

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

**ANNUAL REPORT AND ACCOUNTS**

**For Year ended 31 March 2021**

# Annual Report and Accounts

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## **ANNUAL REPORT AND ACCOUNTS FOR YEAR ENDED 31 MARCH 2020**

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

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

### **PERFORMANCE REPORT**

#### **Chair Foreword**

NHS Golden Jubilee (GJ) has always aimed to ensure that we support the delivery of NHS Scotland's national health priorities. Our focus is to meet NHS Board demands and deliver equity of access to high quality healthcare for as many patients as possible so that they benefit from our clinical expertise and excellent facilities.

This has never been so important than over the last year when we have continued to deliver and grow our core services as well as developing new care pathways for essential treatment. Throughout the pandemic we have supported urgent heart, lung and cancer care, allowing other hospitals to focus on caring for Scotland's COVID patients. Since July 2020, we have also supported NHS recovery through our specialist planned care services, helping patients waiting for orthopaedic, cataract, general surgery and diagnostic procedures.

We are looking forward to a continued period of significant expansion and development. During 2020, we opened our new Eye Centre and an additional Cardiac Catheterisation Laboratory (Cath Lab) as well as other internal facilities which are helping us to bring forward our plans to deliver more procedures. We now have building work underway to support our expansion of services as part of the National Treatment Centres Programme and we will continue to progress with our expansion of orthopaedic, general surgery and endoscopy services, another new build project, that is scheduled to be treating patients from 2023.

This year has also seen the rapid expansion of our strategic portfolio with the establishment of the Centre for Sustainable Delivery (CfSD) and development of the NHS Scotland Academy in partnership with National Education Scotland. These exciting new developments will support NHS Scotland to deliver best practice and enable a sustainable health and care system for the future.

Excellent standards of clinical, staff and financial governance remain at the heart of our Corporate Governance agenda and this year we maintained our continuous improvement approach to this critical framework. To facilitate rapid decision making across the pandemic we implemented an agile governance model, these arrangements allowed fast paced response to the changing national landscape.

This year, we implemented a programme of virtual Board Walk Rounds to ensure the

Board could engage with our operational teams and give staff the opportunity to highlight how they adapted to the challenges of the pandemic.

Resilience and flexibility have been key feature of 2020-21 and as we move further into the pandemic recovery we will continue to adapt and focus on providing high quality healthcare to our national population.

### **Statement from the Chief Executive**

NHS GJ continues to play a unique and valued role within NHS Scotland, collaborating with NHS Boards across the country to deliver high quality healthcare to our national population. This year we supported NHS Scotland throughout the pandemic response and recovery, rapidly adapting to changing national requirements. We accelerated our expansion plans, designed and delivered new service models to support cancer care and as well developing our existing services to provide safe and effective care in challenging times. As a result of the robust approach taken by our teams we have been able to sustain and evolve our full range of clinical services including cardiology, cardiac surgery including heart transplant, thoracic surgery, orthopaedics, ophthalmology, diagnostics and general surgery.

Our Remobilisation Plan outlines a continued commitment to address the national healthcare challenges that lie ahead. We will maintain our agile approach to service delivery and further embed new and innovative ways of working to ensure our organisation's clinical expertise and world class facilities are used optimally for the benefit of NHS Scotland patients.

Our organisation has grown over the years and we continue to push forward ambitious plans for development. The NHS GJ clinical expansion has progressed well and we were proud to open our new Eye Centre. This dedicated facility is will support an essential increase in cataract procedures and at full expansion, NHS GJ will be able to treat a minimum of 18,000 cataract patients a year. In addition, we opened our 5<sup>th</sup> cardiac catheterisation lab, two additional wards and brought forward theatre expansion within the existing building.

The Scottish Government approved the Full Business Case for our Phase Two Expansion. This progressive project will enable us to deliver increased capacity for NHS Scotland across Orthopaedic, General Surgery and Endoscopy services.

Our Strategic portfolio also expanded this year to support NHS Scotland more effectively. The three key developments have been:

- Establishing the new **national Centre for Sustainable Delivery (CfSD)**. CfSD will play a vital role in supporting our national efforts to remobilise, recover and redesign (3Rs) towards a better health care system.
- Developing an **accelerated innovation pathway**. Collaborating with a number of partners to establish an accelerated innovation pipeline linking challenges to solutions in the spirit of 'Once for Scotland'. CfSD will also support the rapid rollout of new techniques, innovation and clinically safe, fast and efficient pathways for our patients.
- Creating the **NHS Scotland Academy**. To support the delivery of a resilient and skilled workforce of the future, this year we created the NHS Scotland Academy, an ambitious joint venture between NHS GJ and NHS Education for Scotland (NES). The NHS Scotland Academy will focus on delivering innovative, needs

based, accelerated training, supporting the commitment to attract staff, with the added benefit of direct access to the clinical excellence and world class facilities of NHS Golden Jubilee and the National Golden Jubilee Hospital. In addition to this diverse programme of work, NHS GJ will further develop its role as a national centre for robotics for the specialties and services we provide, supporting NHS Scotland to adopt innovative technology and practices.

Our values are at the heart of these exciting developments and, as we progress into the new financial year, we will continue to ensure that we achieve financial balance while delivering progressive care that remains patient centred, safe and effective. None of what we do would be possible however without our outstanding staff and this year especially against a backdrop of personal and professional challenges they have been incredible #TeamJubilee ❤️. Their level of commitment, care and compassion for our patients, their families and indeed for one another is extraordinary and we are doing all that we can to support their health and wellbeing to enable this great work to continue.

### **About National Waiting Times Centre Board**

As a national resource, NHS Golden Jubilee has been providing care through collaboration to patients from all over Scotland since 2002.

The Golden Jubilee National Hospital, NHS Scotland Academy, the new national Centre for Sustainable Delivery, Golden Jubilee Research Institute, and Golden Jubilee Conference Hotel work collaboratively with colleagues across the NHS, academia and industry to ensure the continued development of high quality, sustainable, person centred healthcare.

### **Golden Jubilee National Hospital**

The Golden Jubilee National Hospital is the flagship hospital for elective and specialist care for patients from all across Scotland.

With a vision of delivering care through collaboration, the Hospital has the facilities, people and ethos needed to spearhead innovation through new approaches and techniques, ensuring all patients receive the highest quality of care.

In addition to carrying out all heart and lung surgery for the West of Scotland, the Hospital is home to three national heart and lung services which provide critical services to patients nationwide:

- Scottish Advanced Heart Failure Service
- Scottish Pulmonary Vascular Unit and
- Scottish Adult Congenital Cardiac Service

The Golden Jubilee National Hospital is also home to Scotland's largest ophthalmology centre and one of the largest planned care orthopaedic centres in Europe.

It is also a high volume specialist diagnostic centre providing thousands diagnostic

imaging, cardiology, endoscopy, colonoscopy and radiology procedures each year.

## **Hospital Expansion through the National Treatment Centres Programme**

As part of the Scottish Government's £200 million investment to meet demand for elective procedures, NHS Golden Jubilee's services are expanding to treat more patients than ever before.

Phase one of the expansion is complete with the opening of the new state-of-the-art Eye Centre – the most accessible healthcare facility in the UK. With the ability to carry out more than 18,000 cataract procedures every year, the facility includes six purpose built twin theatres as well as integrated outpatients and diagnostic facilities. Work continues on Phase Two, which will be completed towards the end of 2022, and will include some major developments for NHS Golden Jubilee. This includes:

- Additional general surgery, orthopaedic and endoscopy facilities
- A new surgical admissions and recovery unit
- New Central Sterile Processing Department
- The development of a new Day Case / Day Surgery admission unit
- Additional Post Anaesthetic Care Unit (PACU) spaces
- Further outpatient and pre-operative assessment area and diagnostic space
- A large theatre recovery facility for our patients.

## **NHS Scotland Academy**

The NHS Scotland Academy (NHSS Academy) is an ambitious joint venture between NHS Education for Scotland (NES) and NHS Golden Jubilee (NHS GJ). It will support the transformation and sustainability of the health and social care workforce through the development and delivery of new accelerated learning and development offerings for key roles.

The NHSS Academy will play a critical role in addressing the workforce requirements of Boards' remobilisation plans as well as supporting the commitment to attract staff to the National Treatment Centres Programme, with the added benefit of direct access to the clinical expertise of one of Scotland's operational National Treatment Centre settings.

Ensuring appropriate prioritisation of roles, the NHSS Academy will maximise our ability to attract, train and develop people into the health and social care workforce as part of a 'once for Scotland' solution.

The objectives of the NHSS Academy are to:

- Work collaboratively with key partners to identify targeted priorities for developing additional capacity and new capabilities with NHS Scotland.
- Develop a collaborative model of delivery, ensuring key strengths from NHSS Academy parent organisations are optimised.
- Provide accelerated learning for specific clinical specialisms identified as priority roles/need to deliver a workforce fit for the future using simulation and recognising the future potential of haptics for clinical training.

- Provide engaging and attractive training programmes linked to recruitment and career progression.
- Work in partnership with NHS Boards, schools, colleges, universities and industry partners to provide learners with a positive, modern learning experience using a blended education model, combining state of the art physical facilities with technology enhanced learning.
- Add to current education and training provision to ensure consistency and efficiency across the system, avoiding duplication.
- Support excellence in clinical skills teaching and education, and increase the pace and scale of skills creation to enable sustainability, resilience and innovation in health and social care provision in Scotland.

### **National Centre for Sustainable Delivery**

Hosted by NHS Golden Jubilee, the new national Centre for Sustainable Delivery (CfSD) will play a vital role in supporting our national efforts to remobilise, recover and redesign (3Rs) towards a better health care system.

Building on the significant progress and developments which have already been achieved through redesign and transformation, the Centre will also support the rapid rollout of new techniques, innovation and clinically safe, fast and efficient pathways for our patients.

The Centre will also offer bespoke assistance across NHSScotland to help tackle areas of challenge in health and care.

By working in collaboration with key stakeholders such as NHS Boards, health and social care partners, third sector, patients, academia and industry, CfSD will embed best practice through a 'Once for Scotland' approach which is aligned with the priorities of the Scottish Government.

Working towards becoming a Global Centre of Excellence, CfSD will raise Scotland's profile as a forward thinking innovator in the health and social care space.

### **Golden Jubilee Research Institute**

The NHS Golden Jubilee Research Institute facilitates and supports high quality research, offering space and resources, alongside on hand specialist clinicians and experts.

Developing and leading research in anaesthesia, orthopaedics, eye care innovation and interventional cardiology, the Research Institute works collaboratively with academia, third sector organisations and industry to improve the health of the Scottish population and beyond.

Purpose built to provide researchers with the space, equipment and resources necessary to conduct high quality studies, it fulfils life-enhancing and life-saving research across multiple clinical specialties.

Forming part of the unique blend of facilities based at the NHS Golden Jubilee, the

Research Institute has played a vital role in multiple internationally renowned research projects with the potential to change the lives of thousands around the world.

The facility also features a state-of-the-art Motion Analysis Lab, clinical and administrative spaces. It is one of the key areas that makes NHS Golden Jubilee unique within NHSScotland, ideally positioned to support research, training and collaboration on a national scale to improve care for the patients of Scotland and beyond.

### **Golden Jubilee Conference Hotel**

The four-star Golden Jubilee Conference Hotel is Scotland's only member of the International Association of Conference Centres and a member of Venues of Excellence.

An integral part of NHS Golden Jubilee, the site provides vital support to public sector and NHS training, conferences and events.

With dedicated access to onsite clinical training facilities and medical experts, the Conference Hotel is a key location for clinicians, medical technology, healthcare and pharmaceutical companies.

Delegates benefit from access to live audio and visual links to surgical theatres and labs, patient simulation and have the option to host their meeting in a surgical theatre.

Most recently, the venue has become home to the NHS Scotland Academy, providing state-of-the art facilities vital for training and learning.

The Hotel is also a key facility for many patients and their families, offering comfortable accommodation and a convenient location to the Hospital.

### **Continuing to lead the way**

NHS Golden Jubilee continues to be at the forefront in ground-breaking research and medical breakthroughs.

We are also continuing to lead the way as a values-based employer and in accessible and innovative facilities and service design.

Successes include:

- Minimally invasive operating techniques using robotic technology ('Da Vinci robotic machine' and 'Mako Robot') allowing orthopaedic and lung surgery patients to recover faster, experience less pain and have a better overall patient experience.
- Revolutionary 'Heart in a Box' transplant using the Organ Care System (OCS). This procedure extends the amount of time the heart can function outside of the body whilst remaining a suitable condition for transplantation.
- First UK hospital to mobilise a patient on a femoral intra-aortic balloon pump.
- Same day discharge for hip replacement service allows patients to leave hospital




- 11 hours after admission.
- Our Eye Centre is Scotland's most accessible healthcare facility, with bespoke wayfinding and assistive technology.
- Being named Equality role model, Stonewall Scotland Workplace Equality awards.
- First Scottish NHS Board to become a Disability Confident Leader.
- Leading multiple national and international interventional cardiology research trials including the internationally renowned 'PRAMI trail' into preventative angioplasty following a heart attack and ground-breaking research into the link between COVID-19 and the heart.
- Multi-award winning Conference Hotel.

## Risk and good governance

The Risk Appetite for the Board was reviewed within the year across the three pillars of the organisation considering the clusters used across the Board in assessment of risk, using a defined 5-point scale ranging from averse to willing as noted below:

General Descriptor of risk & benefits	<b>Averse</b> Avoidance of risk and uncertainty. Very low rewards from risk taking.	<b>Cautious</b> Preference for ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.	<b>Moderate</b> Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.	<b>Open</b> Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)	<b>Willing</b> Eager to be innovative and to choose options offering potentially higher rewards despite greater inherent risk with confidence in risk controls and management
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	Hospital	Hotel	R&D
<b>Strategic</b>	<b>Willing</b>	<b>Moderate</b>	<b>Open</b>
<b>Safety/ Experience</b>	<b>Cautious</b>	<b>Cautious</b>	<b>Cautious</b>
<b>Reputation</b>	<b>Open</b>	<b>Moderate</b>	<b>Moderate</b>
<b>Financial</b>	<b>Moderate</b>	<b>Willing</b>	<b>Open</b>
<b>Regulation</b>	<b>Cautious</b>	<b>Moderate</b>	<b>Cautious</b>
<b>Operational</b>	<b>Moderate</b>	<b>Open</b>	<b>Cautious</b>
<b>Workforce</b>	<b>Moderate</b>	<b>Open</b>	<b>Open</b>

The Board aims to deliver world-class healthcare services that will be recognised both nationally and internationally, putting patients at the heart of progress. As we work to support NHSScotland in the COVID remobilisation and continue to deliver our key core services, our appetite and approach to risk and governance is paramount in ensuring we are able to maximise our capacity and realise the strong benefits to the Board and the wider NHS Scotland.

The acceptance of any risk is subject to ensuring the impact in benefits and risks of any decision are understood and managed through appropriate measures to mitigate

risk and realise benefits. The Board recognises that any appetite for risk will vary according to the issue and therefore different appetites and tolerances to risks will apply. Delivery of clinical care is complex and challenging and in recognising this there is generally a more cautious approach to risk within the hospital setting.

Agile governance structures and robust frameworks developed and revised during the COVID pandemic response, supported with the embedding of the 'Values' across the Board, provide confidence in taking risks in the development and execution of the remobilisation and wider Board Strategy.

