



NATIONAL WAITING TIMES CENTRE BOARD

(Known as NHS Golden Jubilee)

Annual Report and Consolidated Accounts

For Year ended 31 March 2023

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ANNUAL REPORT AND CONSOLIDATED ACCOUNTS FOR YEAR ENDED 31 MARCH 2023

In accordance with the Financial Reporting Manual (FRoM) NHS Golden Jubilee is required to prepare an Annual Report and Accounts which comprises:

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

PERFORMANCE REPORT

INTRODUCTION

The Performance Report, as part of the Annual Accounts, is designed to provide information on NHS Golden Jubilee, particularly its main objectives, strategies and principal risks, as detailed in the Governance Statement Risk Assessment section. The purpose of this section is to provide the reader with sufficient information to understand NHS Golden Jubilee, our purpose, the key risks to the achievement of our objectives and our performance during the year. Any references to NHS Golden Jubilee or the Board are taken to mean the National Waiting Times Centre Board which is our legal name.

CHAIR AND CHIEF EXECUTIVE STATEMENT

NHS Golden Jubilee continues to play a unique and valued role within NHS Scotland, collaborating with NHS Boards across Scotland to deliver high quality healthcare to our national population.

NHS Golden Jubilee have continued supporting NHS Scotland, reinforcing our position as the original National Treatment Centre by carrying out 72,500 planned care procedures in orthopaedics, cataracts, general surgery, colorectal, scopes and scans.

In addition, we also performed 9,000 cardiology, cardiac and thoracic procedures, including 40 heart transplants – a record number carried out for Scotland.

Our Phase 2 expansion, known as the Golden Jubilee Surgical Centre, is scheduled to be completed in late summer 2023. Part of the National Treatment Centres Programme, this new building extension will provide extra orthopaedic, general surgery and endoscopy services to benefit patients across the country.

Although focused on treating as many patients as possible, the organisation has continued to innovate through increasing our use of robotic surgery in orthopaedics, lung and colorectal surgery. NHS Golden Jubilee performed the first Meniscal Transplant in Scotland, potentially benefitting thousands of younger patients every year and was also the first Scottish Health Board to perform Endoscopic Vein Harvesting (EVH), as part of a coronary artery bypass graft.

In 2022/2023, our Research Institute was involved in approximately 150 research projects (active, follow up and proposed) with a range of academic and industry partners. During the year, we

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cemented our University Hospital status, working with the University of Strathclyde on a number of innovative patient improvement projects across our multi-disciplinary team.

Through our national Centre for Sustainable Delivery (CfSD), we have launched the Accelerated National Innovation Adoption (ANIA) Pathway, which will ensure a faster route to develop and deploy technology and redesign initiatives across our NHS in a Once for Scotland approach.

To further ensure sustainable, faster and equitable healthcare treatment across Scotland, CfSD is modernising patient pathways in areas such as lung cancer diagnosis and cataract surgery, as well as the Rapid Cancer Diagnostic Centres.

There is no doubt NHS Golden Jubilee in common with all NHS Boards in Scotland has financial and operational challenges ahead. There are significant cost pressures resulting from demand, cost of supplies, energy, general inflation and pay costs. NHS Golden Jubilee is working towards achieving the 3% efficiency target for 2023/24 based on a local Sustainability and Value Programme.

Leading the way on sustainability, our Golden Jubilee Conference Hotel received the Gold award for Green Tourism. The Hotel team continue to support our hospital by providing patient and staff accommodation as well as being the leading NHS conference and training facility. By retaining its AA 4 star accreditation for 20 years in a row shows the exceptional facilities and services we provide for guests, visitors, patients and our local community.

Workforce remains a key priority to support our services, as we need to recruit in a range of disciplines in 2023/24 to support our expansion programmes.

The ability to attract, train and develop people into the Health and Social Care workforce to support patient demand is a key priority of NHS Scotland Academy, our joint national venture with NHS Education for Scotland. Since opening in 2021, over 4,500 staff have completed or are part-way through NHSS Academy programmes designed to get staff into key roles quicker than ever before.

Our work delivers new, accelerated learning and development modules for key roles aligned to NHS Scotland recovery plans, supports the National Treatment Centres and redesign of roles in both hospital and community settings.

Our focus is not just about recruitment but also retention. We know the last few years have been extremely challenging for our staff but they have never lost their sense of commitment, care and compassion for our patients, their families and each other.

