

**NATIONAL WAITING TIMES CENTRE BOARD**

**ANNUAL REPORT AND ACCOUNTS**

**For Year ended 31<sup>st</sup> March 2012**

# National Waiting Times Centre Board

## Annual Report and Accounts

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# National Waiting Times Centre Board

## **DIRECTORS REPORT**

The Directors present their report and the audited financial statements for the year ended 31 March 2012.

### **Naming Convention**

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

### **Principal activities and review of the business and future developments**

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

### **Date of Issue**

Financial statements were approved and authorised for issue by the Board on 21 June 2012.

### **Accounting convention**

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

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

### **Appointment of auditors**

The Public Finance and Accountability (Scotland) Act 2000 places personal responsibility on the Auditor General for Scotland to decide who is to undertake the audit of each health body in Scotland. The Auditor General appointed 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.

# National Waiting Times Centre Board

## Board Membership

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

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

The Directors during the period were as follows:

Chair	J Freeman OBE
Non-Executive	J Christie – Employee Director
	J H Mounfield OBE (resigned 30 September 2011)
	Dr J E G O’Neil (resigned 30 September 2011)
	P J Ramsay (resigned 30 September 2011)
	M Whitehead
	J Rae
	P Cox (appointed 1 October 2011)
	S MacKinnon (appointed 1 October 2011)
	K Harriman (appointed 1 October 2011)
	M McGregor (appointed 1 October 2011)
Executive Directors	J W Young - Chief Executive
	J M Carter - Director of Finance
	S Chaib - Director of Nursing
	A Flowerdew - Medical Director
	L Ferries - 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 29. No Board members or senior managers had any interests in contracts or potential contractors with the Health Board during 2011/12, the following interests have been declared:

Name	Interest
J Freeman OBE	Freeman Associates Ltd Member – Parole Board for Scotland Member – Scottish Police Services Authority Board Member – Judicial Appointments Board for Scotland
JW Young	Board Director - Clydebank Rebuilt Ltd
Julie Carter	Related to owner of 21 Colour Ltd which is on the public sector contract list. Is removed from any negotiations with the company.

## National Waiting Times Centre Board

### Board members' and senior managers' interests (continued)

<b>Name</b>	<b>Interest</b>
JH Mounfield OBE	Hilary Mounfield – Convenor: Dementia Services Development Trust
Dr JEG O'Neil	Partner – Lightburn Medical Centre
PJ Ramsay	Peter Ramsay - Business Advice Services Director – ABC Schools Ltd
M Whitehead	Lay assessor – NHS Education for Scotland Member of ethics committee – University of Strathclyde
J Rae	Trustee - Ardgowan Hospice Trustee – Institute of Counselling
S MacKinnon	Director – MacKinnon Consulting Ltd Visiting Professor (Accounting and Finance) – Strathclyde Business School, University of Strathclyde Non-executive Director – Canadian Payments Association
K Harriman	HR Director – Hilton Worldwide
P Cox	Communications Co-ordinator – Veterans Scotland
M McGregor	Clinical Director, Medical Specialities – NHS Ayrshire and Arran Consultant, Nephrologists/Physician – NHS Ayrshire and Arran Member – Renal Association Executive Committee Member – Scottish Renal Association Member – European Renal Association

### Directors third party indemnity provisions

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

### Pension Liabilities

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

### Remuneration for non-audit work

No fees were payable to auditors in respect of consultancy or non-audit services during 2011/12.

### 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.

# National Waiting Times Centre Board

## 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/publications/PublicServiceReform.php>

## 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 2011/12 average credit taken was 13 days (2010/11– 14 days).

In 2011/12 the Board paid 88.90% by value (2010/11– 88.10%) and 92.56% by volume within 30 days (2010/11 – 92.23%).

In 2011/12 the Board paid 62.20% by value (2010/11 – 58.40%) and 69.00% by volume within 10 days (2010/11 – 67.41%).

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
- Audit
- Staff Governance
- Ethics (provided by NHS Greater Glasgow & Clyde ethics committee).

## Clinical governance

The membership of the Clinical Governance Committee comprises: S MacKinnon, M Whitehead, K Harriman and is chaired by M McGregor.

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

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

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

- considers the Board's performance in relation to its statutory duty for quality of care;
- reviews action taken by the Chief Executive on recommendations made by the Committee or Board on clinical governance matters;

# National Waiting Times Centre Board

## **Corporate Governance (continued)**

### **Clinical governance (continued)**

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

### **Audit**

The Audit Committee comprises: 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.

### **Staff Governance**

The membership of the Staff Governance committee comprises: K Harriman, P Cox, M McGregor J Christie, a partnership forum representative and is chaired by J Rae.

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

### **Ethics**

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

### **Board Governance Committees**

During the year the Board has commenced a review of the governance structures to ensure that the standing committees of the Board continue to meet the requirements of the Board and align with the requirements of the Quality Strategy.

### **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.

# National Waiting Times Centre Board

## Human Resources (continued)

The Board is 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. For the second year in a row, the NHS National Waiting Times Centre has been ranked the best Scottish NHS Board in Stonewall's Workplace Equality Index (WEI).

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.

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.

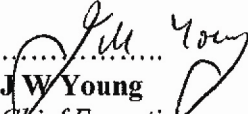
## Events after the end of the reporting period

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 27.

## Approval

  
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**J W Young**  
Chief Executive

**Date: 21 June 2012**

## Approval

The Accounting Officer authorised these financial statements for issue on 21 June 2012



# National Waiting Times Centre Board

## OPERATING AND FINANCIAL REVIEW

### Principal activities and review of the year

The NHS National Waiting Times Centre is a national resource for NHS Scotland made up of three distinct parts - the Golden Jubilee National Hospital, the Beardmore Hotel and Conference Centre, and the Beardmore Centre for Health Science.

### The Golden Jubilee National Hospital

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

### 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

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

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.

### The Beardmore Hotel and Conference Centre

The award-winning Beardmore Hotel and Conference Centre is a four-star facility that is managed and run by the Board and is linked to the Golden Jubilee National Hospital by a communal corridor. It supports the hospital by using its accommodation to assist with access for patients and their relatives from all over Scotland.

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

## National Waiting Times Centre Board

### **Principal activities and review of the year (continued)**

The unique status of the centre, not only allows them to offer preferential rates for NHS and public sector colleagues booking conferences or events, but also to cater for commercial business and keep at the heart of the local community by continuing to provide a facility for family celebrations and local events.

Facilities include:

- an iMac computer with free Internet access in all 168 stylish bedrooms;
- free WiFi Internet access;
- free parking for 300 cars;
- video conferencing and advanced AV technology;
- 170 seat auditorium with tiered seating
- 14 versatile meeting and training spaces;
- area for mini exhibitions and cabaret conferences;
- specialist healthcare facilities that are perfect for clinicians, medical equipment providers and pharmaceutical companies;
- complimentary pick up from Glasgow International Airport;
- swimming pool, sauna and gym;
- extensive choice of restaurants and menus; and
- extensive grounds for outdoor activities.

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

- Conference Hotel Of The Year 2011, Scottish Hotel Awards
- Business Hotel Of The Year 2010, Scottish Hotel Awards
- Scottish Conference Hotel Of The Year 2009.
- Scottish Business Hotel of the Year 2009.
- Conference Centre of Excellence accredited 2008.
- Scottish Business Hotel Special Commendation 2007 and 2008.
- Conference Hotel of the Year 2005 and 2006.
- Green Tourism Gold Award 2010.
- Investors in People 10 year achievement award.
- Investors in People Silver Award 2010.

### **The Beardmore Centre for Health Science**

Opened in May 2011, The Beardmore Centre for Health Science is a world class centre cultivating clinical excellence, research and learning.

The first-class centre aims to:

- enhance the experience of patients participating in clinical trials;
- increase the number of trials hosted by the Golden Jubilee National Hospital;
- provide excellent co-located hotel accommodation for patients taking part in research projects;
- enhance the clinical skills training experience for all health care professionals through the provision of two single bedroom ward
- provide simulation areas to support the training, development, and evaluation of healthcare professionals;
- provide a dedicated facility for clinical skills training involving the use of a patient simulator; and
- enhance surgical skills training through the provision of a purpose built area with the ability to live stream surgical procedures from the hospital.

# National Waiting Times Centre Board

## Principal activities and review of the year (continued)

The Beardmore Centre for Health Science offers two key areas for health care professionals to use.

- The Clinical Research Facility provides the clinical infrastructure necessary to conduct high quality research in an environment designed to respect the patient's safety, wellbeing and privacy.
- The Clinical Skills Centre offers a high quality tailored environment for the delivery of both clinical and general training to all health care staff. The training rooms are equipped with state of the art conference technology and fibre optic audio visual links from our cardiac catheterisation laboratories (cath labs) and theatres, providing the opportunity for enhanced surgical skills training.

From conferencing to training seminars and practical skill workshops, all requirements will be met in the centre.

### 2011/12 Patient activity

In 2011/12, we were set a target of carrying a total of 21,401 inpatient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, bariatric surgery, hand surgery, spinal surgery, endoscopy and diagnostic imaging. This number excludes any activity associated to the regional and national heart and lung services.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2011/12 was 22,321, which was 920 procedures more than anticipated at the beginning of the year, and 4.3% ahead of plan. The areas of general surgery, ophthalmic surgery, plastic surgery, endoscopy and diagnostic imaging performed better than planned.

Similarly to last year, our orthopaedic case mix included a high number of revisions and complex cases (which requires more than one theatre slot).

### Cardiac surgery waiting time

In 2011/12, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees.

At the end of March 2012 there were 133 patients on the available waiting list. We also had 69 patients who were on the unavailable list due to medical or social reasons. The combined total is 202 patients.

### Clinical strategy

During 2011/12, work progressed in all areas of our clinical strategy.

### Cardiology

In a Scottish first, our Cardiologists at replaced a patient's heart valve through a vein in his leg – avoiding the need for open heart surgery.

Called Transcatheter Pulmonary Valve Replacement (TPVR), the procedure works to replace the pulmonary valve – which allows blood to pass from the heart to the lungs – and is only suitable for patients who have specific congenital heart problems. It is expected that between 10 and 12 patients per year could benefit.