In delivering our vision and objectives; safety is at the forefront of what we do with a strong commitment to continually learn and improve. Risk is inherent in all that we do and we will continue to ensure this is robustly managed with a cautious approach to risks to patients, staff and guests. We remain committed to supporting advancements in clinical care through innovative models of care and use of technology which will deliver improved clinical outcomes. This will be balanced with careful consideration of risk and benefit and a sound evidence base alongside shared decision making ensuring our patients remain at the heart of our progress.

There is an appetite for operational risk in pursuing innovative ways of delivering services that support improved outcomes, and value for money. This will be supported by a sound evidence base and consideration of potential benefits. In responding to workforce challenges the Board is open to explore innovative workforce models. We will work in partnership to develop a workplace for the future that maximises the resources and capacity we have in delivery of services, whilst ensuring safety and wellbeing.

There are strong financial controls in place across the Board with different challenges faced across the sectors that bring a more cautious approach within the hospital. This reflects the challenges in supporting value for money as we continue to meet the requirements for transformational change.





The Board are focused on maintaining its strong reputation and enhancing this in new areas within the UK and internationally.

The Board recognises the need to place high importance on regulation and compliance but also be open to challenge where supported by evidence in pursuit of quality.

The Board will continue to develop its risk appetite across the strategic portfolio, recognising the differing stages of key strategic programmes and the links to the overall Board Strategy and objectives.

## Annual Operational Plans

Annual Operational Plans (AOPs) are intended to provide Scottish Government with confirmation that NHS Boards and their partners have plans in place to demonstrate how they will continue to deliver safe and accessible treatment and care and fully deliver Ministerial priorities. NHS GJ Annual Operational Plans (AOP) were submitted to the Scottish Government in February 2020. Despite the impact of the COVID-19 pandemic progress was made on delivering the AOP.

LDP Standards		
WHAT WE SAID WE WILL DO	STATUS	WHAT WE HAVE ACHIEVED SO FAR
<p>Staphylococcus Aureus Bacteraemia (SAB), including MRSA infections, to be maintained at less than 11.2 per 100,000 occupied bed days</p>		<ul style="list-style-type: none"> <li>NHS Golden Jubilee (GJ) recorded eleven instances of SAB during 2020/21. An occurrence of 27.0 per 100,000 occupied bed days. Individual targets were set for NHS Scotland Boards to achieve a 10% reduction on their 2018/19 position. This is a challenging target given NHS GJ's existing low SAB rate and high risk patient population.</li> </ul>
<p>Clostridium Difficile Infections (CDI) to be maintained at less than 1.9 per 100,000 occupied bed days.</p>		<ul style="list-style-type: none"> <li>NHS GJ recorded six instances of CDI during 2020/21, an occurrence of 14.7 instances per 100,000 occupied bed days. Individual targets were set for NHS Boards to achieve a 10% reduction on their 2018/19 position. This is a challenging target given NHS GJ's existing exceptionally low CDI rate and high risk patient population.</li> </ul>
 <p>Achieve a sickness absence rate of below 4%.</p>		<ul style="list-style-type: none"> <li>The sickness absence rate for 2020/21 was 4.50%. Staff continue to be supported to improve their physical and mental health with access to health and wellbeing services within the workplace.</li> </ul>
 <p>At least 95% of patients on a cancer treatment pathway to be treated within 31 days.</p>		<ul style="list-style-type: none"> <li>Over 99% of patients on a cancer treatment pathway were treated within 31 days of referral during 2020/21.</li> </ul>
 <p>90% of patients to receive an initial outpatient appointment within 12 weeks of referral.</p>		<ul style="list-style-type: none"> <li>2,059 (94%) patients referred for a heart and lung procedure received their initial outpatient appointment within 12 weeks</li> </ul>
 <p>90% of patients to be treated within 18 weeks of referral.</p>		<ul style="list-style-type: none"> <li>1,259 (86%) heart and lung patients were treated within 18 weeks of referral.</li> </ul>



100% of patients to be treated within 12 weeks of decision to treat.

- 3,294 (70%) patients referred for a heart and lung procedure received their treatment within 12 weeks. Work is ongoing to increase capacity within our Cardiac Surgery service. The introduction of a fifth Cardiac Catheterisation Lab has increasing Cardiology capacity to support the management of demand.

## WORKFORCE

### Highlights

#### Health and Wellbeing

- A Health and Wellbeing Group has been established, co-chaired by the Head of Learning and Development and the Employee Director. The Group identifies trends that impact on staff health and wellbeing, and implements measures to reduce any adverse effects of these.
- NHS Golden Jubilee's Health and Wellbeing Strategy has been agreed and is being implemented. This describes the Board's ambition to "be a leader in promoting and maintaining a healthy workplace and provide support for our people which maximises their health and wellbeing".
- Our staff have demonstrated real determination to pull together and have shown resilience in dealing with pandemic pressures and uncertainty. The Health and Wellbeing Strategy provides mechanisms to support emotional wellbeing and resilience.
- A Health and Wellbeing Champion is in post to represent NHS GJ within national networks and with Scottish Government colleagues.
  - Information on sickness absence rates, and reasons for sickness absence, are shared at divisional and departmental level monthly.
- Absences for COVID-19 related reasons resulted in a loss of 3.0% of contracted hours between 1 April 2020 and 31 March 2021.
- Managers, individuals and teams impacted by shielding were offered specific support, including a posted comfort package, electronic signposting to health and wellbeing resources and an invitation to attend a virtual #TeamJubilee Connect session.
- NHS GJ vaccination planning made provision for all staff to be offered the vaccine, with priority afforded to clinical front-line staff in line with national guidance.
- We promote the need for adequate rest and recuperation including ensuring that staff take annual leave.
- We have extended the use of agile working, supporting many staff to work remotely and achieve a better work-life balance during the pandemic. It is our intention that agile working becomes "business as usual" for relevant staff groups.
- To support NHS Scotland's remobilisation additional staff were required and new ways of working have been implemented. These include working with other Boards to create networked models of staff (medical and nursing) rotating into NHS GJ to take responsibility for specific theatre lists, direct recruitment to joint surgical posts, and collaborative recruitment of specialist staff.

#### Diversity and Inclusion

- The Diversity and Inclusion Strategy forms an integral part of our aim to promote staff, patient and volunteer health and wellbeing.

#### Staff Experience

- The link between ethnicity and increased COVID-19 mortality rates is a major concern given the diverse workforce of NHS Scotland. NHS GJ has taken immediate steps to ensure that staff wellbeing is prioritised throughout the pandemic with occupational health risk assessments completed for our staff with underlying health conditions and those from a Black, Asian and Minority Ethnic background (BAME).
- NHS GJ has embedded processes that enable the collection of quality data regarding the protected characteristics under the Equality Act 2010. The data is analysed annually as part of the Workforce Monitoring Report and could be used to highlight any equality issues in the recruitment and employment processes.
- Staff induction has been reviewed and updated to reflect COVID-19 restrictions. Induction programmes are offered as eLearning modules, which can be accessed from work and personal devices.
- All new starters are also given the opportunity to participate in the Corporate Welcome Event and Chief Executive Dialogue sessions, which are hosted virtually using Microsoft Teams.
- Work is ongoing to refresh and update training and support materials for all staff.

#### Elective Treatment Centres and commitment as a national resource

- Throughout the COVID-19 pandemic NHS GJ helped to provide access to **cancer and urgent surgery** with plans established which saw the resumption of elective services from July 2020.
- NHS Golden Jubilee's Elective Care Centre programme delivered the new **Eye Centre** with the first patients seen on 19 November 2020. The phased opening has been accelerated with the equipping of additional theatres to aid NHS Scotland's post-pandemic remobilisation.
- Phase two of the Elective Care Centre programme is underway with the delivery of additional Orthopaedic and other surgical elective care capacity expected in early 2023.
- **New ward facilities** came online with a new Surgical Day Unit in Ward 4 West and the opening of Ward 4 East (General).
- Service redesign of our **Central Sterile Processing Department (CSPD)** has allowed extended standard opening hours to 10pm Monday to Saturday. Sunday will open to 10pm from August 2021.

## Heart and Lung

- 21 **heart transplants** were carried out during 2020/21; six more than the target of 15.
- 166 procedures were successfully performed with a **Robotic Assisted Thoracic Surgery (RATS)** procedure during 2020/21.
- Since May 2020 all patients on a cancer surgery pathway have been treated within the 31-day target.
- 2020/21 saw the implementation of a **new cardiac CT scanner** as well as a **fifth catheterisation lab**.
- Our **Transcatheter Aortic Valve Implantation (TAVI)** service is now fully embedded with 123 procedures being successfully performed during 2020/21.
- The NHS Golden Jubilee Radiology department supported NHS Louisa Jordan by managing the booking, scanning and reporting of **4,358 CT patients** from September 2020 to March 2021.
- Almost **19,000 COVID-19 PCR tests** were analysed by our labs helping to maintain NHS GJ as a COVID light site.
- To increase Cardiac theatre capacity, **extended theatre days** have been introduced in one Cardiac theatre per day since September 2020. Redesign of rotas and working patterns in theatre nursing and perfusion teams is continuing to further expand this capacity.
- Scoping of the potential for a new **Lung Transplantation** service for Scotland is underway with findings expected to be reported to the Board in late 2021.

## NHS Scotland Academy

- The NHS Scotland Academy will be based at NHS GJ as part of a **hub and spoke** national academy model for NHS Scotland.
- Key roles have been identified with an **Academy Director** taking up post in a joint appointment with NHS Education for Scotland.
- The NHS Scotland Academy has completed its first accelerated clinical programme for **Perioperative nurse training** as well as delivery of maternal and neonatal resuscitation course in association with the Scottish Multi Professional Maternity Development Programme.
- As part of a national approach to address a recognised shortfall in Endoscopy training in Scotland the NHS Scotland Academy has obtained **two endoscopy simulators**, one mobile and one static, to support the hub and spoke national academy model.
- Planned courses to **support National Treatment Centres** include perioperative, surgical first assistant, anaesthetic assistant, endoscopy, built environment and ICU training programmes.
- The first national training programmes will commence in June 2021.

### Golden Jubilee Conference Hotel Strategy

- Due to the pandemic the Hotel has been effectively closed since 20 March 2020 but has been providing accommodation for patients, their relatives, visiting clinicians and approved NHS events.
- It is planned to re-open further Hotel services to NHS staff and the Centre for Health and Wellbeing prior to returning to full recommencement of all services. All plans will follow direct consultation and approval from Scottish Government.
- The Hotel is working closely with the **NHS Scotland Academy** to create the physical infrastructure and support required for NHS Golden Jubilee to be the Academy's home base location.
- Continuing the good practice and model created by the National Skills Education Hub at the Louisa Jordan, a new virtual hub the "**Healthcare Skill and Simulation Collaborative**" has been established with the first sessions provided in April 2021.
- The Hotel workforce has provided a valuable contribution to wider NHS Golden Jubilee services and to NHS Scotland's pandemic response. This includes support to NHS Louisa Jordan and West of Scotland vaccination programme. The effective use of Hotel staff is offsetting cost of over £150k per month to NHS Scotland.
- Meeting rooms, offices, and training spaces have been repurposed and adapted to provide a Covid safe environment and dedicated space for the NHS Golden Jubilee Covid vaccination programme.
- The closure of the Hotel has enabled the bedroom upgrade project to be accelerated, with an additional 53 bedrooms, including six accessible

### Increasing and Supporting Innovation and Research

- In line with NHS Research Scotland advice, recruitment and face to face follow-up for non COVID-19 research projects was suspended on the 16 March 2020. This meant that registered nurses who were working as research nurses could be deployed into the clinical areas and help support the COVID-19 effort.
- Some Non-COVID research projects relating to clinical procedures where the patient would be attending NHS GJ and did not require face to face follow up have been risk assessed and resumed in line with national guidance.
- The development of the **Research Strategy** is ongoing with a plan for approval during 2021.



NHS Golden Jubilee's Remobilisation Plan describes how NHS GJ will sustain, develop and evolve to effectively support NHS Scotland. As a national resource, NHS GJ has adapted throughout the pandemic to meet the demands of NHS Scotland in a planned and consistent way, seeking to maintain a balance between urgent and elective care. NHS Golden Jubilee is committed to collaborating with colleagues across Scotland to maximise capacity.

### Remobilisation Plan Highlights

- Changes were made to the NHS GJ command structure to support quick decision making, at appropriate levels, through an **Agile Governance** approach.
- Significant work was undertaken to streamline care pathways, enhance clinical vetting and increase clinical cover to reduce risk associated with staff absence.
- A **digital first approach** has been adopted to minimise patient travel and exposure using applications such as Near Me. The NHS GJ Patient Co-ordination Centre has helped support patient use of Near Me with a total of **3,627 remote consultations lasting 972.6 hours** made during 2020/21.
- Throughout the pandemic NHS Golden Jubilee has operated as a 'Green' Covid-Light site to minimise risks to patients undergoing complex surgery
- Redesigned services and collaborated with Boards at pace to develop new patient pathways and standard operating procedures enabling delivery of a range of interventions to support **seven new surgical specialties**.
- A 'Green' pathway for urgent suspected cancer patients requiring **Diagnostic Endoscopy** was developed. Endoscopy activity has been above the weekly target since early February. The aim of increasing capacity to allow 80 patients to be seen in a week has been achieved.
- The Cardiology **STEMI** (St-elevated Myocardial Infarction) service was extended to include patients from out with Lanarkshire who would previously have received treatment in NHS Lanarkshire. The temporary expansion facilitated by the agile management of the catheterisation lab, on call rota's and the expansion of the cardiology bed base.
- Direct access admission criteria for **NSTEMI** (Non St-elevated Myocardial Infarction) referrals was extended to patients presenting with a broader range of heart risk. This allowed direct admission to NHS GJ of an increased number of patients requiring rapid intervention, avoiding local hospital admission at under pressure territorial hospitals.
- Core **elective services were safely resumed in July 2020**. This was achieved by establishing of a drive through COVID-19 testing centre and implementation of 4 Nations (red, amber, green) pathways for patients.
- There has been a **month on month increase** in COVID-19 PCR (Polymerase Chain Reaction) testing since April 2020 with 18,985 samples analysed by our labs in 2020/21. All patients are tested 48 hours in advance of admission, with drive through testing facilities available, to minimise the risk of healthcare transmitted infection.
- NHS GJ offered **critical care surge capacity** to other Boards, during the first wave of the pandemic; a small number of ventilated COVID-19 patients were transferred to NHS GJ from other West of Scotland (WoS) intensive care units.
- NHS GJ continues to support **Mutual Aid lists** for NHS GGC, NHS Lanarkshire and NHS Ayrshire and Arran for Urology, ENT, Gynaecology, Cystectomy, (Cancer) Plastics and Orthopaedic cases.
- Mutual aid capacity was provided for 24 NHS Grampian patients to have their **Cardiac Surgery** at NHS GJ.
- NHS GJ formerly offered WoS Boards the ability to pause repatriation of cardiology patients to relieve bed pressures and support the patient pathway during the pandemic.
- To ensure that key clinical services were maintained staff and reserivist training was delivered at scale.
- The roll-out of **Agile and Flexible Working** has been accelerated across the Board.



Recovery Plan (22 June 2020 – 4 April 2021)

**16,382**  
Procedures  
Performed

**2,281**  
Diagnostic Endoscopies

**2,555**  
Orthopaedic Procedures

**700**  
Cancer Procedures

**822**  
Thoracic Procedures

**746**  
Cardiac Procedures

**4,930**  
Cardiology Procedures

**4,348**  
Cataract Procedures

## **Financial Performance**

### **1. Consolidated Accounts**

The Annual Accounts consolidate the results of the Board, and Board Endowment Funds. The basis of consolidation, explained in note 1 Accounting Policies on page 61, is determined by the extent of control by the Board can effectively exercise over the charity. All Trustees of the Board Endowment funds are members of the Health Board. The Board therefore has majority control and, using the principles stipulated by IFRS 10, must consolidate, in full, the financial results of the Board Endowment Funds in to the main Board accounts.