We are dedicated to looking after every member of Team Jubilee and have implemented a Health and Wellbeing Strategy and Spiritual Care Strategy to support our colleagues. Staff are our greatest asset and without them we would not be able to deliver the high quality, innovative experience that our patients, visitors, and guests expect and deserve.



Susan Douglas-Scott
Board Chair



Gordon James
Chief Executive

OVERVIEW OF NHS GOLDEN JUBILEE

A world renowned institution, NHS Golden Jubilee has provided care through collaboration to more than 1 million patients across Scotland since 2002. NHS Golden Jubilee works with colleagues around the globe, from industry to academia, to provide the highest quality of person centred care.

NHS Golden Jubilee has a national portfolio and the Chief Executive is Accountable Officer for:

- Golden Jubilee University National Hospital
- NHS Scotland Academy
- Centre for Sustainable Delivery
- Golden Jubilee Research Institute
- Golden Jubilee Conference Hotel

GOLDEN JUBILEE UNIVERSITY NATIONAL HOSPITAL

As Scotland's flagship hospital for elective and specialist care, we are home to Scotland's largest ophthalmology centre, one of Europe's biggest elective orthopaedic centres and a major diagnostic imaging service.

NHS Golden Jubilee also manages all heart and lung surgery for the west of Scotland, as well as three national heart and lung services, including Scotland's only adult heart transplantation unit.

2022/23 was another significant year for NHS Golden Jubilee, with highlights including:

- Provided more than 81,500 procedures.
- 72,500 elective procedures in orthopaedics, cataracts, general surgery, colorectal, scopes and scans.
- 9,000 cardiology, cardiac and thoracic procedures.
- 40 heart transplants carried out in the last year: the highest in the history of Scotland.

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- Carried out more than 30% of all NHS Scotland cataract and orthopaedic procedures.
- Expanded our support for Endoscopy services by 24%, bringing forward activity before the opening of our Phase 2 Expansion and delivering 7,000 procedures this year, with 9,000 planned for next year.
- Fully embedded the Scottish National Radiology Reporting Service within NHS Golden Jubilee - over 200,000 procedures reported in the first 18 months.
- First NHS hospital in Scotland to be accredited by the Royal College of Physicians' Joint Advisory Group (JAG) on Gastrointestinal (GI) Endoscopy - a measure of excellence used to underpin all aspects of a high-quality endoscopy service.
- NHS Golden Jubilee gained university status from the University of Strathclyde with our hospital now known as the Golden Jubilee University National Hospital.

Work continues on our Phase 2 Hospital expansion programme through the National Treatments Centres Programme which is part of the Scottish Government's investment to meet the demand for elective procedures.

Work on the Golden Jubilee Surgical Centre will be completed in 2023 and will include:

- Additional general surgery, orthopaedic and endoscopy facilities
- New surgical admissions and recovery unit
- New Central Sterile Processing Department
- New day case / day surgery admission unit
- Additional Post Anaesthetic Care Unit (PACU) spaces
- Extra 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 and NHS Golden Jubilee. It supports 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.

Since opening in 2021, over 4,500 staff have completed or are part-way through NHSS Academy programmes designed to get staff into key roles quicker than ever before.

- The National Endoscopy Training Programme has now allowed 120 endoscopists to be upskilled, providing a higher quality of care for patients across Scotland and playing a key role in tackling waiting times.

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- The National Ultrasound Training Programme offers 5 weeks of immersive and hands on experience at the Golden Jubilee University National Hospital, taking pressure off other Boards to provide training. Over 1,500 patients have had an ultrasound through the immersion training programme, with priority being given to patients from Boards with the longest wait times.
- Approximately 600 community pharmacists have attended the National Clinical Skills for Pharmacists Programme giving them the skills to assess, advise and treat a range of patients for minor illnesses and common clinical conditions.
- Developed and launched the Preparing for Work in Health and Social Care Programme. This digital resource has now been accessed by over 3,200 people across Scotland who are new or returning to work in health and social care (care homes, dental practices, hospices, NHS Boards etc.).
- Over 290 international nurses recruited into Scotland have used Objective Structured Clinical Examination (OSCE) preparation resources and over 175 of their supervisors have used the resources designed to support them.

CENTRE FOR SUSTAINABLE DELIVERY (CFSD)

Hosted by NHS Golden Jubilee and commissioned by the Scottish Government, the Centre for Sustainable Delivery (CfSD) is a national unit designed to sustainably improve and transform Scotland's healthcare system through innovation, collaboration and clinical leadership.