# National Waiting Times Centre Board

## Principal activities and review of the year (continued)

### The Scottish Advanced Heart Failure Strategy

During 2011/12, we further embedded the Scottish National Advanced Heart Failure Strategy to enhance the care and treatment of heart failure patients across the country.

The strategy identified clear priorities including:

- improving access to specialist expertise through outreach arrangements to local hospitals and communities to ensure a consistent, equitable, Scotland-wide referral pathway for those with the most advanced heart failure;
- increasing the number of heart transplants; and
- enhancing the current Scottish mechanical ‘heart’ service (Ventricular Assist Devices) at the Golden Jubilee National Hospital.

While heart failure patients will continue to be managed locally in accordance with the **Better Heart Disease and Stroke Action Plan**, those throughout Scotland with the most advanced disease will be referred to the national service if they need a transplant or VAD.

To ensure fair and equitable access to the service, our team has undertaken 37 visits across Scotland over the past year to Cardiology, Intensive Care and Accident and Emergency Units. This was in addition to a poster and information campaign and presentations at national cardiac meetings.

We have also introduced a new retrieval system that ensures donor optimisation and have a formal training programme set up with Papworth Hospital.

### Telehealth clinics

As a national resource for Scotland, we have patients travelling from varying distances to be treated at the Golden Jubilee National Hospital. For some in more remote areas this can incur an overnight stay, and a great deal of travel expense and inconvenience for attending an outpatient appointment.

So to make life easier for our rural patients, we have now started telehealth video conferencing sessions between the Golden Jubilee and their local hospital. This means that patients still receive the continuity of care from our clinical team in a more convenient setting without the need for unnecessary travelling or overnight stays.

This service has been piloted successfully with NHS Orkney but we are currently looking at expanding this to other rural and distant patients.

### Orthopaedic capacity

With the growing number of older people in our society, our orthopaedic service continues to be in high demand.

Since 2002, the Golden Jubilee National Hospital has increased capacity year on year, and in addition to this increased activity, we have redesigned our Orthopaedic service. The Golden Jubilee is now internationally recognised for its innovation and quality of care, helping patients to be back in the community faster by supporting independence, reducing length of stay in hospital and increasing mobility.

## National Waiting Times Centre Board

### **Principal activities and review of the year (continued)**

Although we currently carry out 20% of all hip and knee replacements for NHS Scotland, over the last 12-24 months, we have experienced more requests from NHS Boards across the country than we currently have capacity for. We have also increased our orthopaedic case complexity, and seen a substantial increase in the amount of hip and knee revision cases, which is more complex and needs highly skilled surgeons.

So in response to this national demand, we have agreed with the Scottish Government to expand our orthopaedic capacity by up to 300 cases per year in 2012/13. This expansion provides a significant step up in the capacity of the Golden Jubilee and really solidifies and acknowledges our national role as a specialist orthopaedic centre of excellence.

### **Awards gained in 2011/12**

#### **PEN awards**

We were runners up in the Patient Experience Network (PEN) National Awards for 2011 - the only dedicated UK national awards for healthcare organisations working to improve patient experience.

This was for our 'Volunteer Support for Sensory Impaired Patients' programme where two fully trained volunteers assist patients and carers attending the Golden Jubilee National Hospital who suffer from hearing impairment.

#### **Top marks for equality**

NHS National Waiting Times Centre was the top Scottish NHS Board in Stonewall's Workplace Equality Index (WEI) for the second year in a row. 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.

#### **Healthy working lives**

In 2011, we were received the Gold award from healthy working lives. This involved organising a range of initiatives to promote the importance of health, safety and wellbeing to staff of the Golden Jubilee National Hospital and the Beardmore Hotel and Conference Centre.

## National Waiting Times Centre Board

### Financial Performance and Position

The Scottish Government Health Directorate (SGHD) set 3 budget limits at a Health Board level on an annual basis. These limits are:

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

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

DRAFT	Limit as set by SGHD £'000 (1)	Actual Outturn £'000 (2)	Variance (Over)/Under £'000 (3)
1 Revenue Resource limit - core	51,207	51,206	1
Revenue Resource limit – non-core	5,754	5,754	-
2 Capital Resource Limit - core	2,508	2,508	-
Capital Resource Limit - non-core	-	-	-
3 Cash Requirement	52,000	51,684	316
<b>MEMORANDUM FOR IN YEAR OUTTURN</b>			<b>£'000</b>
Brought forward deficit (surplus) from previous financial year			<u>564</u>
Saving/(excess) against in year Core Revenue Resource Limit (core funding)			<u>1</u>

#### Provisions for impairment of receivables

A provision of £6,000 has been provided in year in relation to bad/doubtful debts (prior year £13,000).

#### Outstanding liabilities

The Board has no outstanding liabilities for the period.

#### Significant remote contingent liabilities

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

#### Legal obligations

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

- Clinical & Medical - £551,000 (prior year £737,000)
- Other - £85,000 (prior year £47,000)
- Total for year – £636,000 (prior year £784,000)

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

# National Waiting Times Centre Board

## **Financial Performance and Position (continued)**

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £182,000 (prior year £185,000).

### **Prior year adjustments**

During the year there were no prior-year adjustments.

### **Significant changes in non-current assets**

During 2011/12 there has been no significant change in non-current assets.

### **PFI/PPP**

There are no PFI/PPP schemes within the Board.

### **Post-Balance Sheet items**

There are no post-balance sheet items.

### **Sickness absence data**

The sickness absence rates for 2011/12 were 3.72% (3.97% for 2010/11).

### **Personal data related incidents**

There were no personal data related incidents reported during 2011/12.

## **Key Performance Indicators**

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

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

### **NWTCB Local Delivery Plan Agreed Targets**

The National Waiting Times Centre Board (NWTCB) is an NHS National Board. In 2011/12, we carried out a total of 22,321 inpatient, day case and diagnostic imaging examinations (subject to final validation). The range of services includes: orthopaedic, general, ophthalmic and plastic surgery, bariatric and spinal surgery, minor procedures, endoscopy and diagnostic imaging. This number excludes the heart and lung activity, which is measured through our performance management process. The Board also manages the Scottish National Advanced Heart Failure Service (SNAHFS), the Scottish Adult Congenital Cardiac Service (SACCS) and the Scottish Pulmonary Vascular Unit (SPVU) which are commissioned by the NHS National Services Division (NSD).

## National Waiting Times Centre Board

### Key Performance Indicators (continued)

Patients can be referred to the hospital by their NHS Board for cardiothoracic surgery, diagnostic and interventional cardiology, orthopaedic surgery, diagnostic procedures (X-ray, MRI, ultrasound etc.), plastic surgery, eye surgery, endoscopy procedures and other general surgery.

We are also the only NHS Board in the UK to have a hotel on site. The Beardmore Hotel and Conference Centre is a four-star facility specialising in conferences, meetings and training courses at special rates for the public sector.

The NWTCCB, in discussion with the Scottish Government Performance Division has agreed a reduced number of Health, Efficiency, Access and Treatment (HEAT) targets, to reflect where it has no direct control to influence that target. It is acknowledged that this situation is under continuous review and the NWTCCB is committed to reviewing the relevance of all HEAT targets together with Government colleagues for subsequent Local Delivery Plans (LDPs).

The key and local targets submitted for the LDP for 2011/12 are as follows:

### Key Performance Indicators

#### 1. Local Targets and Priorities

Local Targets	Status at 31/3/12
<b>1.1 Capacity and Activity target for 2011/12</b>	All activity numbers are still subject to final verification, however as at end March we have carried out 22,321 (adjusted for case mix complexity) inpatient, day case and diagnostic procedures exceeding our activity target of 21,401 by 920 procedures (4.3%). At the end of March 2012 diagnostic imaging activity had exceeded the annual target by 1.4%.
<b>1.2 The Beardmore Hotel and Conference Centre (Revised Strategy)</b>	<p>The income target for the year was exceeded and the percentage of NHS/PS business for 2011/12 was 50% against a target of 40%.</p> <p>The Beardmore was awarded Scotland's Conference Hotel of the Year 2011 and continues to consolidate its position as a conference centre of excellence and to increase its role within the NHS National Waiting Times Centre. Having recognised the challenges of the current economic environment the Beardmore is seeking to increase medical related business from the commercial sector. The new Beardmore Centre for Health Science combined with the expertise and specialities of the Golden Jubilee National Hospital, the audio-visual links to the Cardiac Catheterisation Laboratories (Cath Lab) and theatres and the conference and bedroom facilities in the hotel together provide a unique package for the medical and healthcare market.</p>



# National Waiting Times Centre Board

## Key Performance Indicators (continued)

<b>1.3 Clinical Strategy</b>	<p><b>Scottish National Advanced Heart Failure Service</b> The Scottish National Advanced Heart Failure Strategy describes how we will increase the number of heart transplants in Scotland and improve the quality of care for all patients with heart failure in Scotland. As at end March 2012, 6 short-term and 4 long-term VADS have been implanted and 9 heart transplants were carried out in 2011/12.</p> <p><b>Scottish Adult Congenital Cardiac Service (SACCS)</b> The Scottish Adult Congenital Cardiac Service based at the Golden Jubilee National Hospital is a nationally commissioned service. The service has been considering its way forward in the future delivery of this critical national resource. The service model described in the strategy review document will provide a clinical network that builds on the expertise from the national centre and provides support to the existing regional services. The SACCS Clinical Strategy will shortly be issued for consultation to NSD prior to submission to the NWTC Board.</p> <p><b>Orthopaedic Surgery</b> Orthopaedic surgery was again in high demand throughout 2011/12, particularly in the fourth quarter of the year. We increased orthopaedic capacity at GJNH in response to the numerous demands that were being made on the service. The Access Support Team made a request for us to explore the possibility of expanding our orthopaedic service by a further 300 joint replacements per year in 2012/13.</p> <p><b>Bariatric Surgery</b> The National Planning Forum (NPF) commissioned an Obesity Treatment Review which was completed and presented to Board Chief Executives in September 2011. Subsequently a short life working group, including representation from GJNH, has been convened to review bariatric surgery service provision in the West of Scotland and to examine options for extending capacity in line with the NPF recommendations.</p> <p><b>Spinal Surgery</b> Over the past year visiting spinal surgeons carried out outpatient clinics and surgery on patients referred from NHS Lanarkshire and NHS Ayrshire &amp; Arran. Surgery has now been completed on all patients referred. While this work was ongoing, the NPF commissioned a review of spinal services to understand pathways and capacity. Subsequently, a regional sub group was formed to give consideration to implementing the recommendations contained in the report. While it is not yet clear whether GJNH will continue to be involved in the delivery of spinal surgery, we have representation on the group.</p>
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## National Waiting Times Centre Board