### **2. National Waiting Times Centre Board Endowment Fund**

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

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

The charity's overall income for the year was £2,843K which represents an increase of £1,063K compared with a prior year total of £1,780K.

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

### **3. Board performance against statutory financial targets**

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

Statutory Financial Targets	Limit as set by Scottish Government Health and Social Care Division	Actual Outturn	Variance
	£000's	£000's	£000's
Core Revenue Resource Limit	90,456	90,418	38
Non-Core Revenue Resource Limit	12,070	12,070	-
Capital Resource Limit	25,649	25,649	-
Cash Requirement	121,902	121,902	-

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

Memorandum for in year outturn	£000
Reported surplus in 2020/21	38
Funding flexibility: funding banked with/(provided by) Scottish Government	-
Surplus against in year Revenue Resource Limit	38
Percentage	0.0%

Our financial plan was submitted to Scottish Government by NHS Golden Jubilee in March 2020. Due to the impact of the Covid-19 pandemic, the Scottish Government paused the Annual Operating and financial planning process. Recognising the exceptional nature of 2020-21 and the impact on delivery of financial recovery plans, additional non-repayable funding was provided to support in-year financial balance across all NHS Boards. The Board received £13.208m.

#### 4. Property Valuation

All property was revalued by Avison Young (formerly James Barr), independent specialists in property valuation, on the basis of market value, depreciated replacement cost or existing use value as at 31 March 2021. The values were calculated in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS and applied to reflect local market conditions at 31 March 2021. Due to the impact of the pandemic in late 2019/20 the valuation partly required to be undertaken as a desktop exercise, the exert below is included in the Avison Young valuation report and is noted in the accounting policies:

“The outbreak of COVID-19, declared by the World Health Organisation as a Global Pandemic” on 11 March 2020, has and continues to impact many aspects of daily life and the global economy - with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel movement and operational restrictions have been implemented by many countries and in

some cases “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, except as identified below.

### **Material Valuation Uncertainty**

In respect of the Hotels sector, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the Golden Jubilee Conference Hotel which comprises part of the asset is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation(s) cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.”

## **5. Infrastructure and Non-Current Assets**

At the year-end £25,649m of capital expenditure was incurred, this is in line with the plan for the year, following authorised allocations agreed with Scottish Government. Further detail on the spend in-year is included below.

<b>Area</b>	<b>Spend to 31 March £000s</b>
Property	1,130
Medical Equipment	6,427
IM&T	247
<b>Formula</b>	<b>7,804</b>
Elective Centres	17,845
<b>Total</b>	<b>25,649</b>

## **6. Efficiency Savings**

At year-end, efficiency savings delivered were £2.409m against the Annual Operating Plan (AOP) original target of £3.813m pre Covid, for 2020/21 this reflected an under-achievement of £1.327m at financial year end which was as a direct result of managing the Covid-19 pandemic and additional support to cover this level of under-achievement was supported via the Local Mobilisation plans and associated funding allocations for Covid/remobilisation.

The savings achieved for financial year 2020/21 are split between recurring efficiency savings achieved of £1.311m and non-recurring savings of £1.098m. A recurring carry-forward of 2020/21 efficiency savings underachievement balance of circa £1.3m is incorporated into the 2021/22 Financial Plan. The underlying non-recurring reliance on efficiency savings, particularly on the back of the Pandemic is noted across all NHS Scotland Boards and is an ongoing dialogue with Scottish Government.

## **7. Fraud, Bribery and Corruption**

The Board has a zero tolerance for fraud, bribery or corruption. Staff are briefed regularly on counter fraud matters including the confidential routes that are available to report suspected fraud, bribery or corruption. A range of fraud awareness initiatives were progressed during the year. The approved Board Conflicts of Interest Policy contains arrangements for the disclosure of information in the corporate register of interests, gifts and hospitality.

During the latter part of the year, due to the impact of the pandemic, additional work has been carried out in partnership with Counter Fraud Services particularly related to the increase of Cybercrime during this time.

## **8. Provisions for impairment of receivables**

A provision of £182,000 has been provided in year in relation to bad/doubtful debts (prior year £267,000).

## **9. Legal obligations**

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

- Clinical & Medical - £4,585,000, (prior year £2,902,000)
- Other – (£45,000) (prior year (£60,000))
- Participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) – £2,054,000 (prior year £2,058,000)
- Total for year – £6,594,000 (prior year £4,900,000)

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

Where no certainty has been attributed to claims these have been accounted for via contingent liabilities, current year £440,000 (prior year £1,268,000).

## **10. Payment Policy**

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

In 2020/21 average credit taken was 14 days (2019/20 – 13 days).  
In 2020/21 the Board paid 90.29% by value (2019/20 – 90.86%) and 91.01% by volume within 30 days (2019/20 – 92%).  
In 2020/21 Board paid 76.16% by value (2019/20 – 80.06%) and 84.33% by volume within 10 days (2019/20 – 86.03%).

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

## **11. Pension Liabilities**

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

## **12. Social Matters**

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

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

We recognise the value a diverse workforce brings in offering different perspectives in how we deliver high quality, safe, effective, person-centred care and maintain a healthy, vibrant, and inclusive culture throughout our organisation. The Board has recently published a Diversity and Inclusion strategy which forms an integral part of our Boards overarching aim to promote the wellbeing of staff, patients and volunteers. The Diversity and Inclusion Group are working on a four-year Diversity and Inclusion delivery plan to identify areas of improvement within the themes of education and training, on-board diverse training, leadership and organisational development, inclusivity and data and inclusive service design.

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

### **13. Sustainability and environmental reporting**


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

Further information on the Scottish Government's approach can be found in the Climate Change Plan 2018-2032 while national reports can be found at the following resource:

<https://sustainablescotlandnetwork.org/reports>

### **Approval**

The Accountable Officer authorised the Performance Report for issue on 29 July 2021



**J Gardner**  
*Chief Executive*

**Date:** 06 August 2021

## **ACCOUNTABILITY REPORT**

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

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

## **CORPORATE GOVERNANCE REPORT**

### **Directors Report**

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

### **Date of Issue**

The Accountable Officer authorised these financial statements for issue on 29 July 2021.

### **Naming Convention**

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

### **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 Azets (previously named Scott-Moncrieff) to undertake the audit of the National Waiting Times Centre Board. The general duties of the auditors of health bodies, including their statutory duties, are set out in the Code of Audit Practice issued by Audit Scotland and approved by the Auditor General.

### **Board Membership**

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

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



The Directors during the period were as follows:

Chair	S Douglas-Scott	
Non-Executive	J Christie-Flight	– Employee Director
	K Kelly	
	M Boyle	
	L Semple	
	S McAllister	
	M Brown	
	R Moore	
	E Cameron	– started 6 April 2020
	C Blackburn	– started 1 November 2020
Executive Directors	J Gardner	– Chief Executive
	C Neil	– Director of Finance
	AM Cavanagh	– Director of Nursing
	M MacGregor	– Medical Director
	G Adkins	– Director of Quality, Innovation and People
	A Harkness	– Director of Global Development and Strategic Partnerships – left 28 October 2020
	J Rogers	– Director of Operations

### **The statement of Board Members’ responsibilities**

Under the National Health Service (Scotland) Act 1978, the Health Board is required to prepare accounts in accordance with the directions of Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the Health Board as at 31 March 2021 and of its operating costs for the year then ended. In preparing these accounts the Directors are required to:

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

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

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

### **Board members' and senior managers' interests**

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

	<b>Interest</b>
S Douglas-Scott	Celebrant and Chaplain –Celebrate People Board Chair - ILF Scotland
J Gardner	Board Non-Executive Director – Scottish Health Innovations Ltd (SHIL)
K Kelly	Member of the Board of Management – City of Glasgow College Apex Scotland - Non- Executive Director and Trustee Cochrane - Board Member/Trustee
S McAllister	NHS Forth Valley – Non-executive Director Risk Management Authority – Risk Management Samaritans – Trustee SARMAR - Director Lifelink - Trustee
M Boyle	Hymans Robertson Foundation - CEO Consultancy – Kilpatrick Solutions LTD
L Semple	Non-executive Director – NHS Ayrshire and Arran HSE Ireland – Consultancy NHS Lancashire – consultancy Scottish National Party – Member National Trust for Scotland – Member RSPB – Member Woman for Independence - Member
E Cameron	Refugee Survival Trust – Chief Executive
C Blackburn	HalfWild Ltd – Environmental Consulting and Projects
R Moore	Sole Director and owner – Mouewald LTD
M Brown	Trustee – Glasgow Association for Mental Health
M MacGregor	NHS HIS – Scottish Medicines Consortium (0.6 wte) Locum Consultant Nephrologist – NHS Ayrshire and Arran
J Christie-Flight	Lay representative/Branch Chair – Unite Non-executive Director – Scottish Pensions Advisory Board Scottish National Party – Member

The following Directors did not declare any interests during 2020/21;

- C Neil
- AM Cavanagh
- J Rogers;
- G Adkins; and
- A Harkness.

### **Directors third party indemnity provisions**

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

### **Remuneration for non-audit work**

There was no remuneration for non-audit work in 2020/21.

### **Public Services Reform (Scotland) Act 2010**

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

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

### **Personal data related incidents**

There have been no incidences within the year relating to personal data.

### **Disclosure of Information to Auditors**

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

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

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

This designation carries with it, responsibility for:

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

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

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

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

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

## **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. I am also responsible for safeguarding the public funds and assets assigned to the Board.

### **Purpose of Internal Control**

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

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

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

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

### **Governance Framework**

The Board has a robust portfolio of governance arrangements in place for the year ended March 2021. The key points of this framework are detailed below:

#### **Governance Structure**

The Board Standing Committees underpin the application of good governance within the organisation and are in line with the Blueprint for Good Governance published in January 2019. As a result of the Covid-19 Pandemic governance arrangements were subject to some authorised adjustments to respond to the developing issues faced across the NHS and ensured the Board could discharge its governance responsibilities effectively and respond appropriately during this unprecedented period. This response is referred to later in this section.

The Committee structure was reviewed in year. In recognition of the Board's growing portfolio and requirement for additional review of key strategic programme objectives and milestones, a new Strategic Portfolio Governance Committee was

established from January 2021. This new Committee is chaired by the Board Vice Chair.

With the establishment of this new committee the Finance, Performance and Planning Committee remit was updated with the new title of Finance and Performance Committee. Board Committee membership was also refreshed during this review.

The Board annually reviews the role of each of the governance committees (audit and risk (effective), clinical (safe) and staff (person centred)) to ensure that they are fulfilling the governance requirements of the Board and are demonstrating clear links to the NHS in Scotland strategic direction.

The Board has key forums in place as part of its governance which will continue to be reviewed during 2021/22:

- The Board has a very well established Partnership Forum, which works effectively and provides formal updates to the Board. Over the course of the year a series of topics are reviewed in a more detailed manner, such as finance workshops on forecasts and efficiencies
- Active participation is demonstrated in regional and national groups, with particularly key involvement in the National Board and West Regional Board Delivery plans.
- The Information Governance Group and eHealth Steering Group are led by Executive Directors monitoring compliance, statutory obligations and programme implementation and delivery.
- The Board has in place strong governance to support the development of the expansion programme via the Strategic Programme Board. This is overseen by a National Programme Board for the elective centres, with involvement from relevant staff from the Board, the Government and other external stakeholders.
- In addition, all Committees have submitted formal annual reports regarding the work of the Committee to the Board.

The Board further embedded the Integrated Performance Report during the year as a key document across Governance and Management meetings. This report consists of a developed set of Key Performance Indicators and narrative which are structured across the key areas of Staff, Financial and Clinical governance. This information is reviewed monthly at the Executive Directors Meeting and Performance Review Groups and is then presented to the Board Committees. Discussions on tolerances at Board and project level are on a rolling basis with regular reports to ensure the risk register also remains live.

## **Governance Committees**

### **Audit and Risk Committee**

The Audit and Risk Committee (effective) of the Board has Terms of Reference which govern its function in line with the requirements of the Government Audit and Assurance Committee Handbook and have been reviewed in 2020/2021 in line with

the guidance. The Committee meets a minimum of four times a year, with any documents which affect the overall governance arrangements in the Board being approved at the committee prior to being presented for Board approval. The Committee also considers all audit work relating to governance.

The Board Risk Register was refreshed via a Board Seminar within the year and an updated Risk Appetite statement was agreed by the Board.

### **Clinical Governance Committee**

The Clinical Governance Committee leads the 'Safe and Effective' ambitions within the Board Strategy, providing assurance that appropriate clinical governance structures are in place within the organisation. This includes appropriate scrutiny and assurance of clinical governance policy and procedures relating to the provision of safe and effective care.

The Committee ensures that an appropriate framework is in place to support the management of clinical risks and overall quality of care. The Committee monitors and evaluates reports, strategies and implementation plans and ensures a robust system is in place for the timely submission of all clinical governance information required for national monitoring arrangements.

### **Staff Governance and Person Centred Committee**

The Staff Governance and Person Centred Committee ensures appropriate scrutiny and governance arrangements are in place regarding the person centred quality agenda. The Committee is responsible for ensuring that processes to meet statutory obligations, and national guidance, are met.

The Committee provides coordination and leadership to enable effective delivery of the Involving People Strategy and the Staff Governance Standard. This includes supporting the delivery of high standards of person centred care, understanding that effective staff management is the responsibility of everyone working within the system, and ensuring staff management is built upon partnership and collaboration.

The Committee monitors and evaluates strategies and implementation plans relating to people management and recommends policy amendment, funding or resource submission to the Board to achieve the Staff Governance Standard. The Committee also ensures timely submission of all staff governance information required for national monitoring arrangements.

### **Finance and Performance Committee**

The purpose of the Finance and Performance Committee is to oversee and monitor the Board financial position and performance against key targets and indicators of the Board. Its primary focus is to ensure appropriate governance arrangements are in place to direct the most effective use of all Board resources and deliver the Board ambition of "putting people first to achieve and sustain excellence- in care, performance, quality, innovation and values".

The Finance and Performance Committee functions as a subcommittee of the Board with a role of holding the Executive Team to account for the following elements of the Board Performance and Assurance Framework:

- Development and delivery of the Annual Operational Plan (Remobilisation Plan);
- Reviewing the development of the Board Financial Plan and achievement of financial targets;
- Financial and performance monitoring arrangements including the regular review of the Finance and Performance sections of the Integrated Performance Report;
- Oversee annual review and assessment of Board Performance; and
- Review arrangements for securing effectiveness and best value from resources, ensuring that prompt action is taken and appropriate escalation approaches are deployed to manage issues.

The Integrated Performance Report is also reviewed monthly at the Executive Directors Meeting, Performance Review Groups, and Senior Management Meetings before bi-monthly review at the Board Meetings.

Systems have been in place during the year to ensure that performance relating to Treatment Time Guarantees is effectively monitored and reported on. Updates are provided to each meeting of the Board through the Integrated Performance Report and Finance, Performance and Planning Committee updates.

### **Strategic Portfolio Governance Committee**

The Strategic Portfolio Governance Committee was established in January 2021. The purpose of the Committee is to advise and assure the Board on the development and implementation of the NHS GJ Board Strategy and expanding Board portfolio. This includes the scrutiny of key enabling plans, implementation progress and delivery.