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

CfSD's national impact during 2022/23 includes:

- Leading on the programme of work which resulted in Desflurane, a highly volatile and environmentally damaging anaesthetic gas, being removed from the NHS Scotland supply chain. This is a world first in aiming to reduce the impact of hospital theatres on the environment and part of the National Green Theatres Programme.
- Launched the NHS Scotland Lung Cancer Diagnostic Pathway to help ensure patients receive faster access to the treatment they need, when they need it.
- Developed and rolled out the Accelerated National Innovation Adoption (ANIA) pathway, to speed up the development, assessment and effective rollout of proven technological solutions into Scotland's healthcare frontline. Innovations being developed include a national approach to increasing access to Closed Loop Systems for people with Type 1 Diabetes and designing a new national digital dermatology (skin) pathway.
- An independent evaluation by the University of Strathclyde shows the value of the Scotland's Rapid Cancer Diagnostic Services. The interim report shows that pilot services in NHS Ayrshire & Arran, NHS Dumfries & Galloway and NHS Fife are providing a clinically safe and effective rapid service to rule out or rule in cancer for patients who have non-specific symptoms such as

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weight loss, fatigue and nausea. The service allows people to get tests and results more quickly than previously.

- CfSD's National Elective Coordination Unit has helped address the current planned care waiting list backlog by providing a consistent approach to national capacity assessment and allocation. This activity has resulted in over 3,000 patients being validated and just under 1,900 being treated, with 25% of patients removed from the waiting list after robust administration and clinical validation to ensure the decision is right and proper for the individual patient.
- Supported Boards to implement Active Clinical Referral Triage (ACRT) and Patient Initiated Review (PIR) across a range of clinical specialties. At February 2023, Boards collectively reported higher than anticipated improvements in outpatients redesign programmes of work resulting in circa 90k outpatient appointments and in excess of 4,500 unnecessary diagnostic appointments, freeing up existing capacity that can be then re-allocated.
- Published the NHS Scotland cataract blueprint 'Improving the Delivery of Cataract Surgery in Scotland: a Blueprint for Success'. The blueprint sets out a range of practical actions for NHS Boards to deliver higher volume cataract surgery in operating theatres that can be delivered on a sustainable basis and are designed to help future-proof cataract surgical services for patients (minimum of 8 procedures per core 4-hour session, the equivalent of one procedure every 30 minutes).

GOLDEN JUBILEE RESEARCH INSTITUTE

The Golden Jubilee Research Institute facilitates and supports high quality research, offering space and resources, alongside on-site 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.

Forming part of the unique blend of facilities based at NHS Golden Jubilee, the Research Institute plays a vital role in multiple internationally renowned research projects with the potential to change the lives of thousands around the world.

Featuring a Motion Analysis Laboratory, clinical and administrative spaces, the Research Institute is one of the key areas that makes NHS Golden Jubilee unique within NHS Scotland. It is ideally positioned to support research, training and collaboration on a national scale as we continue on work to improve patient care for the patients of Scotland and beyond.

Our innovation and research highlights include:

- Performed the first Meniscal Transplant in Scotland, potentially benefitting thousands of younger patients every year.
- Carried out our 1,000 robotic orthopaedic joint replacement and hit 900 lung surgeries using the Da Vinci robot.

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- Led a ground-breaking study with the University of Glasgow into the effects of COVID-19 on Scottish patients in Intensive Care Units (ICUs) has confirmed evidence that the virus is associated with impaired function of the right side of the heart.
- First Scottish Health Board to perform Endoscopic Vein Harvesting (EVH), a much less invasive procedure for taking a vein from your leg to use as part of a coronary artery bypass graft to limit damage and improve recovery times.

GOLDEN JUBILEE CONFERENCE HOTEL

The 4-star Golden Jubilee Conference Hotel is Scotland's only member of the International Association of Conference Centres, a member of Venues of Excellence, AIM and International Association of Conference Centres Accredited.

As well as providing life event celebrations for our local community, the Hotel is an integral part of NHS Golden Jubilee, providing accommodation for patients and on call rooms for staff.

As Scotland's only NHS owned hotel, we are the dedicated conference and events venue for the NHS, Public Sector, local community and commercial businesses.

During 2022/23, the Conference Hotel received AA 4-star accreditation for the 20th year in a row and the 'BBar and Grill' restaurant received an AA Rosette Award for Culinary Excellence.

