Income	-	-	**-**
	8,991		**8,991**
Other Non Clinical Services	62	170	**232**
Less: Other Operating Income	5,898	-	**5,898**
	(5,836)	170	**(5,666)**
Net Operating Costs	**63,380**	**170**	**63,550**

Note 22b Restated Balance Sheet

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Non-Current Assets			
Property, plant and equipment	127,163	-	127,163
Intangible Assets	143	-	143
Total Non-current Assets	**127,306**	**-**	**127,306**
Current assets			
Inventories	2,635	-	2,635
Financial Assets:			
- Trade and other receivables	2,195	-	2,195
- Cash and cash equivalents	3,067	-	3,067
Total Current Assets	**7,897**	**-**	**7,897**
Total Assets	**135,203**	**-**	**135,203**
Current Liabilities			
Provisions	(840)	(464)	(1,304)
Financial Liabilities:			
- Trade and other payables	(17,808)	-	(17,808)
Total Current Liabilities	**(18,648)**	**(464)**	**(19,112)**
Non-current assets plus/less net current assets/liabilities	**116,555**	**(464)**	**116,091**
Taxpayers' Equity			
General Fund	42,946	(464)	42,482
Revaluation reserve	73,609	-	73,609
Total Taxpayers' Equity	**116,555**	**(464)**	**116,091**

Note 22c Restated Cash Flow

	Previous Accounts £'000	Adjustment 1 £'000	These Accounts £'000
Cash flows from operating activities			
Net operating cost	(63,380)	(170)	(63,550)
Adjustments for non-cash transactions	5,911	-	5,911
(Increase)/decrease in trade and other receivables	2,134	-	2,134
(Increase)/decrease in inventories	(186)	-	(186)
Increase/(decrease) in trade and other payables	(6,811)	-	(6,811)
Increase in provisions	159	170	329
	(62,173)	-	**(62,173)**
Cash flows from investing activities			
Purchase of property, plant and equipment	(3,050)	-	(3,050)
Proceeds of disposal of property, plant and equipment		-	-
Net cash outflow from investing activities	**(3,050)**	-	**(3,050)**
Cash flows from financing activities			
Funding	65,223	-	65,223
Movement in general fund working capital	(4,625)	-	(4,625)
Cash drawn down	60,598	-	60,598
Net financing	**60,598**	-	**60,598**
Net Increase/(decrease) in cash and cash equivalents in the period	(4,625)	-	(4,625)
Cash and cash equivalents at the beginning of the period	7,692	-	7,692
Cash and cash equivalents at the end of the period	**3,067**	-	**3,067**
Increase/(decrease) in cash in year	(4,625)	-	(4,625)
Net debt/cash at 1 April	7,692	-	7,692
Net debt/cash at 31 March	**3,067**	-	**3,067**

Note 23 Financial Instruments

23a Financial Instruments by category

Financial Assets	2015 Loans and Receivables £'000	2014 Loans and Receivables £'000
At 31 March		
Assets per balance sheet		
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	793	534
Cash and cash equivalents	3,172	3,067
	3,965	**3,601**

Financial Liabilities	2015 Other financial liabilities £'000	2014 Other financial liabilities £'000
At 31 March		
Liabilities per balance sheet		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	11,740	14,657
	11,740	**14,657**

23b 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 meets 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 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.

Note 23 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
31 March 2015	-
Trade and other payables excluding statutory liabilities	14,895
Total	**14,895**

	Less than 1 year
31 March 2014	-
Trade and other payables excluding statutory liabilities	15,727
Total	**15,727**

Note 23 Financial Instruments (continued)

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

i) Cash flow and fair value interest rate risk
The Board has no significant interest bearing assets or liabilities and as such income and expenditure cash flows are substantially independent of changes in market interest rates.

ii) Foreign currency risk
The Board is not exposed to foreign currency risk.

iii) Price risk
The Board is not exposed to equity security price risk.

23c Fair value estimation

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

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

Note 24 Related party transactions

The Board had a small number of transactions with other government departments and other central government bodies. The Board also undertakes a small number of transactions with another related party (twenty one colour) the value of which has been noted below and is disclosed separately in the Directors report by the Director of Finance as a related party. It should be noted that the Director of Finance has no involvement in any transaction with this company.

Year 2014/15 - £16,507
Prior Year - £17,871

There were no outstanding balances for this company at 31 March 2015.

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

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