The Committee will ensure all strategic portfolio programmes have clearly defined objectives and timelines for delivery, are adequately resourced and have clear risk management plans in place.

The Committee has the role of endorsing any change in the strategic direction of the Board and will monitor and scrutinise the following:

- Endorsement of strategic programmes associated with the expanding Board portfolio.
- Development and implementation of the NHS GJ Board Strategy.
- Delivery against key elements of the Board Strategy, this includes the strategic intent of programmes.
- Delivery of objectives within Project, Programme and Portfolio parameters to ensure all work aligns with the Board's strategic direction.

### **Covid-19 Pandemic**

As part of the Board's response to the Covid-19 pandemic the Board implemented



an Agile Governance Model to ensure the organisation is effectively responding to the pandemic and can discharge its governance responsibilities. This model ensures that the organisation maximises the time available for management and operational staff to deal with the Covid-19 impact.

- During this time, an Agile Governance Group (which includes Board Chair, Vice Chair, Clinical Governance Committee Chair, Staff Governance and Person Centred Committee Chair, Finance and Performance Committee Chair, Chief Executive and Executive Directors) met to provide the Board with assurance that robust processes are in place to manage the organisation's resilience response.

The group initially met twice per week with the frequency reducing to once per week then every 2 weeks in line with the evolving pandemic response and recovery requirements. The full Board continues to meet monthly to monitor the current situation and organisational response.

- In addition to this a Command Structure was enacted to provide a framework for the co-ordination of the organisation's whole system response to the national pandemic. This framework ensures optimal use of the Golden Jubilee Site, Staff Safety and Wellbeing and that the organisation adds support and value to NHS Scotland. This three tiered Gold (strategic), Silver (tactical) and Bronze (operational) structure was used to provide the organisation with a robust model to manage resilience processes.

As the pandemic recovery phase continues the use of this framework will be further reviewed and refreshed to ensure arrangements are appropriate.

## **Board Development**

In line with the Blueprint for Good Governance (Scottish Government, January 2019), we recognise the place of the Board in achieving good governance. Securing high quality, effective and efficient organisational performance is dependent on the leadership skills of Board Members and the Executive Team.

Board Development is therefore a key priority and to support this a number of Board Seminars have taken place across the year. These interactive sessions focused on developing elements of the Board Strategy and embedding Non-Executive Director development throughout the Board calendar.

The Seminars included forums on the NHS GJ Remobilisation Plan, Hospital Expansion Programme, Risk Management, Counter Fraud, Diversity and Inclusion, NHS Scotland Academy, and the Centre for Sustainable Delivery. Further Seminars are planned during 2021/22.

A Board Development session on Data Analysis for Quality Improvement was also delivered.

In addition to this, a programme of Executive and Non-Executive virtual departmental walk rounds has been embedded. The virtual sessions allow key interaction

between the Board and operational delivery teams, sessions this year have included Laboratories, Critical Care, Intensivists and Anaesthesia, Theatres and the Patient Contact Centre.

The further development of this engagement programme is a key part of the Board Development agenda going forward.

## **Policy Review**

The Board has in place the following policies which govern the work of core Board functions. These documents are reviewed on a regular basis and updated as required to reflect guidance issued by the Government or changes within the Board:

- The role of the Board is clearly defined in the Standing Orders, which details how the Board conducts its business. The Standing Orders are reviewed regularly to ensure that they continue to reflect best practice and good governance arrangements. The Board continues working to the recommendations in the Blueprint for Good Governance.
- Standing Financial Instructions, including authorised signatory list – these govern the financial related business of the Board and are approved by the Audit and Risk Committee following updates. These are updated as new guidance becomes available.
- Procurement policy – this details the process for procurement within the Board in line with UK and European procurement rules. The policy is reviewed on an ongoing basis and is referred to in the Standing Financial Instructions with both being intrinsically linked.
- The Board has approved a Conflicts of Interest Policy which has been implemented across the Board, this policy covers all aspects of the Bribery Act (2010) and the gifts and hospitality policy.
- Assurance statements are signed by each Executive Director detailing that all Board policies have been adhered to during the year 2020/21.
- The Board follows all applicable laws and regulations, with this being confirmed via internal and external audits. All policies and procedures are prepared, taking into account appropriate Government guidance.
- The Board's Whistleblowing policy is overseen by the Person Centred and Staff Governance Committee and details the processes to be followed by staff members. The Board also has a Whistleblowing Champion Non-Executive Director in post.
- The Board has a Fraud Policy in line with the Counter Fraud Services partnership agreement. The Chair of the Audit and Risk Committee (a Non-Executive Board Member) acts our Counter Fraud Champion, and we also have a Fraud Liaison Officer. The updated partnership agreement with CFS has been approved by the Audit and Risk Committee.
- The Board has in place a Complaints Policy, which contains guidance on the investigation and handling of complaints from members of the public. Complaints are monitored and reported to the Clinical Governance Committee which in-turn updates the Board on a regular basis.
- All Executive Directors of the Board undertake annual appraisals during which any development needs are identified, in line with guidance from SGHSCD.
- The Board Communications Strategy is continually reviewed and is due to be

updated again following approval of the overarching Board Strategy. It will ensure that we inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communication indicators are submitted to the Involving People Group and Staff Governance and Person Centred Committee.

Communications representatives are involved in all major projects, most notably the Golden Jubilee expansion plans as part of the Scottish Government's National Elective Centre Programme. The team also attend the Partnership Forum, Volunteers Forum and all patient involvement events.

- The Board has a very well established Partnership Forum, which works effectively and provides updates to the Board following each meeting. Over the course of the year the Partnership Forum received a series of financial updates.
- Active participation is also demonstrated in regional and national groups, with particularly key involvement in leading the National Board and West Regional Board Delivery plans.
- The Board has in place strong governance to support the development of the expansion programme. This is overseen by a Programme Board for the elective centres, with involvement from relevant staff from the Board, the Government and other external stakeholders.
- In accordance with the principles of Best Value, the Board aims to foster a culture of continuous improvement. As part of this, directors and managers are encouraged to review, identify and improve the efficient and effective use of resources. Arrangements have been made to secure Best Value as set out in the SPFM.

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

### **Review of Adequacy and Effectiveness**

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

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

In partnership with the Internal Auditors for the Board a detailed report on internal audit recommendations is presented to each Audit and Risk Committee. Audit Scotland attended the Audit and Risk Committee in February to provide detail on the

work that they undertake during the year.

The Audit and Risk Committee, through its statutory role of reviewing internal controls, and the Clinical Governance Committee, through its role in ensuring that risks are being managed, provides assurance to me as Accountable Officer. The role of the Audit and Risk Committee with regard to risk has remained unchanged during 2020/21 and therefore this committee provides additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2020/21 via the receipt of formal reports relating to each of the governance committees. All executive directors have also signed certificates of assurance demonstrating that all internal controls are working effectively in their area of responsibility.

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

## **Risk Assessment**

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

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

There is a Board risk register in place which links with organisational objectives and performance management. The Board risk register is presented to the Board quarterly and is reviewed by the Audit and Risk Committee prior to every Board submission.

The Senior Management Team ensures that all risks are addressed fully and in a timely manner. The Clinical Governance Risk Management Group supports the management of clinical risks with various sub-groups overseeing specific areas. The groups meet on a regular basis with updates being provided during 2020/21 via the Clinical Governance Committee to the Board and Audit and Risk Committee. This continues to be strengthened taking account of the enhanced role of the Audit and Risk Committee with regard to provision of assurance regarding risk management to the Board.

Risk controls are identified through the risk register process with escalation of risks

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

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

- Continuation of work associated with the Blueprint for Good Governance;
- Implementing a system of Agile Governance during the pandemic to ensure that good governance is followed in all processes.

## **Disclosures**

- During the previous financial year, no significant control weaknesses or issues have arisen and no significant failures have arisen in the expected standards for good governance, risk management and control.
- Grant Thornton, Board Internal Auditors, Annual Opinion – “Our overall opinion for the period 1 April 2020 to 31 March 2021 is that based on the scope of the reviews undertaken and the sample tests completed during the period, reasonable assurance can be given on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control.

There are only minor weaknesses in the risk management activities and controls designed to achieve the risk management objectives required by management. Those activities and controls that we examined were operating with sufficient effectiveness to provide reasonable assurance that the related risk management objectives were achieved during the period under review.”

- During the course of the year the Board provided all administration services for the Board Charity. An annual report for the charity will be submitted to OSCR following Trustees approval on 29 July 2021. A full audit of all financial transactions and governance arrangements will be undertaken for the 2020/21 financial year prior to submission of the annual report and monitoring returns to OSCR. Due to the financial value of the funds held in the charity there is a requirement to consolidate the charity accounts into the Annual Accounts of the Board for 2020/21. An annual report from the Endowment Sub-Committee was presented to the Audit and Risk Committee for information and to the Board of Trustees for approval.

## **REMUNERATION REPORT and STAFF REPORT**

### **REMUNERATION REPORT**

#### **Remuneration**

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

#### **Notice Periods**

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

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

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

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

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

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

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

The Remuneration Committee shall comprise of:

- The Board Chair, the four Non-Executive Directors responsible for chairing the formal Standing Committees of the Board, and the Employee Director.
- The Board Chief Executive and the Head of Corporate Governance will attend meetings of the Remuneration Committee as advisors and assessors and to provide administrative support.

A meeting with the Chair, Employee Director and two further Non-Executive Directors will constitute a quorum. When the Chair is unavailable one other Non-Executive Director will be appointed to chair the meeting

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

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

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

### **Performance Appraisal**

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

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

All staff covered under Agenda for Change require an up to date Personal Development Plan and annual appraisal in line with TURAS appraisal.

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

### **Payments to past senior managers**

No significant payments were made to past senior managers during 2020/21.

## BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

### Board Members and Senior Employees Remuneration

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

The 'total earnings in year' column (shaded below) shows the remuneration relating to actual earnings in 2020/21.

### FOR THE YEAR ENDED 31 MARCH 2021

2021 Name	Directors Gross Salary (bands of £5,000)	Benefits in Kind	Total Earnings in Year (bands of £5,000)	Pension Benefits	Total Remuneration (bands of £5,000)
	£'000	£'000	£'000	£'000	£'000
<b>Remuneration of:</b>					
<b>Executive Members</b>					
Chief Executive: J Gardner	115-120	5	120-125	53	170-175
Director of Finance: C Neil	95-100	0	95-100	53	145-150
J Rogers	95-100	-	95-100	22	115-120
M MacGregor <sup>Note 1</sup>	190-195	-	190-195	416	605-610
AM Cavanagh	85-90	5	90-95	56	145-150
G Adkins	80-85	3	80-85	43	125-130
A Harkness <sup>Note 2</sup>	75.80	4	80-85	24	105-110
<b>Non-Executive Members</b>					
Chair S Douglas-Scott	30-35	-	30-35	-	30-35
J Christie-Flight <sup>Note 3</sup>	55-60	-	55-60	46	100-105
L Semple	5-10	-	5-10	-	5-10
S McAllister	5-10	-	5-10	-	5-10
M Boyle	5-10	-	5-10	-	5-10
K Kelly	5-10	-	5-10	-	5-10
R Moore	5-10	-	5-10	-	5-10
M Brown	5-10	-	5-10	-	5-10
E Cameron <sup>Note 4</sup>	5-10	-	5-10	-	5-10
C Blackburn <sup>Note 5</sup>	0-5	-	0-5	-	0-5

Note 1 - Includes £97,967 billed to HIS.

Note 2 – Figure quoted is for period 1/4/2020-28/10/2020.

Note 3 – Employee Director's salary includes £50,973 in respect of Board duties.

Note 4 - Started 1/4/2020

Note 5 - Figure quoted is for the period 1/11/20-31/3/2. Full year equivalent is 5-10 in bands of £5,000.

There were no performance related bonuses paid to the executives of the Board during the year.



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

**FOR THE YEAR ENDED 31 MARCH 2021**

**Pension Values (Subject to Audit Opinion)**

2021 Name	Accrued pension at age 60 as at 31/03/20 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Accrued Lump Sum	Cash equivalent Transfer Value (CETV) at 31 March 2020 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2019	Real increase in cash equivalent Transfer Value (CETV) in year
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Pension Values of:</b>						
<b>Executive Members</b>						
Chief Executive: J Gardner *	30-35	2.5-5	69	598	538	60
Director of Finance: C Neil *	40-45	2.5-5	92	740	677	63
J Rogers	15-20	0-2.5	60	478	441	23
M MacGregor *	75-80	17.5-20	191	1,607	1,183	424
AM Cavanagh *	40-45	2.5-5	104	880	805	76
G Adkins *	25-30	0-2.5	53	418	375	43
A Harkness	5-10	0-2.5	-	134	104	30
<b>Non-Executive Members</b>						
Chair S Douglas-Scott	-	-	-	-	-	-
J Christie-Flight *	25-30	0-2.5	59	474	425	49
L Semple	-	-	-	-	-	-
S McAllister	-	-	-	-	-	-
M Boyle	-	-	-	-	-	-
K Kelly	-	-	-	-	-	-
R Moore	-	-	-	-	-	-
M Brown	-	-	-	-	-	-
E Cameron	-	-	-	-	-	-
C Blackburn	-	-	-	-	-	-

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

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

**FOR THE YEAR ENDED 31 MARCH 2020**

**Remuneration Table (Subject of Audit Opinion)**

<b>2020 Name</b>	<b>Directors Gross Salary (bands of £5,000)</b>	<b>Benefits in Kind</b>	<b>Total Earnings in Year (bands of £5,000)</b>	<b>Pension Benefits</b>	<b>Total Remuneration (bands of £5,000)</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Remuneration of:</b>					
<b>Executive Members</b>					
Chief Executive: J Gardner	110-115	4	110-115	78	190-195
Director of Finance: J M Carter – Left 21/06/19 Note 1	15-20	1	15-20	0	15-20
Director of Finance: C Neil - Started 1/7/19 Note 2	70-75	0	70-75	60	130-135
J Rogers	90-95	5	95-100	15	110-115
A MacFie – 1/4/19-30-9-19 Note 3	80-85	-	80-85	94	175-180
M MacGregor – 16-9-19 Note 4	100-105	-	100-105	128	230-235
AM Cavanagh	80-85	7	90-95	47	135-140
G Adkins	75-80	5	80-85	40	120-125
A Harkness	90-95	7	95-100	24	120-125
<b>Non-Executive Members</b>					
Chair S Douglas-Scott	25-30	-	25-30	-	25-30
J Christie-Flight Note 5	55-60	-	55-60	17	70-75
L Semple	5-10	-	5-10	-	5-10
S McAllister	5-10	-	5-10	-	5-10
M Boyle	5-10	-	5-10	-	5-10
K Kelly Note 6	10-15	-	10-15	-	10-15
M MacGregor – Left 31/08/19 Note 7	0-5	-	0-5	-	0-5
K Harriman – Left 30/9/19 Note 8	0-5	-	0-5	-	0-5
P Cox – Left 30/9/19 Note 9	0-5	-	0-5	-	0-5
R Moore – Started 1/10/19 Note 10	0-5	-	0-5	-	0-5
M Brown – Started 1/10/19 Note 11	0-5	-	0-5	-	0-5

Note 1 – Figure quoted is for period 1/4/19-2/6/19 plus accrual for charges to the end date and only relate to Board costs.

Note 2 – New Director of Finance from 1/7/19. Full year equivalent is 90-95 in bands of £5,000.