RISK AND GOOD GOVERNANCE

The Risk Appetite for the Board is set across the three pillars of the organisation (Hospital, Hotel and R&D). Each of the pillars has a Risk Appetite set across a set of headings using a defined 5-point scale ranging from averse to willing as noted below:

| Risk Appetite Heading | Hospital | Hotel | R&D |
|------------------------------|-----------------|-----------------|-----------------|
| Strategic | Willing | Moderate | Open |
| Safety/Experience | Cautious | Cautious | Cautious |
| Reputation | Open | Moderate | Moderate |
| Financial | Moderate | Willing | Open |
| Regulation | Cautious | Moderate | Cautious |
| Operational | Moderate | Open | Cautious |
| Workforce | Moderate | Open | Open |

| Averse | Cautious | Moderate | Open | Willing |
|---|---|--|--|--|
| <p>Avoidance of risk and uncertainty.</p> <p>Very low rewards from risk taking.</p> | <p>Preference for Ultra-safe delivery options that have a low degree of inherent risk and only for limited reward potential.</p> | <p>Preference for safe delivery options that have a low degree of inherent risk and may only have limited potential for reward.</p> | <p>Willing to consider all potential delivery options and choose while also providing an acceptable level of reward (and VfM)</p> | <p>Eager to be innovative and to choose options offering potentially higher rewards despite greater inherent risk with confidence in risk controls and management</p> |

NHS Golden Jubilee delivers world-class healthcare with patients at the centre of our services and our appetite and approach to risk and governance ensures we are able to maximise our capacity and deliver for NHS Scotland.

The acceptance of any risk is subject to ensuring the benefits and risks of any decision are understood and managed through appropriate measures. NHS Golden Jubilee recognises that any appetite for risk will vary according to the issue and therefore, different risk appetites and tolerances will apply. Delivery of clinical care is complex and challenging and recognising this there is generally a more cautious approach to risk within the hospital setting.

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 for patients, staff and guests. NHS Golden Jubilee remains committed to supporting advancements in clinical care through innovative models of care and the use of technology to deliver improved clinical outcomes. This position will be balanced with careful consideration of risk and benefit underpinned by a sound evidence base and shared decision making to ensure our patients remain at the heart of our service delivery.

There is an appetite for accepting operational risks in pursuing innovative ways of delivering services that support improved outcomes and value for money. This position is supported by a sound evidence base and assessment of potential benefits. In responding to workforce challenges, NHS Golden Jubilee is open to exploring new and innovative workforce models in partnership. NHS Golden Jubilee’s aim is to develop a workplace for the future that maximises the resources and capacity we have in delivery of our services whilst ensuring safety and wellbeing.

There are strong financial controls in place across NHS Golden Jubilee with different challenges faced across each of the areas. NHS Golden Jubilee is focused on maintaining its strong reputation

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which recognises the need to place high importance on regulation and compliance while being open to challenge supported by a strong evidence base.

NHS Golden Jubilee continues to develop its risk appetite across its strategic portfolio while recognising the differing stages of key strategic programmes and the links to the overall Strategy and objectives.

PERFORMANCE AGAINST KEY NON FINANCIAL TARGETS

NHS GOLDEN JUBILEE SUPPORT TO NHS SCOTLAND

NHS Golden Jubilee's Annual Delivery Plan (ADP) sets out the priorities and objectives for 2022/2023. The ADP describes how NHS Golden Jubilee will sustain, develop and evolve to support NHS Scotland's recovery through the work of:

- Golden Jubilee University National Hospital
- NHS Scotland Academy
- Centre for Sustainable Delivery
- Golden Jubilee Research Institute
- Golden Jubilee Conference Hotel

The key 10 delivery priorities for NHS Golden Jubilee during 2022/23 were:

SECTION 1: RECOVERY AND PROTECTION OF PLANNED CARE

(A) Delivering our core planned care specialties

- Cardiac surgery
- Diagnostic radiology and endoscopy
- General surgery
- Interventional cardiology
- Ophthalmology (cataract surgery)
- Orthopaedic surgery
- Thoracic surgery

NHS Golden Jubilee will also deliver the three national services based at the Golden Jubilee University National Hospital:

- Scottish Adult Congenital Cardiac Service (SACCS)
- Scottish National Advanced Heart Failure Service (SNAFHS)
- Scottish Pulmonary Vascular Unit (SPVU)

(B) National role in reducing waiting times

Supporting Scottish Government's ambitions and targets to reduce and eliminate inpatient and Treatment Time Guarantee (TTG) long-wait patient numbers. NHS Golden Jubilee will explore schemes to be delivered via "campaign capacity" through the National Elective Coordination Unit (NECU).