### Key Performance Indicators (continued)

<b>1.4 Beardmore Centre for Health Science</b>	<p>The Beardmore Centre for Health Science opened for business in May 2011. The Centre is unique in that it combines a specialist NHS facility with a purpose-built Clinical Research Facility and Clinical Skills Centre, and a four star hotel. As Scotland's new clinical skills and research centre, the centre offers state of the art facilities that allows innovative research and provides the latest technology for the training of all health professionals.</p> <p>The Beardmore Centre for Health Science ensures that staff across NHS Scotland have access to a clinical skills area with in-built audio visual links to the Golden Jubilee's theatres, cardiac catheterisation laboratories and diagnostic imaging suite.</p> <p>The Clinical Research Facility (CRF) has four consulting rooms, a nurse's station and patient waiting area and the Clinical Skills Centre (CSC) includes five training rooms encompassing manual handling/resuscitation; patient simulation; surgical skills training and corporate training. Business is generated by internal users, external NHS users and other external users with market usage closely monitored.</p> <p>A range of key performance indicators relating to centre utilisation and income have been developed.</p> <p>Clinical Research By the end of the 2011/12 financial year, the NWTC Board Research and Development Office had approved a total of 85 research projects (compared to 70 for 2010/11).</p>
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### 2. NHS Scotland Objective No.2 – Efficiency and Governance Improvements – continually improve the efficiency and effectiveness of the NHS

2011/12 HEAT Target No.	Key Performance Targets	Status at 31/03/12	Comments
2.1	Financial Performance  NHS boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement; meet their cash efficiency target	RRL out-turn £1k underspend in-year. Total capital spend of £2.508m against a capital resource limit of £2.508m.	The Board achieved the financial targets as per the plan.

## National Waiting Times Centre Board

### Key Performance Indicators (continued)

2.2	Cash Efficiencies	Recurring efficiency savings of £3.364m achieved against target of £3.260m.	The Board exceeded its efficiency savings target by £132k.
2.3	<p>Reduce Carbon Emissions by 3% year on year from 2010/11 to 2014/15 (2009/10 baseline).</p> <p>Reduce Energy Consumption by 1% year on year from 2010/11 to 2014/15 (2009/10 baseline).</p>	<p>The validated carbon emissions figures for the year April 2011-March 2012 indicate that we have increased our CO2 emissions by 6.7% against the 2009/10 baseline, although we have shown a reduction against last years usage. The baseline is being reviewed by SGHD</p> <p>The validated energy usage figures for the year April 2011- March 2012 indicate that we have increased our energy consumption by 2.74% against the 2009/10 baseline, although we have seen a reduction against last years usage. SGHD are reviewing the baseline.</p>	<p>A number of internal service moves and increased activity since 2009 have contributed to the overall increase in energy consumption and CO2 emissions. The Board is committed to reduce the energy usage both to deliver efficiency savings for the Board and meet the climate change targets.</p> <p>An Energy Steering Group has been established to help support the work of the Board improving energy efficiency.</p> <p>The Board, working with the Carbon Trust, have developed a Carbon Management Plan which was approved by the Board and the Carbon Trust in May 2011.</p>

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

2011/12 HEAT Target No.	Key Performance Targets	Status at 31/03/12	Comments
3.1	All Cancer Treatment (31 days)	100% of lung cancer patients were treated at GJNH within the 31 day wait time target	During the year 2011/12, 100% of lung cancer patients have been treated within 31 days.

## National Waiting Times Centre Board

### Key Performance Indicators (continued)

Target Identifier	Target Details
3.2	18 weeks Referral to Treatment (18 week RTT)

Since the establishment of the West of Scotland Heart and Lung Centre in May 2008 the reporting responsibilities of the NWTCCB have increased. Through the 18 Weeks RTT programme we have monitored the guidance to ensure compliance with waiting time targets and reporting requirements and report on the following wait lists and associated wait time guarantees.

Specialty	Group	Guarantee
Cardiology	Diagnostic Angiography	4 weeks
Cardiology	Percutaneous Coronary Investigation	9 weeks
Cardiology	Insertion of Devices	9 weeks
Cardiology	Electrophysiology	9 weeks
Cardiology	Grown-Up Congenital Heart	9 weeks
Cardiac Surgery	Coronary Artery Bypass Graft and Valves	9 weeks
Cardiac Surgery	Congenital/Surgical	9 weeks
Thoracic Surgery	Non- reportable procedures (i.e. non cancer)	9 weeks
Cardiac and Thoracic Surgery New Outpatients		12 weeks, however, agreed locally to reduce to 9 weeks.

During 2011/12, all patients were treated within the national waiting time targets.

### Working with other NHS Boards to deliver the 18 Week RTT Targets

We continue to carry out inpatient/outpatient and diagnostic procedures for other NHS Boards. As part of the 18 Weeks RTT programme we are managing these patients within agreed waiting time targets.

The Board reviewed the guidance on Delivering 18 Weeks RTT Measurement and our responsibilities in conveying this information to referring Boards. The systems and processes that we have implemented will facilitate the smooth delivery of patient information and we will continue to work closely with Boards to achieve the timely submission of 18 Weeks RTT information.

## National Waiting Times Centre Board

### Key Performance Indicators (continued)

#### 4. NHS Scotland Objective 4 – Treatment

		Status at 31/03/12	Comments
4.1	MRSA/MSSA Bacteraemias: Achieve a rate of 0.26 cases per 1000 acute occupied bed days by year ending March 2013.	Target for 31/03/12 to achieve a rate of 0.37 per 1000 acute occupied bed days.	Our target for 2011/12 has been achieved and we will continue with a range of infection prevention and control interventions as we work towards achieving the further reduction in the HEAT target for 2012/13.
	Clostridium difficile infections in ages 65+: National target is 0.39 cases per 1000 total occupied bed days by end March 2013.	Our local target is to maintain at 0.10 cases per 1000 total occupied bed days.	While there is the national target for all Boards to achieve, based on our previous performance in 2010/11 our target for 2011/12 was 0.1 cases per 1000 AOBDS and this has been achieved. Maintaining these reductions is very challenging due to the very small number of cases involved.

### Sustainability and environmental reporting

#### Carbon Management Programme

In 2011, we graduated from the Carbon Trust's highly regarded Carbon Management Programme. The programme helps public sector organisations identify what they need to meet their energy saving and carbon reduction commitments. It establishes what their current CO<sub>2</sub> emissions are, assess the risks and opportunities posed to them by climate change, and develops a strategy to reduce carbon footprints and save energy bills over five to ten years.

Despite an expected increase in demand for healthcare services, like all public sector organisations we are expected to cut our CO<sub>2</sub> emissions by an incredible 42% over the next decade. The Carbon Management Programme is a key part of meeting this Scottish Government target, as achieving such drastic reductions requires not only improved efficiency but also strategic investment in equipment and culture.

We have continued throughout the year with our efforts to reduce energy usage, taking various actions and looking at future plans. Our educational plans are ongoing and with the ongoing work of the sustainability group and the formation of the new energy group we are also looking to further increase communication across the board. The groups are formed of directors, senior managers and representatives of various departments including communications.

We continue to monitor record and compare our utilities usage and costs with reviews at the performance and planning group and sustainability group. These assist in giving direction for future actions, which will facilitate savings and reduce energy consumption.

During the year the Board had a bid for capital grant funding approved by SGHD, for the decentralisation of the boiler house. We are currently preparing a detailed business case for approval at the Board to support this development.

## National Waiting Times Centre Board

### **Sustainability and environmental reporting (continued)**

Work is ongoing by the sustainability leads to deliver the strands of the sustainability strategy; recognition has been given to the long term nature of these action plans.

Work is also continuing with Clydebank Rebuilt with regard to the building of a pathway running through the grounds, this demonstrates partnership working to develop a sustainable community project.

Plans for the coming year include:

- Continued installation of high frequency lighting and automatic lighting system.
- Further staff awareness training to be organised in conjunction with the Carbon Trust.
- Improved energy saving signage around the building.
- Continued planting to improve the natural habitat along the riverside including the development of a “meadow grass” area.

# National Waiting Times Centre Board

## REMUNERATION REPORT

### **Remuneration**

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

### **Notice Periods**

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

### **Remuneration Committee – Role and Purpose**

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

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

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

### **The Remuneration Committee - Membership**

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

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

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

### **The Remuneration Committee - Conduct of Business:**

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

### **Performance Appraisal**

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

### **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 2011/12.

## National Waiting Times Centre Board

### BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

The following tables provide a breakdown of executive and non-executive directors' remuneration in 2011/12 and 2010/11 and have been audited by the Board's auditors.

#### FOR THE YEAR ENDED 31 MARCH 2012

2012 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2010 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2011 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
<b>Remuneration of:</b>							
<b>Executive Members</b>							
Chief Executive: JW Young	110-115	0-2.5	40-45	684	867	(14)	3.5
Director of Finance: J M Carter	75-80	0-2.5	15-20	210	271	9	-
J Rogers	80-85	0-2.5	10-15	156	244	75	5.0
A Flowerdew	190-195	0-2.5	5-10	64	132	54	9.6
S Chaib	80-85	0-2.5	5-10	129	175	8	6.4
L Ferries	85-90	0-2.5	5-10	135	191	18	3.0
<b>Non-Executive Members</b>							
Chair: J Freeman OBE	20-25	-	-	-	-	-	-
J Christie	70-75	0-2.5	15-20	199	244	(14)	-
J H Mounfield OBE (left 30 September 2011)	0-5	-	-	-	-	-	-
Dr J E G O'Neil (left 30 September 2011)	0-5	-	-	-	-	-	-
P J Ramsay left 30 September 2011)	0-5	-	-	-	-	-	-
J Rae	5-10	-	-	-	-	-	-
M Whitehead	5-10	-	-	-	-	-	-
M McGregor (started 1 October 2011)	0-5	-	-	-	-	-	-
S MacKinnon (started 1 October 2011)	0-5	-	-	-	-	-	-
K Harriman (started 1 October 2011)	0-5	-	-	-	-	-	-
P Cox (started 1 October 2011)	0-5	-	-	-	-	-	-



## National Waiting Times Centre Board

### **BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)**

#### **FOR THE YEAR ENDED 31 MARCH 2012 (continued)**

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year but excludes employers' national insurance. 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 2010/11 and are included in the salary costs.