Note 3 – Acting Medical Director 1/4/19-30/9/19, part year above. Full year equivalent is 170-175 in bands of £5,000.

Note 4 – New Medical Director from 16/9/19. Full year equivalent is 145-150 in bands of £5,000. Includes £31,382 billed to HIS.

Note 5 – Employee Director's salary includes £47,562 in respect of Board duties.

Note 6 – Figure in table above includes £4,500 of costs related to work in NHS Tayside which was billed in 2019/20.

Note 7 – Figure quoted is for the period 1/4/19-30/9/19. Full year equivalent is 5-10 in bands of £5,000.

Note 8 – Figure quoted is for the period 1/4/19-30/9/19. Full year equivalent is 5-10 in bands of £5,000.

Note 9 - Figure quoted is for the period 1/10/19-31/3/20 Full year equivalent is 5-10 in bands of £5,000.

Note 10 - Figure quoted is for the period 1/10/19-31/3/20 Full year equivalent is 5-10 in bands of £5,000.

Note 11 - Figure quoted is for the period 1/10/19-31/3/20 Full year equivalent is 5-10 in bands of £5,000.

There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2019/20 and are included in the salary costs.

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

**FOR THE YEAR ENDED 31 MARCH 2020**

**Pension Values (Subject to Audit Opinion)**

2020 Name	Accrued pension at age 60 as at 31/03/20 (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Accrued Lump Sum	Cash equivalent Transfer Value (CETV) at 31 March 2020 (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2019	Real increase in cash equivalent Transfer Value (CETV) in year
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Pension Values of:</b>						
<b>Executive Members</b>						
Chief Executive: J Gardner	30-35	2.5-5	66	536	457	79
Director of Finance: J M Carter **	-	-	-	-	-	-
Director of Finance: C Neil	35-40	2.5-5	88	674	611	63
J Rogers	15-20	0-2.5	55	439	409	17
A MacFie	75-80	5-7.5	233	1,872	1,744	100
M MacGregor	55-60	5-7.5	143	1,177	1,035	142
AM Cavanagh **	35-40	2.5-5	99	801	737	64
G Adkins **	20-25	0-2.5	50	373	334	40
A Harkness	5-10	0-2.5	-	107	74	33
<b>Non-Executive Members</b>						
Chair S Douglas-Scott	-	-	-	-	-	-
J Christie-Flight **	20-25	0-2.5	55	422	399	23
L Semple	-	-	-	-	-	-
S McAllister	-	-	-	-	-	-
M Boyle	-	-	-	-	-	-
K Kelly	-	-	-	-	-	-
M MacGregor	-	-	-	-	-	-
K Harriman	-	-	-	-	-	-
P Cox	-	-	-	-	-	-
R Moore	-	-	-	-	-	-
M Brown	-	-	-	-	-	-

\* Pension cost held by employing Board at end of the year.

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

## STAFF REPORT

### Number of senior staff by band

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

This information is contained within the remuneration report.

### FAIR PAY DISCLOSURE

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

2020/21	£000s	2019/20	£000s
Range of staff remuneration	8-274	Range of staff remuneration	9-185
Highest earning Director's total remuneration	190-195	Highest earning Director's total remuneration	150-155
Median Total remuneration	34,524	Median Total remuneration	32,014
Ratio	5.59	Ratio	4.71

### Higher Paid Employees Remuneration

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

	2021	2020
<i>Clinicians</i>		
£70,001 - £80,000	16	8
£80,001 - £90,000	7	3
£90,001 - £100,000	10	3
£100,001 - £110,000	3	7
£110,001 - £120,000	9	1
£120,001 - £130,000	9	12
£130,001 - £140,000	4	9
£140,001 - £150,000	10	12
£150,001 - £160,000	4	14
£160,001 - £170,000	6	10
£170,001 - £180,000	7	4
£180,001 - £190,000	5	2
£190,001 - £200,000	2	1
£200,001 and above	7	8
<i>Other</i>		
£70,001 - £80,000	12	9
£80,001 - £90,000	7	1
£90,001 - £100,000	4	2
£90,001 - £100,000	1	1
£140,001 - £150,000	1	-

## STAFF REPORT (continued)

The number of clinical staff earning over £200k primarily relates to payments received for distinction awards and some additional payments in relation to EPAs.

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

### Staff Numbers and Costs

2021	Executive Board Members	Non-Executive Members	Permanent Staff	Inward Secondees	Other Staff	Outward Secondees	Total	2020
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Salaries and wages	749	107	76,244	-	1,595	(191)	78,504	70,416
Taxation & social security costs	95	4	8,618	-	109	(22)	8,804	7,814
NHS Scheme employers' costs	145	-	13,546	-	100	(33)	13,758	11,990
Other employers' pension costs	-	-	22	-	1	-	23	27
Secondees	-	-	-	344	-	-	344	98
Agency staff	-	-	-	-	2,727	-	2,727	3,503
<b>Total</b>	<b>989</b>	<b>111</b>	<b>98,430</b>	<b>344</b>	<b>4,532</b>	<b>(246)</b>	<b>104,160</b>	<b>93,849</b>

### Staff Numbers

Whole Time Equivalent (WTE)	7	9	1,774	5	75	(4)	1,867	1,779
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### Staff composition

The table below includes the breakdown of the number of persons of each gender who were Directors and employees of the Board at 31<sup>st</sup> March 2021.

	2020			2019		
	Male	Female	Total	Male	Female	Total
Executive Directors	3	4	7	3	4	7
Non-Executive Directors and Employee Director	3	6	9	3	6	9
Senior Employees (as per remuneration Report)	15	34	49	4	9	13
Other	740	1,945	2,685	700	1,796	2,497
<b>Total Headcount</b>	<b>761</b>	<b>1,989</b>	<b>2,750</b>	<b>710</b>	<b>1,816</b>	<b>2,525</b>

The manual for accounts requires that the number of senior employees in the Board be disclosed in this analysis, we have defined the "Higher Paid Employees – Other" to represent this, this is disclosed on page 45.

### Sickness Absence

The annual sickness absence rate for 2020/21 was 4.5% (4.61% for 2019/20).

## **Staff policies**

Our staff policies are continually reviewed to ensure that they are up to date and we have invested significant effort in promoting a positive workplace culture within the Board. Phase 1 of the 'Once for Scotland' Workforce Policies Programme was launched on 1<sup>st</sup> March 2020. This comprised of the following workforce policies: Attendance, Bullying and Harassment, Capability, Conduct, Grievance and a Workforce Policies Investigation Process. These policies were developed nationally in partnership with NHS Scotland employers, trade unions and the Scottish Government. These policies and associated supporting documents have been implemented and set the scene for the employment practices all Boards now follow.

Our Organisational Values place dignity and respect at the heart of everything we do and our work on equality, diversity and inclusion is an important part of our staff policies and how we influence behaviours within the organisation. Our policies are intended to support the delivery of the organisational values to support employee experience.

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

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

A short life working group was established to take forward and prepare for the implementation of the National Whistleblowing Standards on 1 April 2021. This group supported the actions to ensure that the Board was ready for the implementation of the standards prior to 1 April 2021. This included the launch of the Once for Scotland Whistleblowing Policy, promotion and increased awareness of our Whistleblowing Champion, updated communications through our local website on the policy and resources available, provision of training including online training for managers and staff, recruiting to the role of confidential contacts – increasing these from two to eight confidential contacts – and ensuring that a local procedure was in place with agreed governance for reporting concerns prior to the implementation date. .

## **Staff policies relating specifically to staff with a disability**

The Board has recently published a Diversity and Inclusion strategy which forms an integral part of our overarching aim to promote the wellbeing of staff, patients and volunteers. The Diversity and Inclusion Group are working on a four-year Diversity and Inclusion delivery plan to identify areas of improvement within the themes of education and training, on-board diverse training, leadership and organisational development, inclusivity and data and inclusive service design.

In keeping with the Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012 we have also published a Mainstreaming Report 2021.

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

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

In 2021 we have introduced a staff Disability Network which, in response to staff requests\needs, is a virtual network. This enables staff to share experiences, support each other and possibly help shape services.

### **Other Employee Matters**

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

Over 2020/21 our workforce have adjusted to new ways of working such as agile working for staff who were able to work at home. With the support of technology provided by our eHealth department our workforce have adopted a hybrid working arrangement between home and the workplace to support the restrictions in place regarding physical distancing. For the roles where this is practicable, this has altered our ways of working and created a far more flexible workforce.

### **Staff Wellbeing and Support**

Staff wellbeing is paramount to the Board, especially during the recent pandemic where it is important that staff are encouraged and supported to look after their own health and wellbeing.

Our Health and Wellbeing strategy was developed and implemented over 2020/21 which sets out our ambition to be a leader in promoting and maintaining a healthy



workplace and provide support for our staff and volunteers which maximises their health and wellbeing. Our strategy is based on a holistic health and wellbeing approach that supports staff to achieve and maintain good physical and mental health.

Supporting staff with managing social and financial aspects of their lives which can impact on physical and mental health is another key element. Our approach is underpinned by a continued focus on creating the right conditions for good health and wellbeing that result in a healthy and effective workplace. A Health and Wellbeing Delivery plan is being developed to support the strategy to ensure a range of resources and support measures are available for our workforce both in the short and longer term.

Over 2020/21 we have developed a number of supportive measures such as encouraging changes to working practices, ensuring that risk assessments are undertaken for staff which are updated on an ongoing basis, promoting local and national resources including toolkits to provide a wide range of support and wellbeing resources for staff. A number of manager and staff guides have also been produced in response to the pandemic to support the deployment of staff across the organisation as well as the development of specific guidance to support members of the workforce who have had to shield during the pandemic, including support for their return to the workplace.

## Exit packages

### 2020/21

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£10,000 - £25,000	-	-	-
<b>Total number exit packages by type</b>	-	-	-
-	-	-	-
<b>Total resource cost (£'000)</b>	-	-	-

### 2019/20

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
£10,000 - £25,000	-	1	1
<b>Total number exit packages by type</b>	-	1	1
-	-	-	-
<b>Total resource cost (£'000)</b>	-	<b>15</b>	<b>15</b>

## Trade Union (Facility Time)

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

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

## Relevant Trade Union Officials

Number of employees who were relevant union officials during the period 1 April 2020 to 31 March 1	Full-time equivalent employee number
14	13.48

## Percentage of Time spent on Facility time

Percentage of time	Number of representatives
0%	13
1-50%	1
51-99%	-
100%	-

### **Percentage of Paybill spent of Facility time**

Total cost of Facility time	£443.92
Total Paybill	£104,160,000
<b>Percentage of total pay spend on Facility time</b>	<b>0.000%</b>

### **Paid Trade Union activities**

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

### **Parliamentary Accountability Report**

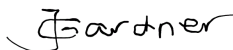
The Parliamentary Accountability Report collates the key Parliamentary accountability documents into the annual report and accounts.

### Losses and Special Payments not over £250,000

No write-off for losses or special payments were approved by the board during 2020/21.

### **Approval**

The Accountable Officer authorised the Accountability Report for issue on 29 July 2021.



.....  
**J Gardner**  
*Chief Executive*

**Date:** 06 August 2021

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

### **Reporting on the audit of the financial statements**

#### **Opinion on financial statements**

We have audited the financial statements in the annual report and accounts of National Waiting Times Centre Board and its group for the year ended 31 March 2021 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Taxpayers' Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2020/21 Government Financial Reporting Manual (the 2020/21 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers of the state of the affairs of the board and its group as at 31 March 2021 and of the net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2020/21 FReM; and
- have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

#### **Basis for opinion**

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is 10 years. We are independent of the board and its group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Non-audit services prohibited by the Ethical Standard were not provided to the board. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Emphasis of matter – Material valuation uncertainty**

We draw attention to Note 1 Accounting policies, 28. 'Key sources of judgement and estimation uncertainty' in the financial statements which discloses a material uncertainty caused by Covid-19 declared in the valuation report for property. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern basis of accounting**

We have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

### **Risks of material misstatement**

We report in a separate Annual Audit Report, available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our judgements thereon.

### **Responsibilities of the Accountable Officer for the financial statements**

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

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

### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities outlined above to detect material misstatements in respect of irregularities, including fraud. Procedures include:

- obtaining an understanding of the applicable legal and regulatory framework and how the board is complying with that framework;
- identifying which laws and regulations are significant in the context of the board;
- assessing the susceptibility of the financial statements to material misstatement, including how fraud might occur; and

- considering whether the audit team collectively has the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.

The extent to which our procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the board's controls, and the nature, timing and extent of the audit procedures performed.

Irregularities that result from fraud are inherently more difficult to detect than irregularities that result from error as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved.

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

## **Reporting on regularity of expenditure and income**

### **Opinion on regularity**

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

### **Responsibilities for regularity**

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. In addition to our responsibilities to detect material misstatements in the financial statements in respect of irregularities, we are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and Accountability (Scotland) Act 2000.

## **Reporting on other requirements**

### **Opinion prescribed by the Auditor General for Scotland on audited part of the Remuneration and Staff Report**

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

### **Statutory other information**

The Accountable Officer is responsible for the statutory other information in the annual report and accounts. The statutory other information comprises the Performance Report and the Accountability Report excluding the audited part of the Remuneration and Staff Report.

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

Our opinion on the financial statements does not cover the statutory other information and we do not express any form of assurance conclusion thereon except on the Performance Report and Governance Statement to the extent explicitly stated in the following opinions prescribed by the Auditor General for Scotland.

### **Opinions prescribed by the Auditor General for Scotland on Performance Report and Governance Statement**

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

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

### **Matters on which we are required to report by exception**

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

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

We have nothing to report in respect of these matters.

### **Conclusions on wider scope responsibilities**

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

## Use of our report

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

*Chris Brown*

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

Date..... 29 September 2021 .....



## Consolidated Statement of Comprehensive Net Expenditure (SOCNE)

For the year ended 31 March 2021

	Note	2021 £'000	2020 £'000
Staff Costs	3a	104,183	94,296
Other Operating Expenditure	3b		
Drugs and medical supplies		27,897	26,981
Other Health care expenditure		36,446	39,935
<b>Gross expenditure in year</b>		<b>168,526</b>	<b>161,212</b>
Less: operating Income	4	(68,085)	(70,717)
<b>Net Expenditure for the year</b>		<b>100,441</b>	<b>90,495</b>
<b>Other Comprehensive Net Expenditure</b>			
	Note	2021 £'000	2020 £'000
Net (gain)/loss on revaluation of property, plant and equipment		1,282	(2,234)
<b>Other comprehensive expenditure</b>		<b>1,282</b>	<b>(2,234)</b>
<b>Comprehensive net expenditure</b>		<b>101,723</b>	<b>88,261</b>

The Notes to the Accounts, numbered 1 to 19, form an integral part of these Accounts.

**Consolidated Statement of Financial Position**  
**As at 31 March 2021**

	<i>Note</i>	<b>2021</b> <b>Consolidated</b> <b>£'000</b>	<b>2021</b> <b>Board</b> <b>£'000</b>	<b>2020</b> <b>Consolidated</b> <b>£'000</b>	<b>2020</b> <b>Board</b> <b>£'000</b>
<b>Non-Current Assets</b>					
Property, plant and equipment	7c	166,646	166,646	154,269	154,269
Intangible Assets	6a	-	-	-	-
Trade and Other receivables	9	2,600	2,600	4,900	4,900
<b>Total Non-current Assets</b>		<b>169,246</b>	<b>169,246</b>	<b>159,169</b>	<b>159,169</b>
<b>Current assets</b>					
Inventories	8	3,810	3,810	3,966	3,966
Financial Assets:					
- Trade and other receivables	9	7,332	6,027	4,336	3,350
- Cash and cash equivalents	10	20,305	15,776	6,356	3,454
Assets classified as held for sale	7b	-	-	-	-
<b>Total Current Assets</b>		<b>31,447</b>	<b>25,613</b>	<b>14,658</b>	<b>10,770</b>
<b>Total Assets</b>		<b>200,693</b>	<b>194,859</b>	<b>173,827</b>	<b>169,939</b>
<b>Current Liabilities</b>					
Provisions	12	(2,210)	(2,210)	(1,568)	(1,568)
Financial Liabilities:					
- Trade and other payables	11	(49,378)	(49,329)	(32,063)	(31,913)
<b>Total Current Liabilities</b>		<b>(51,588)</b>	<b>(51,539)</b>	<b>(33,631)</b>	<b>(33,481)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>149,105</b>	<b>143,320</b>	<b>140,196</b>	<b>136,458</b>
<b>Non-Current Liabilities</b>					
Provisions	12	(4,384)	(4,384)	(3,332)	(3,332)
<b>Total Non-current liabilities</b>		<b>(4,384)</b>	<b>(4,384)</b>	<b>(3,332)</b>	<b>(3,332)</b>
<b>Assets less liabilities</b>		<b>144,721</b>	<b>138,936</b>	<b>136,864</b>	<b>133,126</b>
<b>Taxpayers' Equity</b>					
General Fund	SOCTE	56,012	56,012	47,665	47,665
Revaluation reserve	SOCTE	82,924	82,924	85,461	85,461
Funds held on Trust	SOCTE	5,785	-	3,738	-
<b>Total Taxpayers' Equity</b>		<b>144,721</b>	<b>138,936</b>	<b>136,864</b>	<b>133,126</b>

The financial statements were approved by the Board on 29 July 2021 and signed on their behalf by

*Colin Neil*

C Neil..... Director of Finance

**C Neil**

*J Gardner*

J Gardner..... Chief Executive

**J Gardner**

The Notes to the Accounts, numbered 1 to 19, form an integral part of these Accounts.

## Consolidated Statement of Cashflows

For the year ended 31 March 2021

		2021	2021	2020	2020
<i>Note</i>		£'000	£'000	£'000	£'000
<b>Cash flows from operating activities</b>					
Net Expenditure	SoCTE	(100,441)		(90,495)	
Adjustments for non-cash transactions	2(b)	11,990		6,643	
Add back: interest payable recognised in net operating expenditure		-		-	
Movement in working capital	2	6,147		9,851	
		<u>(82,304)</u>		<u>(74,001)</u>	
<b>Cash flows from investing activities</b>					
Purchase of property, plant and equipment		(25,649)		(18,482)	
Proceeds of disposal of property, plant and equipment		-		-	
<b>Net cash outflow from investing activities</b>		<u>(25,649)</u>		<u>(18,482)</u>	
<b>Cash flows from financing activities</b>					
Funding		109,580		92,783	
Movement in general fund working capital	SoCTE	12,322		101	
Cash drawn down		121,902		92,884	
<b>Net financing</b>		<u>121,902</u>		<u>92,884</u>	
Net Increase/(decrease) in cash and cash equivalents in the period		13,949		401	
Cash and cash equivalents at the beginning of the period		6,356		5,955	
<b>Cash and cash equivalents at the end of the period</b>		<u>20,305</u>		<u>6,356</u>	
<b>Reconciliation of net cash flow to movement in net debt/cash</b>					
Increase/(decrease) in cash in year		13,949		401	
Net debt/cash at 1 April		6,356		5,955	
<b>Net debt/cash at 31 March</b>		<u>20,305</u>		<u>6,356</u>	

The Notes to the Accounts, numbered 1 to 19, form an integral part of these Accounts.

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

	Note	General Fund	Revaluation Reserve	Funds held on Trust	Total Reserves
		£'000	£'000	£'00	£'000
<b>Balance at 31 March 2020</b>		<b>47,665</b>	<b>85,461</b>	<b>3,738</b>	<b>136,864</b>
<b>Restated balance at 1 April 2020</b>		<b>47,665</b>	<b>85,461</b>	<b>3,738</b>	<b>136,864</b>
<b>Changes in taxpayers' equity for 2020/21</b>					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	7a	-	(1,282)	-	(1,282)
Impairments of property plant and equipment		-	(5,112)	-	(5,112)
Revaluation & impairments taken to operating costs	2	-	5,112	-	5,112
Transfers between reserves		1,255	(1,255)	-	-
Net operating cost for year		(102,488)	-	2,047	(100,441)
<b>Total recognised income and expense for 2020/21</b>		<b>(101,233)</b>	<b>(2,537)</b>	<b>2,047</b>	<b>(101,723)</b>
<b>Funding:</b>					
Drawn Down		121,902	-	-	121,902
Movement in General Fund (Creditor)/Debtor		(12,322)	-	-	(12,322)
<b>Balance at 31 March 2021</b>		<b>56,012</b>	<b>82,924</b>	<b>5,785</b>	<b>144,721</b>

## Statement of changes in taxpayers' equity for the prior year

	Note	General Fund	Revaluation Reserve	Funds held on Trust	Total Reserves
		£'000	£'000	£'00	£'000
<b>Balance at 31 March 2019</b>		<b>45,282</b>	<b>84,415</b>	<b>2,645</b>	<b>132,342</b>
<b>Restated balance at 1 April 2019</b>		<b>45,282</b>	<b>84,415</b>	<b>2,645</b>	<b>132,342</b>
<b>Changes in taxpayers' equity for 2019/20</b>					
Net gain/(loss) on revaluation/indexation of property, plant and equipment	7a	-	2,234	-	2,234
Impairments of property plant and equipment		-	(9)	-	(9)
Revaluation & impairments taken to operating costs	2	-	9	-	9
Transfers between reserves		1,188	(1,188)	-	-
Net operating cost for year		(91,588)	-	1,093	(90,495)
<b>Total recognised income and expense for 2019/20</b>		<b>(90,400)</b>	<b>1,046</b>	<b>1,093</b>	<b>(88,261)</b>
<b>Funding:</b>					
Drawn Down		92,884	-	-	92,884
Movement in General Fund (Creditor)/Debtor		(101)	-	-	(101)
<b>Balance at 31 March 2020</b>		<b>47,665</b>	<b>85,461</b>	<b>3,738</b>	<b>136,864</b>

The Notes to the Accounts, numbered 1 to 19, form an integral part of these Accounts.

## Notes to the Accounts – inserted ARC approved version

### 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 (IFRS as adopted by the EU), IFRIC Interpretations and the Companies Act 2006 to the extent that they are meaningful and appropriate to the public sector. They have been applied consistently in dealing with items considered material in relation to the accounts.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in section 30 below.

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

There have been no standards applied for the first time in 2020/21.

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

IFRS 16 Leases supersedes IAS 17 Leases and is being applied by HM Treasury in the Government Financial Reporting Manual (FReM) from 1 April 2022. IFRS 16 introduces a single lessee accounting model that results in a more faithful representation of a lessee's assets and liabilities, and provides enhanced disclosures to improve transparency of reporting on capital employed.

Under IFRS 16, lessees are required to recognise assets and liabilities for leases with a term of more than 12 months, unless the underlying asset is of low value. While no standard definition of 'low value' has been mandated, NHS Scotland have elected to utilise the capitalisation threshold of £5,000 to determine the assets to be disclosed. The Board expects that its existing finance leases will continue to be classified as leases. All existing operating leases will fall within the scope of IFRS 16 under the 'grandfathering' rules mandated in the FReM for the initial transition to IFRS 16. In future years' new contracts and contract renegotiations will be reviewed for consideration under IFRS 16 as implicitly identified right-of-use assets. Assets recognised under IFRS 16 will be held on the Statement of Financial Position as (i) right of-use assets which represent the Board's right to use the underlying leased assets; and (ii) lease liabilities which represent the obligation to make lease payments.

The bringing of leased assets onto the Statement of Financial Position will require depreciation and interest to be charged on the right-of-use asset and lease liability, respectively. Cash repayments will also be recognised in the Statement of Cash Flows, as required by IAS 7.

### **Impact of the new standard**

The Board has assessed the likely impact to i) comprehensive net expenditure and ii) the Statement of Financial Position of applying IFRS 16. They represent existing leases as at 31 March 2021 will be calculated prior to the adoption of the standard.

The standard is expected to increase total expenditure by £587,983. Right-of-use assets totalling £587,983 will be brought onto the Statement of Financial Position, with an associated lease liability of £587,983.

## **2. Basis of Consolidation**

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

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

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

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

Note 19 to the Annual Accounts, details how these consolidated Financial Statements have been calculated.

## **3. Prior Year Re-statements**

These are only required in respect of any agreed retrospective restatements in respect of changes in accounting policy or correction of material errors in accordance with IAS 8.

## **4. Going Concern**

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

## **5. Accounting Convention**

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

## **6. Funding**

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

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

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

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

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

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

## **7. Property, plant and equipment**

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

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

### **7.1 Recognition**

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

All assets falling into the following categories are capitalised:

1. Property, plant and equipment assets which are capable of being used for a period which could exceed one year, and have a cost equal to or greater than £5,000.
2. Assets of lesser value may be capitalised where they form part of a group of similar assets purchased at approximately the same time and cost over £20,000 in total, or where they are part of the initial cost of equipping a new development and total over £20,000.

## 7.2 Measurement

### Valuation

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

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

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

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

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



Subsequent expenditure:

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

Revaluation and Impairment:

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

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

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

### **7.3 Depreciation**

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

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

- 1) Freehold land is considered to have an infinite life and is not depreciated.
- 2) Assets in the course of construction are not depreciated until the asset is brought into use.
- 3) Property, plant and equipment which has been classified as 'held for sale' ceases to be depreciated upon reclassification.
- 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.
- 6) Property, plant and equipment held under finance leases are depreciated over the shorter of the lease term and the estimated useful life.

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>
Building - Structure	30 – 72 years
Building - Landscaping & Surfacing	16 – 38 years
Building - Engineering	15 – 46 years
Medical Equipment	10 years
Plant	10 - 20 years
Information Systems & Office Equipment	5 years

## **8. Intangible Assets**

### **8.1 Recognition**

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

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

The main classes of intangible assets recognised are:

#### Software

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

#### Software licences:

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

### **8.2 Measurement**

Valuation:

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

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

Revaluation and impairment:

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

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

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

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

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

### **8.3 Amortisation**

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

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

- Software licences                      5 years

### **9. Non-current assets held for sale**

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

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

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

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

#### **10. Donated Assets**

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

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

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

#### **12. Leasing**

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

#### **13. Impairment of non-financial assets**

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

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

#### **14. General Fund Receivables and Payables**

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

#### **15. Inventories**

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

#### **16. Losses and Special Payments**

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

#### **17. Employee Benefits**

##### **Short-term Employee Benefits**

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

##### **Pension Costs**

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

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

Additional pension liabilities arising from early retirements are not funded by the scheme except where the retirement is due to ill-health. The full amount of the liability for the additional costs is charged to the statement of comprehensive net

expenditure at the time the Board commits itself to the retirement, regardless of the method of payment.

## **18. Clinical and Medical Negligence Costs**

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

The Board provides for all claims notified to the NHS Central Legal Office according to the value of the claim and the probability of settlement. Claims assessed as 'Category 3' are deemed most likely and provided for in full, those in 'Category 2' as 50% of the claim and those in 'category 1' as nil. The balance of the value of claims not provided for is disclosed as a contingent liability. This procedure is intended to estimate the amount considered to be the liability in respect of any claims outstanding and which will be recoverable from the Clinical Negligence and Other Risks Indemnity Scheme in the event of payment by an individual health body.

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

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

## **19. Related Party Transactions**

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

## **20. Value Added Tax**

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

## **21. Provisions**

The Board provides for legal or constructive obligations that are of uncertain timing or amount at the statement of financial position date on the basis of the best estimate of the expenditure required to settle the obligation. Where the

effect of the time value of money is significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

## **22. Contingencies**

Contingent assets (that is, assets arising from past events whose existence will only be confirmed by one or more future events not wholly within the Board's control) are not recognised as assets, but are disclosed in note 13 where an inflow of economic benefits is probable.

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

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

## **23. Corresponding Amounts**

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

## **24. Financial Instruments**

### **Financial assets**

#### Business model

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

#### Classification

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

- (a) Financial assets at fair value through profit or loss  
This is the default basis for financial assets.

(b) Financial Assets held at amortised cost

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

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

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

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

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

Impairment of financial assets

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

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

Recognition and measurement

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

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

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

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

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



(b) Financial assets held at amortised cost

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

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

## **Financial Liabilities**

### Classification

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

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

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

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

(b) Financial liabilities held at amortised cost

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

### Recognition and measurement

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

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

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

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

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

(b) Amortised costs

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

## **25. Segmental Reporting**

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

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

## **26. Cash and cash equivalents**

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

## **27. Foreign exchange**

The functional and presentational currencies of the Board are sterling.

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

## **28. Key Sources of judgement and estimation uncertainty**

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

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

### **Property Valuations**

In applying the Royal Institute of Chartered Surveyors (RICS) Valuation Global Standards ('Red Book'), a material uncertainty has been declared in the valuation report. This is due to market uncertainties caused by Covid-19. The Red Book defines material uncertainty as 'where the degree of uncertainty in a valuation falls outside any parameters that might normally be expected and accepted.'\*

The valuation report has been used to inform the measurement of assets in these financial statements. Although the valuer has declared a material valuation uncertainty, the valuer has continued to exercise professional judgement in preparing the valuation and, therefore, this is the best information available to the Board as at 31 March 2021 and can be relied upon.

**“Market Conditions Explanatory Note: Novel Coronavirus (COVID-19)”**

The outbreak of COVID-19, declared by the World Health Organisation as a “Global Pandemic” on 11 March 2020, has and continues to impact many aspects of daily life and the global economy - with some real estate markets having experienced lower levels of transactional activity and liquidity. Travel movement and operational restrictions have been implemented by many countries and in some cases “lockdowns” have been applied to varying degrees and to reflect further “waves” of COVID-19; although these may imply a new stage of the crisis, they are not unprecedented in the same way as the initial impact.

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence at levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, the valuation is not reported as being subject to ‘material valuation uncertainty’ as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards, except as identified below.

**Material Valuation Uncertainty**

In respect of the Hotels sector, as at the valuation date we continue to be faced with an unprecedented set of circumstances caused by COVID-19 and an absence of relevant/sufficient market evidence on which to base our judgements. Our valuation of the Golden Jubilee Conference Hotel which comprises part of the asset is therefore reported as being subject to ‘material valuation uncertainty’ as set out in VPS 3 and VPGA 10 of the RICS Valuation – Global Standards. Consequently, in respect of these valuations less certainty – and a higher degree of caution – should be attached to our valuation than would normally be the case. The Golden Jubilee Conference Hotel was valued at £3.6million as at 31 March 2021.

For the avoidance of doubt this explanatory note, including the ‘material valuation uncertainty’ declaration, does not mean that the valuation(s) cannot be relied upon. Rather, this explanatory note has been included to ensure transparency and to provide further insight as to the market context under which the valuation opinion was prepared. In recognition of the potential for market conditions to move rapidly in response to changes in the control or future spread of COVID-19 we highlight the importance of the valuation date.”

The range of uncertainty has not been identified and therefore we are unable to quantify the potential impact on the accounts.