The Employee Director's salary includes £60k-65k in respect of non-Board duties.

The Medical Director's salary includes £35k-40k in respect of non-Board duties.

## National Waiting Times Centre Board

### BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION (continued)

#### FOR THE YEAR ENDED 31 MARCH 2011

2011 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2009 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2010 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
<b>Remuneration of:</b>							
<b>Executive Members</b>							
Chief Executive: JW Young	110-115	0-2.5	40-45	644	813	(13)	3.3
Director of Finance: J M Carter	75-80	0-2.5	15-20	180	245	35	-
J Rogers	70-75	0-2.5	5-10	136	186	18	4.8
A Flowerdew	185-190	0-2.5	5-10	30	85	54	9.8
S Chaib	80-85	0-2.5	5-10	111	155	15	6.2
L Ferries	85-90	0-2.5	5-10	114	164	20	3.0
<b>Non-Executive Members</b>							
Chair: J Freeman OBE (started 1 January 2011)	10-15	-	-	-	-	-	-
C Anderson (resigned 30 June 2010)	0-5	-	-	-	-	-	-
J Christie (started 1 July 2010)	65-70	0-2.5	15-20	173	232	29	-
J H Mounfield OBE	5-10	-	-	-	-	-	-
Dr J E G O'Neil (acting Chair to 31 December 2010)	20-25	-	-	-	-	-	-
P J Ramsay	5-10	-	-	-	-	-	-
J Rae	5-10	-	-	-	-	-	-
M Whitehead	5-10	-	-	-	-	-	-

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year but excludes employers national insurance. 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 2009/10 and are included in the salary costs.

The Employee Director's salary includes £60k-65k in respect of non-Board duties.

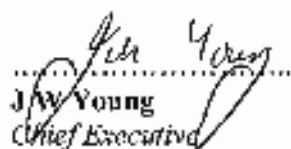
The Medical Director's salary includes £35k-40k in respect of non-Board duties.

## National Waiting Times Centre Board

### 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.

<b>2011/12</b>	<b>£000s</b>	<b>2010/11</b>	<b>£000s</b>
Highest earning Director's total remuneration	180-185	Highest earning Director's total remuneration	175-180
Median Total remuneration	28,785	Median Total remuneration	27,989
Ratio	6.32	Ratio	6.32

  
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J/W Young  
Chief Executive

**Date: 21 June 2012**

## National Waiting Times Centre Board

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

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

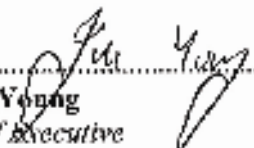
This designation carries with it, responsibility for:

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

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

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

I am responsible for ensuring proper records are maintained and that the Accounts are prepared under the principles and in the format directed by Scottish Ministers. To the best of my knowledge and belief, I have properly discharged my responsibilities as accountable officer as intimated in the Departmental Accountable Officers letter to me of the 25<sup>th</sup> October 2004.

  
.....  
**J W Young**  
Chief Executive

**Date: 21 June 2012**

## National Waiting Times Centre Board

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

Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2012 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 ORF  
*Chair*



J M Carter  
*Director of Finance*

**Date: 21 June 2012**

# National Waiting Times Centre Board

## Governance Statement

### Responsibility

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

### Purpose of Internal Control

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

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

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

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

### Governance Framework

In line with good practice, the Board has had robust governance arrangements in place for the year ended March 2012, with the key points of this framework detailed below:

- The Board has undertaken a detailed piece of work with staff, managers and patient/lay representatives to redefine the vision and values for the Board. A Non Executive Board member is designated as the Board Values Champion. Work is being finalised with a view to launching our vision and values in 2012/13:

#### **Our Vision**

- Excellence in patient and customer care.
- Providing first class facilities.
- Encouraging innovation and investing in staff.
- Valuing dignity and respect for all.

#### **Our Values**

- Treat everyone we meet in the course of our work with dignity and respect.
  - Demonstrate through our actions our commitment to quality.
  - Communicate effectively, working with others as part of a team.
  - Display a positive attitude at every opportunity.
- 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.

## National Waiting Times Centre Board

### Governance Statement (continued)

- 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. This has also been assessed against the Audit Scotland report on the Role of Boards. Board members have also attended specific training on the role of 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:
  - Standing Orders, including the scheme of delegations;
  - 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;
  - 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 with any amendments being submitted to the Audit Committee for approval.
- The Audit Committee of the Board has terms of reference which govern its function in line with those contained in the Government Audit Committee Handbook. The Committee meets 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 and Clinical Governance Committees also function in line with clear terms of reference and review assurance in these specific areas, providing updates to the Audit Committee as required.
- The Board follows all applicable laws and regulations. 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 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 as our Counter Fraud Champion, and we also have a Fraud Liaison Officer.
- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive and Non-Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHD.
- The Board Communications Strategy 2009-2012 sets out strategic objectives for communicating with the public, staff and other stakeholders. Reports on performance against key communications indicators are submitted to the Senior Management Team and Staff Governance Committee, with Communications attendance at the Involving People Steering Group, Partnership Forum, Volunteers Forum and Quality Patient Public Panel. At the last assessment by NHS Quality Improvement Scotland (now Healthcare Improvement Scotland), we scored level four for both Internal and External Communications. Work is under way on the Communications Strategy for 2012-2015 which will ensure that we continue to improve engagement with 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.

# National Waiting Times Centre Board

## **Governance Statement (continued)**

As per the guidance contained within the UK Corporate Governance Code (adapted for the NHA) to the best of my knowledge the Board has followed the underlying principles of good governance as defined by the 'Code': 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 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 Committee, Clinical Governance and Risk Management Group and Clinical Governance Committee.

The Audit 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.

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

## **Best Value**

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. I can confirm that arrangements have been made to secure Best Value as set out in the SPFM.

As part of this assurance the Board undertakes self-assessments of the Board's performance against the Best Value principles on an annual basis with this being reviewed by the Audit Committee.

## **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.



# National Waiting Times Centre Board

## **Governance Statement (continued)**

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

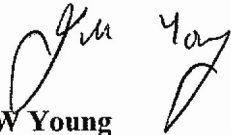
The Clinical Governance and Risk Management Group ensure that all risks are addressed fully and in a timely manner. The group meets on a regular basis with updates being provided via the Clinical Governance Committee to the Board and Audit Committee.

Risk controls are identified through the risk register process. The implementation of controls is monitored to ensure their 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.

More generally, the organisation is committed to continuous development and improvement: developing systems in response to any relevant reviews and developments in best practice. In particular during the year to 31 March and up to the signing of the accounts, the Board has commenced a review of the governance structures to ensure that the standing committees of the Board continue to meet the requirements of the Board and align with the requirements of the Quality Strategy.

## **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.



**J W Young**  
Chief Executive  
Date: 21 June 2012

# National Waiting Times Centre Board

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

We have audited the financial statements of the National Waiting Times Centre Board for the year ended 31 March 2012 under the National Health Service (Scotland) Act 1978. The financial statements comprise specify the titles of the primary statements such as the Balance Sheet, the Statement of Comprehensive Net Expenditure, 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 2011/12 Government Financial Reporting Manual (the 2011/12 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.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts, disclosures, and regularity of expenditure and income 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. In addition, we read all the financial and non-financial information in the directors' report and accounts to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for my report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the board's affairs as at 31 March 2012 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 2011/12 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.

### **Opinion on regularity**

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

## National Waiting Times Centre Board

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

#### **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 Operating and Financial Review and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

#### **Matters on which I am 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
- I have not received all the information and explanations I require for my 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.



Scott-Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh EH3 8BL

21 June 2012

## National Waiting Times Centre Board

### Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2012

	<i>Note</i>	2012	2012	2011	2011
		£'000	£'000	£'000	£'000
<b>Clinical Services Costs</b>					
Hospital and Community Health Services	4	113,427		106,670	
Less: Hospital and Community Income	8	59,192		51,015	
			<u>54,235</u>		<u>55,655</u>
Family Health	5	-		-	
Less: Family Health Income	8	-		-	
			<u>54,235</u>		<u>55,655</u>
<b>Total Clinical Services Costs</b>					
Administration Costs	6	7,884		7,995	
Less: Administration Income	8	-		-	
			<u>7,884</u>		<u>7,995</u>
Other Non Clinical Services	7	8			
Less: Other Operating Income	8	5,167		4,754	
			<u>(5,159)</u>		<u>(4,754)</u>
<b>Net Operating Costs</b>	<i>SOCTE</i>		<u><b>56,960</b></u>		<u><b>58,896</b></u>
<b>Other Comprehensive Net Expenditure</b>			<b>2012</b>		<b>2011</b>
			<b>£'000</b>		<b>£'000</b>
Net (gain)/loss on Revaluation of Property, Plant and Equipment			(1,855)		280
Net (gain)/loss on Revaluation of Intangible assets			-		-
Net (gain)/loss on Revaluation of available for sale financial assets			-		-
<b>Other comprehensive expenditure</b>			<u><b>(1,855)</b></u>		<u><b>280</b></u>
<b>Total Comprehensive Expenditure</b>			<u><b>55,105</b></u>		<u><b>59,176</b></u>

## National Waiting Times Centre Board

### Statement of Comprehensive Net Expenditure and Summary of Resource Outturn for the year ended 31 March 2012

#### SUMMARY OF CORE REVENUE RESOURCE OUTTURN

	2012	2012
	£'000	£'000
<b>Net Operating Costs</b>		<b>56,960</b>
Total Non Core Expenditure (see below)		(5,754)
FHS Non Discretionary Allocation		-
<b>Total Core Expenditure</b>		<b>51,206</b>
Core Revenue Resource Limit		51,207
<b>Saving/(excess) against Core Revenue Resource Limit</b>		<b>1</b>

#### SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital Grants to / (from) Other Bodies	-	
Depreciation/Amortisation	5,601	
Annually Managed Expenditure - Impairments	159	
Annually Managed Expenditure - Creation of Provisions	(6)	
IFRS PFI Expenditure	-	
<b>Total Non Core Expenditure</b>	<b>5,754</b>	
Non Core Revenue Resource Limit		5,754
<b>Saving/(excess) against Non Core Revenue Resource Limit</b>		<b>0</b>

#### SUMMARY RESOURCE OUTTURN


	Resource	Expenditure	Saving/(Excess)
	£'000	£'000	£'000
Core	51,207	51,206	1
Non Core	5,754	5,754	-
<b>Total</b>	<b>56,961</b>	<b>56,960</b>	<b>1</b>

## National Waiting Times Centre Board

### Balance sheet as at 31 March 2012

	<i>Note</i>	<b>2012</b> <b>£000</b>	<b>2012</b> <b>£000</b>	<b>2011</b> <b>£'000</b>	<b>2010</b> <b>£'000</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	<i>11</i>	133,359		134,800	138,049
Intangible Assets	<i>10</i>	-		-	-
Financial Assets:					
- Available for sale financial assets	<i>14</i>	-		-	-
- Trade and other receivables	<i>13</i>	-		-	-
<b>Total Non-current Assets</b>			<b>133,359</b>	<b>134,800</b>	<b>138,049</b>
<b>Current assets</b>					
Inventories	<i>12</i>	1,304		1,106	1,245
Financial Assets:					
- Trade and other receivables	<i>13</i>	5,699		4,705	10,396
- Cash and cash equivalents	<i>15</i>	8,960		6,097	3,286
- Available for sale financial assets	<i>14</i>	-		-	-
- Derivatives financial assets	<i>28</i>	-		-	-
Assets classified as held for sale	<i>11c</i>	20		-	-
<b>Total Current Assets</b>			<b>15,983</b>	<b>11,908</b>	<b>14,927</b>
<b>Total Assets</b>			<b>149,342</b>	<b>146,708</b>	<b>152,976</b>
<b>Current Liabilities</b>					
Provisions	<i>17</i>	(636)		(784)	(418)
Financial Liabilities:					
- Trade and other payables	<i>16</i>	(29,831)		(20,766)	(18,687)
- Derivative financial Liabilities	<i>28</i>	-		-	-
<b>Total Current Liabilities</b>			<b>(30,467)</b>	<b>(21,550)</b>	<b>(19,105)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>			<b>118,875</b>	<b>125,158</b>	<b>133,871</b>
<b>Non-current liabilities</b>					
Provisions	<i>17</i>	-		-	-
Financial Liabilities:					
- trade and other payables	<i>16</i>	-		-	-
<b>Total Non-current liabilities</b>			<b>-</b>	<b>-</b>	<b>-</b>
<b>Assets less liabilities</b>			<b>118,875</b>	<b>125,158</b>	<b>133,871</b>
<b>Taxpayers' Equity</b>					
General Fund	<i>SOCTE</i>		43,445	51,044	59,477
Revaluation reserve	<i>SOCTE</i>		75,430	74,114	74,394
Donated asset reserve	<i>SOCTE</i>		-	-	-
Other reserves	<i>SOCTE</i>		-	-	-
Government Grant Reserve	<i>SOCTE</i>		-	-	-
<b>Total Taxpayers' Equity</b>			<b>118,875</b>	<b>125,158</b>	<b>133,871</b>

Adopted by the Board on 21 June 2012

.....Director of Finance

**J M Carter**

.....Chief Executive

**J W Young**

# National Waiting Times Centre Board

## Cash flow statement for the year ended 31 March 2012

		2012	2012	2011	2011
	<i>Note</i>	£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net operating cost	<i>SOCNE</i>	(56,960)		(58,896)	
Adjustments for non-cash transactions	<i>3</i>	5,784		7,180	
Add back: interest payable recognised in net operating cost	<i>3</i>	-		-	
Deduct: interest receivable recognised in net operating cost	<i>8</i>	-		-	
(Increase)/decrease in trade and other receivables	<i>18</i>	(994)		5,691	
(Increase)/decrease in inventories	<i>18</i>	(198)		139	
Increase/(decrease) in trade and other payables	<i>18</i>	6,203		(731)	
Increase in provisions	<i>18</i>	(148)		366	
			<u>(46,313)</u>		<u>(46,251)</u>
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(2,508)		(4,211)	
Purchase of intangible assets		-		-	
Proceeds of disposal of property, plant and equipment		-		-	
Proceeds of disposal of intangible assets		-		-	
Interest received		-		-	
<b>Net cash outflow from investing activities</b>			<u>(2,508)</u>		<u>(4,211)</u>
<b>Cash flows from financing activities</b>					
Funding	<i>SOCTE</i>	48,822		50,463	
Movement in general fund working capital	<i>SOCTE</i>	2,862		2,810	
Cash drawn down		51,684		53,273	
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts					
Interest paid	<i>3</i>	-		-	
Interest element of finance leases and on-balance sheet PFI/PPP contracts	<i>3</i>	-		-	
<b>Net financing</b>			<u>51,684</u>		<u>53,273</u>
Net Increase/(decrease) in cash and cash equivalents in the period			2,863		2,811
Cash and cash equivalents at the beginning of the period			6,097		3,286
<b>Cash and cash equivalents at the end of the period</b>			<u>8,960</u>		<u>6,097</u>
<b>Reconciliation of net cash flow to movement in net debt/cash</b>					
Increase/(decrease) in cash in year			2,863		2,811
Net debt/cash at 1 April	<i>15</i>		6,097		3,286
<b>Net debt/cash at 31 March</b>	<i>15</i>		<u>8,960</u>		<u>6,097</u>

## National Waiting Times Centre Board

### Statement of changes in taxpayers' equity for the year ended 31 March 2012

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
<b>Balance at 31 March 2011</b>		<b>51,044</b>	<b>74,114</b>	<b>125,158</b>
Prior year adjustments for changes in accounting policy and material errors	26	-	-	-
<b>Restated balance at 1 April 2011</b>		<b>51,044</b>	<b>74,114</b>	<b>125,158</b>
<b>Changes in taxpayers' equity for 2011/12</b>				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	-	1,855	<b>1,855</b>
Net gain/(loss) on revaluation/indexation of intangible assets	10	-	-	-
Net gain/(loss) on revaluation of available for sale financial assets	14	-	-	-
Impairment of property, plant and equipment	11	-	(183)	<b>(183)</b>
Impairment of intangible assets	10	-	-	-
Receipt donated assets	11b	-	183	<b>183</b>
Revaluation & impairments taken to operating cost statement	3	-	-	-
Non-cash charges – cost of capital	3	-	-	-
Transfers between reserves		539	(539)	-
Transfer of fixed assets from other bodies		-	-	-
Pension Reserve movement		-	-	-
Net operating cost for year		(56,960)	-	<b>(56,960)</b>
<b>Total recognised income and expense for 2011/12</b>		<b>(56,421)</b>	<b>1,316</b>	<b>(55,105)</b>
<b>Funding:</b>				
Drawn Down		51,684	-	<b>51,684</b>
Movement in General Fund (Creditor)/Debtor		(2,862)	-	<b>(2,862)</b>
<b>Balance at 31 March 2012</b>		<b>43,445</b>	<b>75,430</b>	<b>118,875</b>



## National Waiting Times Centre Board

### Statement of changes in taxpayers' equity for the year ended 31 March 2011

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
<b>Balance at 31 March 2010</b>		59,477	74,394	133,871
Prior year adjustments for changes in accounting policy and material errors, including First Time Adoption of IFRS	26	-	-	-
<b>Restated balance at 1 April 2010</b>		<u>59,477</u>	<u>74,394</u>	<u>133,871</u>
<b>Changes in taxpayers' equity for 2010/11</b>				
Net gain/(loss) on revaluation/indexation of property, plant and equipment	11	-	(280)	(280)
Net gain/(loss) on revaluation/indexation of intangible assets	10	-	-	-
Net gain/(loss) on revaluation of available for sale financial assets	14	-	-	-
Impairment of property, plant and equipment	11	-	(1,745)	(1,745)
Impairment of intangible assets	10	-	-	-
Receipt donated assets	11b	-	-	-
Revaluation & impairments taken to operating cost statement	3	-	1,745	1,745
Non-cash charges – cost of capital	3	-	-	-
Transfers between reserves		-	-	-
Transfer of fixed assets from other bodies		-	-	-
Pension Reserve movement		-	-	-
Net operating cost for year		(58,896)	-	(58,896)
<b>Total recognised income and expense for 2010/11</b>		<u>(58,896)</u>	<u>(280)</u>	<u>(59,176)</u>
<b>Funding:</b>				
Drawn Down		53,273	-	53,273
Movement in General Fund (Creditor)/Debtor		(2,810)	-	(2,810)
<b>Balance at 31 March 2011</b>		<u>51,044</u>	<u>74,114</u>	<u>125,158</u>

## Notes to the Accounts

### Note 1 Accounting Policies

#### 1. Authority

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

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the accounts, are disclosed in section 25 below.

#### (a) Standards, amendments and interpretations effective in 2011/12

There are no new standards, amendments or interpretations effective for the first time in 2011/12.

#### (b) Standards, amendments and interpretations early adopted in 2011/12

There are no new standards, amendments or interpretations early adopted in 2011/12

#### 2. Basis of Consolidation

As directed by the Scottish Ministers, the financial statements do not consolidate the Board's endowment funds. Transactions between the Board and the endowment fund are disclosed as related party transactions, where appropriate, in note 29 to the financial statements.

#### 3. Prior Year Adjustments

There are no prior year adjustments which will impact on the Board in the current financial year.