**Impairments**

The value of impairment included within the accounts was provided by the

Boards Valuer as part of the valuation work undertaken during November of 2020.

### **Income and Expenditure**

Due to the impact of Covid-19 there has been a higher than normal level of estimation/movement from the prior years, the key areas are noted below:

### **Waiting Times Funding**

The Boards financial plan assumed full funding for capacity expansions commenced during 2020/21 including Endoscopy, General Surgery, Ophthalmology, Orthopaedic, CT, Coronary Intervention and Electrophysiology and Cardiac. The appropriate funding was all secured and agreed in advance by Scottish Government relative to in-year expenditure.

### **Brexit Funding**

The were no defined costs associated with Bexit funding regarding cost of goods and staffing, however this will be considered again in next year's financial plan.

### **Significant Risks**

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

## Note 2a SUMMARY OF CORE REVENUE RESOURCE OUTTURN

	Note	2021 £'000	2021 £'000
<b>Net Expenditure</b>	<b>SoCNE</b>		<b>100,441</b>
Total Non-Core Expenditure (see below)			(12,070)
Endowment Net Expenditure			2,047
<b>Total Core Expenditure</b>			<b>90,418</b>
Core Revenue Resource Limit			90,456
<b>Saving/(excess) against Core Revenue Resource Limit</b>			<b>38</b>

## SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Depreciation/Amortisation		6,964	
Annually Managed Expenditure – Impairments		5,112	
Annually Managed Expenditure - Creation of Provisions		(7)	
Annually Managed Expenditure - Depreciation of Donated assets		1	
<b>Total Non-Core Expenditure</b>			<b>12,070</b>
Non-Core Revenue Resource Limit			12,070
<b>Saving/(excess) against Non-Core Revenue Resource Limit</b>			<b>-</b>

## SUMMARY RESOURCE OUTTURN

	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	90,456	90,418	38
Non-Core	12,070	12,070	-
<b>Total</b>	<b>102,526</b>	<b>102,488</b>	<b>38</b>

## Note 2b Notes to the Cash Flow Statement

<b>Expenditure Not Paid in Cash</b>		2021 £'000	2020 £'000
Depreciation	7a	6,964	6,628
Amortisation	6	-	5
Depreciation of Donated Assets	7a	1	1
Impairments on property, plant and equipment charged to SOCNE		5,112	9
Net revaluation on PPE charged to SOCNE		-	-
Funding of Donated Assets		(87)	-
<b>Total Expenditure Not Paid in Cash</b>	<b>CFS</b>	<b>11,990</b>	<b>6,643</b>

## Consolidated movements in working capital

	Opening Balances	Closing Balances	2021 Net Movement	2020 Net Movement
	£'000	£'000	£'000	£'000
<b>Inventories</b>				
Statement of Financial Position	3,966	3,810		
Net Decrease/(Increase)			156	(770)
<b>Trade and Other Receivables</b>				
Due within one year	4,336	7,332		
Due after more than one year	4,900	2,600		
	9,236	9,932		
<b>Net Decrease/(Increase)</b>			(696)	1,701
<b>Trade and Other Payables</b>				
Due within one year	32,063	49,378		
Less: General Fund Creditor included in above	(3,454)	(15,776)		
	28,609	33,602		
<b>Net (Decrease)/Increase</b>			4,993	10,930
<b>Provisions</b>				
Statement of Financial Position	4,900	6,594		
<b>Net (Decrease)/Increase</b>			1,694	(2,010)
<b>Net Movement (Decrease)/Increase</b>			<b>6,147</b>	<b>9,851</b>

## Note 3 Operating Expenses

### 3a Staff Costs

	note	2021 Board £'000	2021 Consolidated £'000	2020 Consolidated £'000
Medical And Dental		22,709	22,709	25,535
Nursing		30,145	30,168	32,979
Other staff		51,306	51,306	35,782
<b>Total</b>	SoCNE	<b>104,160</b>	<b>104,183</b>	<b>94,296</b>

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

### 3b Other Operating expenditure

	note	2021 Board £'000	2021 Consolidated £'000	2020 Consolidated £'000
<b>Drugs and Medical supplies</b>				
Prescribed drugs, secondary care		3,393	3,393	4,087
PPE and Testing kits		1,952	1,952	-
Medical Supplies		22,552	22,552	22,894
<b>Total</b>		<b>27,897</b>	<b>27,897</b>	<b>26,981</b>
<b>Other Health Care Expenditure</b>				
Goods and services from other NHS Scotland Bodies		2,231	2,231	1,590
Goods and services from private patients		1,469	1,469	8,401
Resource Transfer		1,790	1,790	830
Other operating expenses		30,113	30,886	28,536
External Audit Remuneration – audit fee		70	70	79
External Audit other services		-	-	9
Endowment Fund Expenditure		-	-	490
<b>Total</b>		<b>35,673</b>	<b>36,446</b>	<b>39,935</b>
<b>Total Other Operating Expenditure</b>		<b>63,570</b>	<b>64,343</b>	<b>66,916</b>

The prior year expenditure split between categorises has been restated to reflect the categorisation on 2020/21.

## Note 4 Operating Income

	<b>2021 Board £'000</b>	<b>2021 Consolidated £'000</b>	<b>2020 Consolidated £'000</b>
Income from Scottish Government	272	272	275
Income from other NHS Scotland Bodies	62,146	62,146	58,754
Income from other non NHS Scotland Bodies	88	88	357
Income from Private patients	11	11	107
Profit on disposal of assets	-	-	-
Donations	263	263	-
Contributions in respect of CNORIS	-	-	756
<b>Non-NHS</b>	-	-	-
Endowment fund income	-	-	2,051
Other	2,462	5,305	8,471
<b>Total income</b>	<b>65,242</b>	<b>68,085</b>	<b>70,717</b>

## Note 5 Segmental Information

	<b>2021 Board £'000</b>	<b>2020 Board £'000</b>
<b>Net Operating Cost</b>	104,441	90,495
<b>Total Assets</b>	166,646	169,939
<b>Total Liabilities</b>	(55,972)	(36,813)
<b>Impairment Loss recognised in SOCNE</b>	-	-
<b>Depreciation and Amortisation</b>	6,965	6,634

The Board currently reports as one segment

## Note 6 Intangible Fixed Assets

	<b>Software Licences 2020/21 £'000</b>	<b>Software Licences 2019/20 £'000</b>
<b>Cost or valuation</b>		
At 1 April	143	143
At 31 March	143	143
<b>Amortisation</b>		
At 1 April	143	138
Provided during year	0	5
At 31 March	143	143
<i>Net book value purchased assets</i>		
At 1 April	0	5
At 31 March	0	0



**7 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2021** – All Purchased Assets are held within the Board and therefore only the consolidated position is shown below

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 April 2020	5,686	107,186	63,501	10,446	130	20,626	207,575
Additions - Purchased	-	-	7,672	246	-	17,731	25,649
Additions – Donated	-	-	87	-	-	-	87
Completions	-	15,687	-	-	-	(15,687)	-
Revaluation	-	(4,629)	-	-	-	-	(4,629)
Impairment charges	-	(5,112)	-	-	-	-	(5,112)
Disposals - purchase	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>5,686</b>	<b>113,132</b>	<b>71,260</b>	<b>10,692</b>	<b>130</b>	<b>20,670</b>	<b>223,570</b>
<b>Depreciation</b>							
At 1 April 2020	-	-	43,511	9,675	120	-	53,306
Provided during the year - Purchased	-	3,347	3,205	408	4	-	6,964
Provided during the year – donated	-	-	1	-	-	-	1
Revaluation	-	(3,347)	-	-	-	-	(3,347)
Disposals - purchased	-	-	-	-	-	-	-
<b>At 31 March 2021</b>	<b>-</b>	<b>-</b>	<b>46,717</b>	<b>10,083</b>	<b>124</b>	<b>-</b>	<b>56,924</b>
At 1 April 2020	5,686	107,186	19,990	771	10	20,626	154,269
At 31 March 2021	5,686	113,132	24,543	609	6	22,670	166,646

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Open Market value of Land included above	5,686						
<b>Asset Financing:</b>							
Owned							
Purchased	5,686	113,132	24,456	609	6	22,670	166,559
-							
Donated -	-	-	87	-	-	-	87
On-							
balance	-	-	-	-	-	-	-
sheet PFI							
contracts -							
<b>Net Book Value at 31 March 2021</b>	<b>5,686</b>	<b>113,132</b>	<b>24,543</b>	<b>609</b>	<b>6</b>	<b>20,670</b>	<b>166,646</b>

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

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>							
At 1 April 2019	5,686	107,489	59,950	10,100	130	6,538	189,893
Additions - Purchased	-	-	650	-	-	17,832	18,482
Completions	-	-	3,398	346	-	(3,744)	-
Transfers (to)/from non-current assets held for sale	-	488	(488)	-	-	-	-
Revaluation	-	(791)	-	-	-	-	(791)
Impairment charges	-	-	(9)	-	-	-	(9)
Disposals - purchase	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>5,686</b>	<b>107,186</b>	<b>63,501</b>	<b>10,446</b>	<b>130</b>	<b>20,626</b>	<b>207,575</b>
<b>Depreciation</b>							
At 1 April 2019	-	-	40,445	9,141	116	-	49,702
Provided during the year - Purchased	-	3,025	3,065	534	4	-	6,628
Provided during the year - donated	-	-	1	-	-	-	1
Revaluation	-	(3,025)	-	-	-	-	(3,025)
Disposals - purchased	-	-	-	-	-	-	-
<b>At 31 March 2020</b>	<b>-</b>	<b>-</b>	<b>43,511</b>	<b>9,675</b>	<b>120</b>	<b>-</b>	<b>53,306</b>
At 31 March 2019	5,686	107,489	19,505	959	14	6,538	140,191
At 31 March 2020	5,686	107,186	19,990	771	10	20,626	154,269

	Land	Buildings	Plant and Machinery	Information Technology	Furniture & Fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Open Market value of Land included above	5,686						
<b>Asset Financing:</b>							
Owned	5,686	107,186	19,987	771	10	20,626	154,266
Donated	-	-	3	-	-	-	3
<b>Net Book Value at 31 March 2020</b>	<b>5,686</b>	<b>107,186</b>	<b>19,990</b>	<b>771</b>	<b>10</b>	<b>20,626</b>	<b>154,269</b>

### Note 7 (b) Assets Held for Sale

There have been no assets held for sale in the current year or prior year.

### Note 7 (c) Property plant and equipment disclosures

The net book value for property, plant and equipment at 31 March 2021 was £166,646,000 (prior year £154,269,000). Due to a change in presentation this figure now includes donated assets as well as purchased assets.

All Land and Buildings were fully revalued by an independent valuer, Avison Young at 31 March 2020 on the basis of fair value (market value or depreciated replacement cost where appropriate). The values were computed in accordance with the Royal Institute of Chartered Surveyors Statement of Asset Valuation Practice and Guidance notes, subject to the special accounting practices of the NHS.

## Note 7 (d) Analysis of Capital Expenditure

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

	<i>Note</i>	<b>2021</b> <b>£'000</b>	<b>2020</b> <b>£'000</b>
<b>Expenditure</b>			
Acquisition of property, plant and equipment	7a	25,649	18,482
Donated asset additions	7a	87	-
<b>Gross Capital Expenditure</b>		<b>25,736</b>	<b>18,482</b>
<b>Income</b>			
Net Book Value of disposal of Property, plant and equipment	7a	-	-
<b>Capital Income</b>		<b>-</b>	<b>-</b>
<b>Net Capital Expenditure</b>		<b>25,736</b>	<b>18,482</b>
<b>Summary of Capital Resource Outturn</b>			
Net capital expenditure as above		25,649	18,482
Capital Resource Limit		25,649	18,482
<b>Savings/(Excess) against capital resource limit</b>		<b>-</b>	<b>-</b>

## Note 8 Inventories

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

	<b>2021</b> <b>Consolidated</b> <b>£'000</b>	<b>2020</b> <b>Consolidated</b> <b>£'000</b>
Raw Materials and Consumables	3,810	3,966

## Note 9 Trade and Other Receivables

	Consolidated 2021 £000	Board 2021 £000	Consolidated 2020 £000	Board 2020 £000
<b>NHS Scotland</b>				
Boards	2,338	2,338	2,141	2,141
<b>Total NHS Scotland</b>	<b>2,338</b>	<b>2,338</b>	<b>2,141</b>	<b>2,141</b>
<b>Receivables</b>				
VAT Recoverable	151	151	124	123
Prepayments	518	518	600	600
Accrued income	1,770	1,117	2,250	1,947
Other Receivables	855	203	1,521	839
Reimbursement of provisions	1,700	1,700	(2,300)	(2,300)
<b>Total Receivables within one year</b>	<b>7,332</b>	<b>6,027</b>	<b>4,336</b>	<b>3,350</b>
<b>Receivables due after more than one year</b>				
Reimbursement of provisions	2,600	2,600	4,900	4,900
<b>Total Receivables</b>	<b>9,932</b>	<b>8,627</b>	<b>9,236</b>	<b>8,250</b>
The total receivables figure above includes a provision for impairments of:	182	182	267	267
<b>Movements on the provision for impairment of receivables are as follows:</b>				
At 1 April provision for impairment	267	267	1	1
Provision for impairment	13	13	20	20
Receivables written of during the year	(98)	(98)	246	246
Unused amount reversed	-	-	-	-
<b>At 31 March Provision for impairment</b>	<b>182</b>	<b>182</b>	<b>267</b>	<b>267</b>

As at 31 March 2021, receivables with a carrying value of £182,000 (2020: £267,000) were impaired and provided for. The ageing of these receivables is as follows:

	<b>Consolidated 2021 £000</b>	<b>Board 2021 £000</b>	<b>Consolidated 2020 £000</b>	<b>Board 2020 £000</b>
3-6 months due	13	13	21	21
Over 6 months due	169	169	246	246
	<b>182</b>	<b>182</b>	<b>267</b>	<b>267</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.

Receivables that are less than three months past their due date are not considered impaired. As at 31 March 2021 debtors of carrying value of £2,451,868 (2019/20: £2,816,554) were past their due date but not impaired. The aging of receivables which are past due but not impaired is as follows (only Board position shown as all impairment is within the Board):

	<b>2021 £'000</b>	<b>2020 £'000</b>
Up to 3 months past due	2,107	2,080
3 to 6 months past due	104	220
Over 6 months past due	240	517
	<b>2,451</b>	<b>2,817</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 (i.e. customer base being large and unrelated/government bodies). Due to this, management believe that there is no future credit risk provision required in excess of the normal provision for doubtful receivables.

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

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

Counterparties with external credit ratings	<b>2021 £'000</b>	<b>2020 £'000</b>
A	-	29
BB	-	33
BBB	-	-
Existing customers with no defaults in the past	-	115
Total neither past due or impaired	<b>-</b>	<b>177</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.

All receivables are denominated in sterling.  
The carrying amount of receivables are all held in sterling.