#### 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.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

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

#### 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.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

- 4) Non-specialised equipment, installations and fittings are valued at fair value. The Board values such assets using the most appropriate valuation methodology available (for example, appropriate indices). A depreciated historical cost basis as a proxy for fair value in respect of such assets which have short useful lives or low values (or both).
- 5) Assets under construction are valued at current cost. This is calculated as the level of expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review.
- 6) To meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual have been required:

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

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.

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

Gains and losses recognised in the revaluation reserve are reported in the Statement of Other Comprehensive 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.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

- 4) Buildings, installations and fittings are depreciated on their current value over the estimated remaining life of the asset, as advised by the appointed valuer. They are assessed in the context of the maximum useful lives for building elements.
- 5) Equipment is depreciated over the estimated life of the asset.

Depreciation is charged on a straight-line basis.

The following asset lives have been used for the period:

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

### 8. Non-current assets held for sale

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

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

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

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

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

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

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

### 10. Leasing

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

### 11. Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Where an asset is not held for the purpose of generating cash flows, value in use is assumed to equal the cost of replacing the service potential provided by the asset, unless there has been a reduction in service potential. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the SOCNE are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

### 12. 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.

### 13. Inventories

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

### 14. Losses and Special Payments

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

### 15. Employee Benefits

#### Short-term Employee Benefits

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

#### Pension Costs

The Board participates in the NHS Superannuation Scheme for Scotland providing defined benefits based on final pensionable pay, where contributions are credited to the Exchequer and are deemed to be invested in a portfolio of Government Securities. The Board is unable to identify its share of the underlying notional assets and liabilities of the scheme on a consistent and reasonable basis and therefore accounts for the scheme as if it were a defined contribution scheme, as required by IAS 19 'Employee Benefits'. As a result, the amount charged to the 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.

# National Waiting Times Centre Board

## **Note 1 Accounting Policies (continued)**

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

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

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

### **16. 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.

### **17. Related Party Transactions**

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

### **18. Value Added Tax**

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

### **19. Provisions**

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

### **20. Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 19 where an inflow of economic benefits is probable.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

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

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

### 21. 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.

### 22. Financial Instruments

#### Financial assets

##### Classification

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

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

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

##### (b) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables comprise trade and other receivables and cash at bank and in hand in the balance sheet.

##### (c) Available-for-sale financial assets

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

##### Recognition and measurement

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

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



# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

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

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

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

### (b) 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.

### (c) Available-for-sale financial assets

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

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

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

## Financial Liabilities

### Classification

The Board classifies its financial liabilities in the following categories: at fair value through profit or loss, and other financial liabilities. The classification depends on the purpose for which the financial liabilities were issued. Management determines the classification of its financial liabilities at initial recognition.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

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

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

### (b) Other financial liabilities

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

### Recognition and measurement

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

A financial liability is removed from the balance sheet when it is extinguished, that is when the obligation is discharged, cancelled or expired.

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

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

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

### (b) Other financial liabilities

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

## 23. Segmental Reporting

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

Operating segments are unlikely to directly relate to the analysis of expenditure shown in notes 4 to 7 for Hospital & Community, Family Health and Other Service and Administration Costs, the basis of which relates to Scottish Government funding streams and the classification of which varies depending on Scottish Government reporting requirements.

## 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.

# National Waiting Times Centre Board

## Note 1 Accounting Policies (continued)

### 25. Foreign exchange

The functional and presentational currencies of the Board are sterling.

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

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

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

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

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

### 26. Key Sources of judgement and estimation uncertainty

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

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

#### Impairments

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

#### Material Provisions

The Board has a small number of material provisions in the accounts, with the most substantial of these related to pay issues (including voluntary severance) and HMRC, the basis of these provisions is that they are likely to be realised within the next six to twelve months.

#### Significant Risks

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

## National Waiting Times Centre Board

### Note 2(a) Staff Numbers and Costs

#### (i) Segmentation of Staff Costs

2012	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	Total £'000	2011 £'000
Salaries and wages	530	77	45,832	-	742	86	47,267	47,549
Social security costs	62	4	4,220	-	36	8	4,330	4,105
NHS Scheme employers' costs	68	-	4,974	-	27	11	5,080	5,086
Other employers' pension costs	-	-	4	-	-	-	4	5
Inward Secondees	-	-	-	162	432	-	594	870
Agency staff	-	-	-	-	3,009	-	3,009	3,594
	<u>660</u>	<u>81</u>	<u>55,030</u>	<u>162</u>	<u>4,246</u>	<u>105</u>	<u>60,284</u>	<u>61,209</u>
Compensation for loss of office or early retirement	-	-	1,397	-	-	-	1,397	736
<b>Total</b>	<u><b>660</b></u>	<u><b>81</b></u>	<u><b>56,427</b></u>	<u><b>162</b></u>	<u><b>4,246</b></u>	<u><b>105</b></u>	<u><b>61,681</b></u>	<u><b>61,945</b></u>

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

	<b>Annual Mean 2012 No.</b>	<b>Annual Mean 2011 No.</b>
Administration Costs	297.2	293.1
Hospital and Community Services	893.4	901.3
Non Clinical Services	164.4	177.5
Other, including recharge Trading Accounts	-	-
Inward Secondees	4.1	5.3
Agency staff	32.7	41.8
Outward Secondees	2.0	2.0
<b>Total Board Average Staff</b>	<u><b>1,393.6</b></u>	<u><b>1,421.0</b></u>
Disabled staff	<u>-</u>	<u>-</u>

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

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

## National Waiting Times Centre Board

### Note 2 (b) Higher Paid Employees Remuneration

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

	2012	2011
<i>Clinicians</i>		
£50,001 - £60,000	5	3
£60,001 - £70,000	4	2
£70,001 - £80,000	2	1
£80,001 - £90,000	6	3
£90,001 - £100,000	5	4
£100,001 - £110,000	4	5
£110,001 - £120,000	2	4
£120,001 - £130,000	7	4
£130,001 - £140,000	10	8
£140,001 - £150,000	5	5
£150,001 - £160,000	1	3
£160,001 - £170,000	4	3
£170,001 - £180,000	2	1
£180,001 - £190,000	2	4
£190,001 - £200,000	2	-
£200,001 and above	5	6
 <i>Other</i>		
£50,001 - £60,000	25	23
£60,001 - £70,000	11	12
£70,001 - £80,000	4	8
£80,001 - £90,000	4	2
£90,001 - £100,000	-	-
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	-	1
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	-
£200,001 and above	-	-

Arrears of pay received by staff in 2011/12, which amounts to £109,892. This is split between clinical £109,214 and non-clinical £677.

The increase in 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.

## National Waiting Times Centre Board

### Note 3 Other Operating Costs

	<i>Note</i>	<b>2012</b>	<b>2011</b>
<b>Expenditure Not Paid in Cash</b>		<b>£'000</b>	<b>£'000</b>
Depreciation	<i>11</i>	5,601	5,435
Impairments on property, plant and equipment charged to OCS	<i>11</i>	183	1,745
Loss/ (Profit) on disposal of property, plant and equipment	<i>9</i>	-	-
<b>Total Expenditure Not Paid in Cash</b>		<b>5,784</b>	<b>7,180</b>

#### **Interest Payable**

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

<b>Statutory Audit</b>	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
External auditor's remuneration and expenses	73	85
	<b>73</b>	<b>85</b>

## National Waiting Times Centre Board

### Note 4 Hospital and Community Health Services

#### By Provider

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Treatment in Board area of NHS Scotland patients	113,401	106,648
Other NHS Scotland Bodies	-	-
Health Bodies outside Scotland	-	-
Private Sector	26	22
<b>Total NHS Scotland Patients</b>	<b>113,427</b>	<b>106,670</b>
Treatment of UK residents based outside Scotland	-	-
<b>Total Hospital and Community Health Service</b>	<b>113,427</b>	<b>106,670</b>

All expenditure has been in the Acute Services category.

### Note 5 Family Health Service Expenditure

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

### Note 6 Administration Costs

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Board Members' Remuneration	741	712
Administration of Board Meetings and Committees	140	132
Corporate Governance and Statutory Reporting	149	161
Health Planning, Commissioning and Performance Reporting	-	-
Treasury Management and Financial Planning	25	24
Public Relations	-	-
Other Support Functions	6,829	6,966
<b>Total Administration Costs</b>	<b>7,884</b>	<b>7,995</b>

## National Waiting Times Centre Board

### Note 7 Other non-clinical services

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Loss on Disposal of non-current assets	-	-
Post Graduate Medical Education	8	-
Other	-	-
<b>Total Other Non Clinical Services</b>	<b>8</b>	<b>-</b>

### Note 8 Operating Income

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>HCH Income</b>		
NHS Scotland Bodies – Boards	58,847	50,627
Non-NHS:		
Private patients	37	32
Other HCH Income	308	356
<b>Total HCH Income</b>	<b>59,192</b>	<b>51,015</b>
<b>Other operating income</b>		
NHS Scotland Bodies	523	403
Profit on disposal of non-current Assets	-	-
Interest Received	-	-
Other	4,644	4,351
<b>Total other operating income</b>	<b>5,167</b>	<b>4,754</b>
<b>Total income</b>	<b>64,359</b>	<b>55,769</b>
Of the above, the amount derived from NHS bodies is	<b>59,287</b>	<b>51,030</b>



## National Waiting Times Centre Board

### Note 9 Analysis of Capital Expenditure

	<i>Note</i>	<b>2012</b>	<b>2011</b>
<b>Expenditure</b>		<b>£'000</b>	<b>£'000</b>
Acquisition of Intangible Fixed Assets	<i>10</i>	-	-
Acquisition of property, plant and equipment	<i>11</i>	2,508	4,211
(Profit)/Loss of disposal of non-current assets	<i>OCS</i>	-	-
<b>Gross Capital Expenditure</b>		<b>2,508</b>	<b>4,211</b>
<b>Income</b>			
Net Book Value of disposal of Intangible Fixed Assets	<i>10</i>	-	-
Net Book Value of disposal of Property, plant and equipment	<i>11a</i>	-	-
<b>Capital Income</b>		-	-
<b>Net Capital Expenditure</b>		<b>2,508</b>	<b>4,211</b>
<b>Summary of Capital Resource Outturn</b>			
Net capital expenditure as above		2,508	4,211
Capital Resource Limit		2,508	4,368
<b>Savings/(Excess) against capital resource limit</b>		<b>0</b>	<b>157</b>

### Note 10 Intangible Fixed Assets

There were no intangible fixed assets during the period.

## National Waiting Times Centre Board

### 11 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2012

	Land £'000	Buildings £'000	Plant and Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2011	5,680	108,782	35,311	7,022	534	975	158,304
Additions	-	-	329	562	-	1,617	2,508
Completions	-	498	597	48	-	(1,143)	-
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	(20)	-	-	-	-	-	(20)
Revaluation	20	(602)	-	-	-	-	(582)
Impairment Charge	-	(71)	-	-	-	(112)	(183)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2012	<b>5,680</b>	<b>108,607</b>	<b>36,237</b>	<b>7,632</b>	<b>534</b>	<b>1,337</b>	<b>160,027</b>
<b>Depreciation</b>							
At 1 April 2011	-	-	18,694	4,342	468	-	23,504
Provided during the year	-	2,437	2,494	661	9	-	5,601
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,437)	-	-	-	-	(2,437)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
At 31 March 2012	-	-	<b>21,188</b>	<b>5,003</b>	<b>477</b>	-	<b>26,668</b>
<i>Net book value purchased assets</i>							
At 1 April 2011	5,680	108,782	16,617	2,680	66	975	134,800
At 31 March 2012	5,680	108,607	15,049	2,629	57	1,337	133,359
Open Market value of Land included above	-	-	-	-	-	-	-
<b>Asset Financing:</b>							
Owned	5,680	108,607	15,049	2,629	57	1,337	133,359
<b>Net Book Value at 31 March 2012</b>	<b>5,680</b>	<b>108,607</b>	<b>15,049</b>	<b>2,629</b>	<b>57</b>	<b>1,337</b>	<b>133,359</b>

## National Waiting Times Centre Board

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

	Land £'000	Buildings £'000	Plant and Machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets under construction £'000	Total £'000
<b>Cost or valuation</b>							
At 1 April 2010	5,680	111,463	34,807	5,937	534	123	158,544
Additions	-	-	373	1,085	-	2,753	4,211
Completions	-	25	131	-	-	(156)	-
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,706)	-	-	-	-	(2,706)
Impairment Charge	-	-	-	-	-	(1,745)	(1,745)
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2011</b>	<b>5,680</b>	<b>108,782</b>	<b>35,311</b>	<b>7,022</b>	<b>534</b>	<b>975</b>	<b>158,304</b>
<b>Depreciation</b>							
At 1 April 2010	-	-	16,212	3,826	457	-	20,495
Provided during the year	-	2,426	2,482	516	11	-	5,435
Transfers	-	-	-	-	-	-	-
Transfers (to)/from non-current assets held for sale	-	-	-	-	-	-	-
Revaluation	-	(2,426)	-	-	-	-	(2,426)
Impairment Charge	-	-	-	-	-	-	-
Impairment Reversal	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
<b>At 31 March 2011</b>	<b>-</b>	<b>-</b>	<b>18,694</b>	<b>4,342</b>	<b>468</b>	<b>-</b>	<b>23,504</b>
<i>Net book value purchased assets</i>							
At 1 April 2010	5,680	111,463	18,595	2,111	77	123	138,049
At 31 March 2011	5,680	108,782	16,617	2,680	66	975	134,800
Open Market value of Land included above	-	-	-	-	-	-	-
<b>Asset Financing:</b>							
Owned	5,680	108,782	16,617	2,680	66	975	134,800
<b>Net Book Value at 31 March 2011</b>	<b>5,680</b>	<b>108,782</b>	<b>16,617</b>	<b>2,680</b>	<b>66</b>	<b>975</b>	<b>134,800</b>

## National Waiting Times Centre Board

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

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

### Note 11 (c) Assets Held for Sale

The following assets related to 0.4 acres of land have been presented as held for sale following the approval for sale by the Board, the value of this land as at 31 March 2012 is £20,000 (prior year £0). The completion date for the sale is expected to be August 2012.

### Note 11 (d) Property, Plant and Equipment Disclosures

Net book value of tangible fixed assets as at 31 March	<i>Note</i>	2012 £'000	2011 £'000
Purchased	<i>11a</i>	133,359	134,800
Donated	<i>11b</i>	-	-
	<i>BS</i>	133,359	134,800

Land, hospital and hotel buildings were fully valued by James Barr at the 31 March 2012 on the basis of existing use value or market value, where no longer in use.

The net impact was an increase in value of £1,855,000 (2010/11: £280,000 decrease) which was credited to the revaluation reserve.

### Note 12 Inventories

	2012 £'000	2011 £'000	2010 £'000
Raw Materials and Consumables	1,304	1,106	1,245

## National Waiting Times Centre Board

### Note 13 Trade and Other Receivables

	<b>2012</b>		<b>2011</b>	<b>2010</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Debtors due within one year</b>				
<b>National Health Service in Scotland</b>				
SGHD	-		-	-
Boards	4,835		3,760	9,490
<b>Total National Health Service in Scotland Receivables</b>		4,835	3,760	9,490
NHS Non-Scottish Bodies	-		-	-
General Fund Receivable	-		-	-
VAT recoverable	78		85	80
Prepayments	383		406	439
Accrued income	101		47	13
Other Receivables	302		407	374
Reimbursement of provisions	-		-	-
Other Public Sector Bodies	-		-	-
<b>Total Receivables within one year</b>		<b>5,699</b>	<b>4,705</b>	<b>10,396</b>
<b>Total Receivables due after more than one year</b>		-	-	-
<b>Total Receivables</b>		<b>5,699</b>	<b>4,705</b>	<b>10,396</b>

The total receivables figure above includes a provision for bad debts of £6,000 (prior year £13,000).

Movements on the provision for Impairment of Debtors are as follows:	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
As at 1 April	13	5
Provisions for debtors impairment	6	12
Debtors written off during the year as uncollectible	(13)	(3)
Unused amounts reverses	-	(1)
At 31 March	<b>6</b>	<b>13</b>

As at 31 March 2012, debtors with a carrying value of £16,341 (2010/11: £19,360) were impaired and provided for. The amount of the provision was £6,347 (2010/11: £13,185). The aging of these receivables is as follows:

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
3 to 6 months past due	-	-
Over 6 months past due	6	13
	<b>6</b>	<b>13</b>

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.

## National Waiting Times Centre Board

### Note 13 Trade and Other Receivables (continued)

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2012 debtors of carrying value of £4,056,000 (2010/11: £465,000) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows:

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Up to 3 months past due	3,754	193
3 to 6 months past due	302	272
Over 6 months past due	-	-
	<b>4,056</b>	<b>465</b>

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

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

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

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Counterparties with external credit ratings		
A	21	5
BB	3	17
BBB	-	-
Counterparties with no external credit rating	-	-
New customers	-	-
Existing customers with no defaults in the past	-	15
Existing customers with some defaults in the past	-	-
	<b>24</b>	<b>37</b>

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

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
Pounds	5,699	4,705
Euros	-	-
US Dollars	-	-
	<b>5,699</b>	<b>4,705</b>

## National Waiting Times Centre Board

### Note 13 Trade and Other Receivables (continued)

There are no non-current receivables that are due over one year.

### Note 14 Available for Sale Financial Assets

There were no investments in the period.

### Note 15 Cash and Cash Equivalents

	As at 1 April 2011	Cash Flows	As at 31 March 2012
	£'000	£'000	£'000
Government Banking Service account balance	4,907	3,875	8,782
Cash at Bank and in Hand	<u>1,190</u>	<u>(1,012)</u>	<u>178</u>
<b>Total cash and cash equivalents</b>	<b>6,097</b>	<b>2,863</b>	<b>8,960</b>
Bank Overdrafts	-	-	-
<b>Total Cash – Cash Flow Statement</b>	<b><u>6,097</u></b>	<b><u>2,863</u></b>	<b><u>8,960</u></b>
<b>Prior Year</b>			
	As at 1 April 2010	Cash Flows	As at 31 March 2011
	£'000	£'000	£'000
Government Banking Service account balance	3,229	1,678	4,907
Cash at Bank and in Hand	<u>57</u>	<u>1,133</u>	<u>1,190</u>
<b>Total cash and cash equivalents</b>	<b>3,286</b>	<b>2,811</b>	<b>6,097</b>
Bank Overdrafts	-	-	-
<b>Total Cash – Cash Flow Statement</b>	<b><u>3,286</u></b>	<b><u>2,811</u></b>	<b><u>6,097</u></b>

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

## National Waiting Times Centre Board

### Note 16 Trade and Other Payables

	2012	2011	2010
	£'000	£'000	£'000
<b>Payables due within one year</b>			
<b>National Health Service in Scotland</b>			
SGHD	-	-	-
Boards	6,335	2,557	2,708
<b>Total NHS Scotland Payables</b>	<b>6,335</b>	<b>2,557</b>	<b>2,708</b>
NHS Non-Scottish Bodies	-	-	-
General fund payable	8,959	6,097	3,287
Trade payables	485	734	2,103
Accruals	11,595	9,150	8,418
Deferred Income	150	18	54
Payments received on account	90	89	125
Interest Payable	-	-	-
Bank Overdrafts	-	-	-
Income tax and social security	1,285	1,253	1,209
Superannuation	623	612	538
Holiday pay accrual	309	256	245
Clinical/Medical Negligence claims	-	-	-
VAT	-	-	-
Other Public Sector Bodies	-	-	-
EC Carbon Emissions	-	-	-
Other payables	-	-	-
<b>Total Payables due within one year</b>	<b>29,831</b>	<b>20,766</b>	<b>18,687</b>
<b>Total Payables due after more than one year</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Payables</b>	<b>29,831</b>	<b>20,766</b>	<b>18,687</b>

There are no borrowings included in the above.