## Note 10 Cash and Cash Equivalents

	Consolidated 2021 £000	Consolidated 2020 £000
Balance at 1 April	6,356	5,955
Net change in cash and cash equivalent balances	13,949	401
<b>Balance at 31 March</b>	<b>20,305</b>	<b>6,356</b>
Overdrafts	-	-
<b>Total Cash - Cash Flow Statement</b>	<b>20,305</b>	<b>6,356</b>
The following balances at 31 March were held at:		
Government Banking Service	14,778	2,407
Commercial banks and cash in hand	998	1,047
Endowment Cash	4,529	2,902
<b>Balance at 31 March</b>	<b>20,305</b>	<b>6,356</b>

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

## Note 11 Trade and Other Payables

	Consolidated 2021 £000	Board 2021 £000	Consolidated 2020 £000	Board 2020 £000
<b>Payables due within one year</b>				
<b>National Health Service in Scotland</b>				
Boards	1,645	1,645	1,314	1,314
<b>Total NHS Scotland Payables</b>	<b>1,645</b>	<b>1,645</b>	<b>1,314</b>	<b>1,314</b>
General fund payable	15,776	15,776	3,454	3,454
Trade payables	1,253	1,251	1,777	1,767
Accruals	23,379	23,332	19,089	18,949
Deferred Income	1,898	1,898	2,518	2,518
Payments received on account	37	37	48	48
Income tax and social security	2,411	2,411	1,964	1,964
Superannuation	1,735	1,735	1,429	1,429
Holiday pay accrual	1,244	1,244	470	470
<b>Total Payables due within one year</b>	<b>49,378</b>	<b>49,329</b>	<b>32,063</b>	<b>31,913</b>
<b>Total Payables due after more than one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Payables</b>	<b>49,378</b>	<b>49,329</b>	<b>32,063</b>	<b>31,913</b>

There are no borrowings included in the above.

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

All payables are denominated in sterling.



## Note 12 Provisions for year-ended 31 March 2021

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
<b>As at April 2020</b>	<b>2,902</b>	<b>2,058</b>	<b>(60)</b>	<b>4,900</b>
Arising during the year	2,898	219	15	3,132
Utilised during the year	(785)	(223)	-	(1,008)
Unwinding	(428)	-	-	(428)
Reversed unutilised	(2)	-	-	(2)
<b>At 31 March 2021</b>	<b>4,585</b>	<b>2,054</b>	<b>(45)</b>	<b>6,594</b>

### Analysis of expected timing of discounted flows to 31 March 2021

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
Payable in one year	1,691	512	7	2,210
Payable in 2-5 years	2,894	1,248	8	4,150
Payable between 6-10 years	-	106	-	106
Thereafter	-	188	(60)	128
<b>At 31 March 2021</b>	<b>4,585</b>	<b>2,054</b>	<b>(45)</b>	<b>6,594</b>

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

### Provisions for Prior-year

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
<b>As at April 2019</b>	<b>5,268</b>	<b>1,577</b>	<b>65</b>	<b>6,910</b>
Arising during the year	1,177	508	9	1,694
Utilised during the year	(3,075)	(27)	(109)	(3,211)
Unwinding	(467)	-	(15)	(482)
Reversed unutilised	(1)	-	(10)	(11)
<b>At 31 March 2020</b>	<b>2,902</b>	<b>2,058</b>	<b>(60)</b>	<b>4,900</b>

### Analysis of expected timing of discounted flows to 31 March 2020

	Clinical & Medical £'000	Participation in CNORIS £'000	Other £'000	Total £'000
Payable in one year	1,218	350	-	1,568
Payable in 2-5 years	1,624	1,235	-	2,859
Payable between 6-10 years	-	103	-	103
Thereafter	60	370	(60)	370
<b>At 31 March 2020</b>	<b>2,902</b>	<b>2,058</b>	<b>(60)</b>	<b>4,900</b>

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

<b>2020</b>		<b>2021</b>
<b>£'000</b>		<b>£'000</b>
2,902	Provision recognising individual claims against the Board as at 31 March	4,585
(2,600)	Associated CNORIS receivable at 31 March	(4,300)
2,058	Provision recognising the Board's liability from participating in the scheme as at 31 March	2,054
<b>2,360</b>	<b>Net Total Provision relating to CNORIS at 31 March</b>	<b>2,339</b>

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

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

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

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

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

## Note 13 Contingent Liabilities

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

	2021	2020
	£'000	£'000
Nature		
Clinical and medical compensation payments	440	1,268
Other	-	-
<b>Total Contingent Liabilities</b>	<b>440</b>	<b>1,268</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.

## Contingent Assets

The Board currently has contingent assets of £345,000 in year (prior year £925,000).

## Note 14 Commitments

### Capital Commitments

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

	2021	2020
	£'000	£'000
<b>Contracted</b>		
Kier - Phase one	-	3,000
<b>Authorised but not contracted</b>		
Kier - Phase two	32,000	15,000
<b>Total</b>	<b>32,000</b>	<b>18,000</b>

## Note 15 Commitments under Leases

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

	2021	2020
	£'000	£'000
<b>Operating leases</b>		
<b>Other</b>		
Not later than one year	721	1,173
Later than one, not later than two years	1,224	617
Later than two years, not later than five	-	333
<b>Amounts charged to operating costs in the year were:</b>		
Hire of equipment (including vehicles)	-	364

The Board held no finance leases in the reporting period.

## **Note 16 Pensions Costs**

The Board participates in the NHS Superannuation Scheme (Scotland). The scheme is an unfunded statutory public service pension scheme with benefits underwritten by the UK Government. The scheme is financed by payments from employers and from those current employees who are members of the scheme and paying contributions at progressively higher marginal rates based on pensionable pay, as specified in the regulations. The rate of employer contributions is set with reference to a funding valuation undertaken by the scheme actuary. The last four-yearly valuation was undertaken as at 31 March 2016. This valuation informed an employer contribution rate from 1 April 2019 of 20.9% of pensionable pay and an anticipated yield of 9.6% employees contributions.

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

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

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

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

The employer contribution rate for the period from 1 April 2020 is 20.9% of pensionable pay. The employee rate applied is variable and is anticipated to provide a yield of 9.6% of pensionable pay.

While a valuation was carried out as at 31 March 2016, work on the cost cap valuation was suspended by the UK Government following the decision by the Court of Appeal (McCloud (Judiciary scheme)/Sargeant (Firefighters' Scheme) cases) that the transitional protections provided as part of the 2015 reforms unlawfully discriminated on the grounds of age. Following consultation and an announcement in February 2021 on proposals to remedy the discrimination, the UK Government confirmed that the cost control element of the 2016 valuations could be completed. The UK Government has also asked the Government Actuary to review whether, and to what extent, the cost control mechanism is meeting its original objectives. The 2020 actuarial valuations will take the report's findings into account. The interim report is complete (restricted) and is currently being finalised with a consultation. Alongside these announcements, the UK Government confirmed that current employer contribution rates would stay in force until 1 April 2024.

The Board's level of participation in the scheme is 1.6% based on the proportion of the employer contributions paid in 2019/20.

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

### **Existing Scheme:**

This scheme closed to new joiners on 31 March 2015 but any benefits earned in either NHS 1995 or NHS 2008 sections are protected and will be paid at the section's normal pension age using final pensionable pay when members leave or retire. Some members who were close to retirement when the NHS 2015 scheme launched will continue to earn benefits in their current section. This may affect members who were paying into the scheme on 1 April 2012 and were within 10 years of their normal retirement age. Some members who were

close to retirement but did not qualify for full protection will remain in their current section beyond 1 April 2015 and join the 2015 scheme at a later date.

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

### **2008 Arrangements:**

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

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

### **The new NHS Pension Scheme (Scotland) 2015**

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

Further information on each of the pension schemes can be found on the SPPA website - <http://www.sppa.gov.uk>

### **National Employment Savings Trust (NEST)**

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

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

<b>Date</b>	<b>Employee Contribution</b>	<b>Employer Contribution</b>	<b>Total Contribution</b>
1st March 2013	1%	1%	2%
1st October 2018	3%	2%	5%
1st October 2019	5%	3%	8%

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

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

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

<b>Pension Costs</b>	<b>2020/21</b>	<b>2019/20</b>
Pension cost charge for year	19,131	11,188

## Note 17 Financial Instruments

### 17a Financial Instruments by category

<b>Financial Assets at fair value Consolidated</b>	<b>2021 Loans and Receivables £'000</b>	<b>2020 Loans and Receivables £'000</b>
<b>At 31 March 2019 Assets per Statement of Financial Position</b>		
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	2,625	3,771
Cash and cash equivalents	20,305	6,356
<b>Total</b>	<b>22,930</b>	<b>10,127</b>
<b>Financial Assets at fair value Board</b>	<b>2021 Loans and Receivables £'000</b>	<b>2020 Loans and Receivables £'000</b>
Trade and other receivables excluding prepayments, reimbursements and VAT recoverable	1,320	2,786
Cash and cash equivalents	15,776	3,454
<b>Total</b>	<b>17,096</b>	<b>6,240</b>
<b>Financial Liabilities at amortised cost Consolidated</b>	<b>2021 Other Financial Liabilities £'000</b>	<b>2020 Other Financial Liabilities £'000</b>
<b>At 31 March 2018 Assets per balance sheet</b>		
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	41,689	24,838
<b>Total</b>	<b>41,689</b>	<b>24,838</b>

<b>Financial Liabilities Board</b>	<b>2021 Other Financial Liabilities £'000</b>	<b>2020 Other Financial Liabilities £'000</b>
Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation	41,640	24,688
<b>Total</b>	<b>41,640</b>	<b>24,688</b>

## 17b Financial Risk Factors

### Exposure to risk

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

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

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

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

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

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

### A - Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

### B – Liquidity Risk

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

The table below analyses the financial liabilities into relevant maturity groupings based on

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

	Less than 1 year
<b>31 March 2021</b>	
Trade and other payables excluding statutory liabilities	41,640
<b>Total</b>	<hr/> <b>41,640</b>
	Less than 1 year
<b>31 March 2020</b>	
Trade and other payables excluding statutory liabilities	-
<b>Total</b>	<hr/> <b>24,688</b>

### C – Market Risk

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

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

### **17c Fair value estimation**

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

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

### **Note 18 Related Party Transactions**

There have been no related party transactions with the current financial year.



## Note 19 – Group Statements

### Note 19a – Consolidated Statement of Comprehensive Net Expenditure

<b>Group 2020 £'000</b>		<b>Note</b>	<b>Board 2021 £'000</b>	<b>Endowments 2021 £'000</b>	<b>Consolidated 2021 £'000</b>
<b>Total income and expenditure</b>					
94,296	Employee expenditure	3	104,160	23	104,183
	Other operating expenditure	3			
26,981	Drugs and medical supplies		27,897	-	27,897
39,935	Other health care expenditure		35,673	773	36,446
<u>161,212</u>	Gross Expenditure for the year		<u>167,730</u>	<u>796</u>	<u>168,526</u>
(70,717)	Less: operating income	4	(65,242)	(2,843)	(68,085)
<u>90,495</u>	<b>Net Expenditure</b>		<u>102,488</u>	<u>(2,047)</u>	<u>100,441</u>

## Note 19b – Consolidated Statement of Financial Position

Group 2020 £'000		Note	Board 2021 £'000	Endowments 2021 £'000	Group 2021 £'000
	<b>Non-current assets:</b>				
154,269	Property, plant and equipment	SoFP	166,646	-	166,646
-	Intangible assets	SoFP	-	-	-
	Financial assets:				
4,900	Trade and other receivables	SoFP	2,600	-	2,600
<b>159,169</b>	<b>Total non-current assets</b>		<b>169,246</b>	<b>-</b>	<b>169,246</b>
	<b>Current Assets:</b>				
3,966	Inventories	SoFP	3,810	-	3,810
	Financial assets:				
4,336	Trade and other receivables	SoFP	6,027	1,305	7,332
6,356	Cash and cash equivalents	SoFP	15,776	4,529	20,305
<b>14,658</b>	<b>Total current assets</b>		<b>25,613</b>	<b>5,834</b>	<b>31,447</b>
<b>173,827</b>	<b>Total assets</b>		<b>194,859</b>	<b>5,834</b>	<b>200,693</b>
	<b>Current liabilities</b>				
(1,568)	Provisions	SoFP	(2,210)	-	(2,210)
	Financial liabilities:				
(32,063)	Trade and other payables	SoFP	(49,329)	(49)	(49,378)
<b>(33,631)</b>	<b>Total current liabilities</b>		<b>(51,539)</b>	<b>(49)</b>	<b>(51,588)</b>
<b>140,196</b>	<b>Non-current assets plus/(less) net current assets/(liabilities)</b>		<b>143,320</b>	<b>5,785</b>	<b>149,105</b>
	<b>Non-current liabilities</b>				
(3,332)	Provisions	SoFP	(4,384)	-	(4,384)
<b>(3,332)</b>	<b>Total non-current liabilities</b>		<b>(4,384)</b>	<b>-</b>	<b>(4,384)</b>
<b>136,864</b>	<b>Assets less liabilities</b>		<b>138,936</b>	<b>5,785</b>	<b>144,721</b>
	<b>Taxpayers' Equity</b>				
47,665	General fund	SoFP	56,012	-	56,012
85,461	Revaluation reserve	SoFP	82,924	-	82,924
3,738	Funds held on Trust	SoFP	-	5,785	5,785
<b>136,864</b>	<b>Total taxpayers' equity</b>		<b>138,936</b>	<b>5,785</b>	<b>144,721</b>

## Note 19c – Consolidated Statement of Cashflows

2020 Board	2020 Endowment	2020 Group		2021 Board	2021 Endowment	2021 Group
£'000	£'000	£'000		£'000	£'000	£'000
(91,588)	1,093	(90,495)	<b>Cash flows from operating activities</b>	(102,488)	2,047	(100,441)
6,643	-	6,643	Net operating cost	11,990	-	11,990
10,643	(792)	9,851	Adjustments for non-cash transactions	4,520	1,627	6,147
<b>(74,302)</b>	<b>301</b>	<b>(74,001)</b>	Movement in working capital	<b>(85,978)</b>	<b>3,674</b>	<b>(82,304)</b>
			<b>Net cash outflow from operating activities</b>			
			<b>Cash flows from investing activities</b>			
(18,482)	-	(18,482)	Purchase of property, plant and equipment	(25,649)	-	(25,649)
	-	-	Proceeds of disposal of property, plant and equipment		-	-
<b>(18,482)</b>	<b>-</b>	<b>(18,482)</b>	<b>Net cash outflow from investing activities</b>	<b>(25,649)</b>	<b>-</b>	<b>(25,649)</b>
			<b>Cash flows from financing activities</b>			
92,783	-	92,783	Funding	109,580	-	109,580
101	-	101	Movement in general fund working capital	12,322	-	12,322
92,884	-	92,884	Cash drawn down	121,902	-	121,902
<b>92,884</b>	<b>-</b>	<b>92,884</b>	<b>Net Financing</b>	<b>121,902</b>	<b>-</b>	<b>121,902</b>
100	301	401	<b>Net Increase / (decrease) in cash and cash equivalents in the period</b>	10,275	3,674	13,949
3,354	2,601	5,955	<b>Cash and cash equivalents at the beginning of the period</b>	3,454	2,902	6,356
<b>3,454</b>	<b>2,902</b>	<b>6,356</b>	<b>Cash and cash equivalents at the end of the period</b>	<b>13,729</b>	<b>6,576</b>	<b>20,305</b>
			<b>Reconciliation of net cash flow to movement in net debt/cash</b>			
133	268	401	Increase/(decrease) in cash in year	10,294	3,655	13,949
3,354	2,601	5,955	Net debt/cash at 1 April	3,454	2,902	6,356
<b>3,487</b>	<b>2,869</b>	<b>6,356</b>	<b>Net debt/cash at 31 March</b>	<b>13,748</b>	<b>6,557</b>	<b>20,305</b>



## **DIRECTION BY THE SCOTTISH MINISTERS**

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

Signed by the authority of the Scottish Ministers

Dated 8 February 2006