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

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

	2012	2011
	£'000	£'000
Pounds	29,831	20,766
Euros	-	-
US Dollars	-	-
	<b>29,831</b>	<b>20,766</b>



## National Waiting Times Centre Board

### Note 17 Provisions for year-ended 31 March 2012

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
<b>As at April 2011</b>	-	737	-	47	784
Arising during the year	-	116	-	55	171
Utilised during the year	-	(202)	-	(10)	(212)
Unwinding of discount	-	-	-	-	-
Reversed unutilised	-	(100)	-	(7)	(107)
<b>At 31 March 2012</b>	-	551	-	85	636

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

#### Analysis of expected timing of discounted flows

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
Current	-	551	-	85	636
Non-current	-	-	-	-	-
<b>Total as at 31 March 2012</b>	-	551	-	85	636

#### Provisions for Prior-year

	Pensions £'000	Clinical & Medical £'000	EC Carbon Emissions £'000	Other £'000	Total £'000
<b>As at April 2010</b>	-	403	-	15	418
Arising during the year	-	439	-	35	474
Utilised during the year	-	(6)	-	-	(6)
Unwinding of discount	-	-	-	-	-
Reversed unutilised	-	(99)	-	(3)	(102)
<b>At 31 March 2011</b>	-	737	-	47	784

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

## National Waiting Times Centre Board

### Note 17 Provisions for year-ended 31 March 2012

#### Analysis of expected timing of discounted flows

	<b>Pensions</b>	<b>Clinical &amp; Medical</b>	<b>EC Carbon</b>	<b>Other</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>Emissions</b>	<b>£'000</b>	<b>£'000</b>
			<b>£'000</b>		
Current	-	737	-	47	784
Non-current	-	-	-	-	-
<b>Total as at 31 March 2011</b>	<b>-</b>	<b>737</b>	<b>-</b>	<b>47</b>	<b>784</b>

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

#### Pensions and similar obligations

The Board meets the additional costs of benefits beyond the National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.8% in real terms.

#### 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.

## National Waiting Times Centre Board

### Note 18 Movement on Working Capital Balances

	Opening Balances	Closing Balances	2012 Net Movement	2011 Net Movement
	£'000	£'000	£'000	£'000
<b>Inventories</b>				
Balance Sheet	1,106	1,304		
Net Decrease/(Increase)			(198)	139
<b>Trade and Other Receivables</b>				
Due within one year	4,705	5,699		5,691
Due after more than one year	-	-		
	4,705	5,699		5,691
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: general fund debtor included above	-	-		-
	4,705	5,699		
<b>Net Decrease/(Increase)</b>			(994)	5,691
<b>Trade and Other Payables</b>				
Due within one year	20,766	29,831		2,079
Due after more than one year	-	-		-
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: Bank Overdraft	-	-		-
Less: General Fund Creditor included in above	(6,097)	(8,959)		(2,810)
Less: Lease and PFI Creditors included in above	-	-		-
	14,669	20,872		
<b>Net (Decrease)/Increase</b>			6,203	(731)
<b>Provisions</b>				
Balance Sheet	784	636		366
Transfer from Provision to General Fund	-	-		
<b>Net (Decrease)/Increase</b>	784	636	(148)	366
<b>Net Movement (Decrease)/Increase</b>			<b>4,863</b>	<b>5,465</b>

# National Waiting Times Centre Board

## Note 19 Contingent Liabilities

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

Nature	2012 £'000	2011 £'000
Clinical and medical compensation payments	127	147
Employer's liability	-	-
Other	55	38
<b>Total Contingent Liabilities</b>	<b>182</b>	<b>185</b>

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

### *Equal Pay Claims*

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

The basis of claims is as follows:

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

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

### **Contingent Assets**

The Board currently has contingent assets of £130,000 in year (prior year £90,000).

## Note 20 Events after the end of the reporting period

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

## National Waiting Times Centre Board

### Note 21 Commitments

#### Capital Commitments

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

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Contracted</b>		
Theatre 16	18	150
MRI Scanner	180	
<b>Authorised but not contracted</b>		
MRI Scanner	-	1,900
External Store	-	300
<b>Total</b>	<b>198</b>	<b>2,350</b>

### Note 22 Commitments under Leases

At 31 March 2012, the Board had annual commitments under non-cancellable operating leases as follows:

	<b>2012</b>	<b>2011</b>
	<b>£'000</b>	<b>£'000</b>
<b>Operating leases</b>		
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.	-	-
<b>Obligations under operating lease comprise:</b>		
<b>Land</b>	-	-
<b>Buildings</b>	-	-
<b>Other</b>		
Not later than one year	238	262
Later than one	114	376
After five years	-	-
<b>Amounts charged to operating costs in the year were:</b>		
Hire of equipment (including vehicles)	349	451
Other Operating leases	-	-
<b>Total</b>	<b>701</b>	<b>1,089</b>

The Board held no finance leases in the reporting period.

### Note 23 Commitments under Private Finance Initiative contracts

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

## National Waiting Times Centre Board

### Note 24 Pensions Costs

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

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

For 2011/12, normal employer contributions of £4,827,818 were payable to the SPPA (prior year £4,764,048) at the rate of 13.5% (prior year: 13.5%) of total pensionable salaries. No additional costs were incurred during the accounting period arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £370 million to be met by future contributions from employing authorities.

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

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

#### Existing Scheme:

The scheme provides benefits on a 'final salary' basis at a normal retirement age of 60. Annual benefits are normally based on 1/80th of the best of the last three years' pensionable pay for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. Members pay tiered contributions ranging from 5% to 8.5% of pensionable earnings. Pensions are increased in line with the 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 dependent children and whether there is a surviving parent who will get a scheme widow/widower's pension. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately where the member has more than 2 years' service. Where service exceeds 5 years, the pension is calculated using specially enhanced service, with a maximum enhancement of 10 years.

Members aged 50 or above may take voluntary early retirement and receive a reduced pension. Alternatively, if the employer agrees to this the member will be able to retire on the full pension and lump sum which they have earned.

#### New 2008 Arrangements:

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

## National Waiting Times Centre Board

### Note 24 Pensions Costs (continued)

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

Staff remaining under HCI terms and conditions of employment continue to receive benefits in the format of contribution to a defined contribution pension scheme unless they elected to join the National Health Superannuation Scheme. Contributions to the defined contribution pension scheme amounted to £3,923.

Pension Costs	2011/12	2010/11
	£'000	£'000
Pension cost charge for year	4,828	4,764
Additional Costs arising from early retirement	-	-
Provisions/Pre-payments included in the Balance Sheet	-	-

### Note 25 Exceptional Items and Prior Period Adjustments

There are no exceptional items or prior year adjustments contained within the accounts.

### Note 26 Restated Primary Statements

There are no prior year adjustments contained within the accounts the primary statements have not been restated.

### Note 27 Financial Instruments

#### 27a Financial Instruments by category

Financial Assets	Loans and Receivables £'000	Assets at fair value through profit and loss £'000	Achievable for sale £'000	Total £'000
<b>At 31 March 2012</b>				
<b>Assets per balance sheet</b>				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	403	-	-	403
Cash and cash equivalents	8,960	-	-	8,960
	<b>9,363</b>	<b>-</b>	<b>-</b>	<b>9,363</b>

## National Waiting Times Centre Board

### Note 27 Financial Instruments (continued)

#### 27a Financial Instruments by category

Financial Assets	Loans and Receivables £'000	Assets at fair value through profit and loss £'000	Achievable for sale £'000	Total £'000
<b>At 31 March 2011</b>				
<b>Assets per balance sheet</b>				
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	454	-	-	454
Cash and cash equivalents	6,097	-	-	6,097
	<b>6,551</b>	<b>-</b>	<b>-</b>	<b>6,551</b>



## National Waiting Times Centre Board

### Note 27 Financial Instruments (continued)

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
<b>At 31 March 2012</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	-	21,438	21,438
	<b>-</b>	<b>21,438</b>	<b>21,438</b>

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
<b>At 31 March 2011</b>			
<b>Liabilities per balance sheet</b>			
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	-	16,326	16,326
	<b>-</b>	<b>16,326</b>	<b>16,326</b>

### 27b Financial Risk Factors

#### Exposure to risk

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

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

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

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

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

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

## National Waiting Times Centre Board

### Note 27 Financial Instruments (continued)

#### A - Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

#### B – Liquidity Risk

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

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

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2012	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	22,211			
<b>Total</b>	<b>22,211</b>	-	-	-

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
31 March 2011	-	-	-	-
PFI Liabilities	-	-	-	-
Finance Lease Liabilities	-	-	-	-
Derivative financial instruments	-	-	-	-
Trade and other payables excluding statutory liabilities	16,956	-	-	-
<b>Total</b>	<b>16,956</b>	-	-	-

# National Waiting Times Centre Board

## Note 27 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.

### 27c Fair value estimation

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

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

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

## Note 28 Derivative Financial Instruments

The Board does not hold any forward exchange contracts.

## Note 29 Related Party Transactions

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

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

## Note 30 Segment Information

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

	<b>Segment 1</b> <b>2010/11</b> <b>£'000</b>	<b>Segment 1</b> <b>2011/12</b> <b>£'000</b>
<b>Net Operating Cost</b>	56,960	58,896
<b>Total Assets</b>	118,875	125,158

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

## National Waiting Times Centre Board

### Note 31 Third Party Assets

There are no third party assets within the accounting period.

### Note 32 Exit Packages

The financial values included in the tables below include amounts for cash payments made during the year to employees who have now left the organisation. In addition, to the figures below, there is an accrual in the financial statements totalling £1,235,782 in relation to 29 employees who are expected to leave the organisation in the coming year (2011: £736,000 for 12 employees).

#### EXIT PACKAGES 2011/12

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	4	4
£10,000 - £25,000	-	1	1
£25,000 - £50,000	-	1	1
£50,000 - £100,000	-	1	1
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
<b>Total number exit packages by type</b>	-	<b>7</b>	<b>7</b>
<b>Total resource cost (£'000)</b>	-	<b>161</b>	<b>161</b>

#### EXIT PACKAGES - PRIOR YEAR

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	3	3
£10,000 - £25,000	-	1	1
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	2	2
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
<b>Total number exit packages by type</b>	-	<b>6</b>	<b>6</b>
<b>Total resource cost (£'000)</b>	-	<b>188</b>	<b>188</b>

# National Waiting Times Centre Board



## **DIRECTION BY THE SCOTTISH MINISTERS**

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

Signed by the authority of the Scottish Ministers

A handwritten signature in black ink, appearing to be 'A. L.' followed by a flourish.

Dated 8 February 2006