(C) Accelerated opening of Phase 2 National Treatment Centre (NTC) expansion

Our expansion of planned care surgery, specifically orthopaedic, general and diagnostic surgeries, will begin treating patients from autumn 2023, increasing the number of patients in line with projected demand across the west of Scotland. The Golden Jubilee University National Hospital, which currently carries out over 25 per cent of all Scottish hip and knee replacements, is already one of Europe's largest elective orthopaedic centres. Expansion will allow NHS Golden Jubilee to treat more patients, continuing to provide an excellent quality of care and patient experience.

(D) Radiology Improvement Programme

Over the next 3 years NHS Golden Jubilee will deliver a Radiology Strategic Development Plan. This will inform sustainable workforce plans to improve access and expand services in support of national imaging expansion and improvement.

(E) Scottish Adult Congenital Cardiac Service Strategy 2022 to 2025

The Scottish Adult Congenital Cardiac Service (SACCS) is the national specialist service commissioned by the National Services Division (NSD) of NHS Scotland to deliver care to adults with congenital heart disease. NHS Golden Jubilee and NSD began work to develop a longer term strategy for service that balances sustainability and managing health inequalities with the insight and input of patients and their representatives in service redesign.

SECTION 2: URGENT AND UNSCHEDULED CARE

NHS Golden Jubilee has provided both a range of critical to life core services and collaborated with a number of NHS Boards to provide urgent cancer surgery and P2 priority surgeries. Aligned with the national *Integrated Unscheduled Care* programme, as part of the West of Scotland Optimal Reperfusion Service, NHS Golden Jubilee will provide rapid cardiac catheter lab intervention for patients diagnosed with ST Segment-Elevated Myocardial Infarction (STEMI). It will also plan for a continued increase in the number of clinically urgent referrals for non-STEMI (NSTEMI) patients.

Within Interventional Cardiology, NHS Golden Jubilee has supported winter pressures in the west of Scotland by opening additional beds and streamlining the patient pathway pre and post-procedure to reduce delays to admission and treatment.

SECTION 3: STAFF WELLBEING

NHS Golden Jubilee's Health and Wellbeing Strategy 2020-2023 describes our ambition:

“To be a leader in promoting and maintaining a healthy workplace and provide support for our people which maximises their health and wellbeing”

The Strategy is shaped around four key pillars:

- Mental Health
- Physical Health
- Financial and Social
- Creating the Conditions

These pillars and the deliverables within each, are being progressed through an Annual Delivery Plan. Further information on this can be found in the Health and Wellbeing Strategy and NHS Golden Jubilee Workforce Plan.

SECTION 4: RECRUITMENT AND RETENTION

NHS Golden Jubilee has developed a three-year Workforce Plan, aligned with our Annual Delivery and Financial Plans, setting out how we will manage local workforce pressures while also contributing to national recovery. Alongside this, NHS Scotland Academy will continue to play a pivotal role in designing, developing and delivering accelerated workforce development to support delivery of the Recovery Plan.

SECTION 5: SUSTAINABILITY AND VALUE

NHS Golden Jubilee has redesigned its approach to Sustainability and Value creating a more focused work stream approach within a robust programme management approach.

Some significant work streams and projects are underway linking with other NHS Boards and Scottish Government (SG) colleagues to maximise the use of NHS Golden Jubilee capacity. This will bring an overall efficiency and sustainability benefit to the success of remobilisation and recovery plans on a national basis.

All work streams and improvement programmes currently underway have Realistic Medicine embedded at the heart of all discussions. Through the use of Discovery data and understanding of the range of benchmarking information provided, NHS Golden Jubilee has undertaken and continues to undertake reviews of clinical practice and productivity to help understand what drives any significant area of variation.

SECTION 6: HEALTH INEQUALITIES AND DIVERSITY AND INCLUSION

NHS Golden Jubilee serves patients from across Scotland, but predominantly the west region. NHS Golden Jubilee works with other NHS Boards to ensure patients are able to access the treatment they require as part of their patient pathway. The West of Scotland and NHS Golden Jubilee's more immediate location in West Dunbartonshire, includes many of Scotland's most deprived communities. As such our patient intake already includes a sizeable portion for whom comorbidities and other issues are existent.

Our service design work considers patient accessibility, experience and issues of inequality as a core element of the process. NHS Golden Jubilee has adopted a proactive approach to minimising the potential for health inequalities both for patients and staff associated with Covid. This includes Equality Impact Assessments of revised patient pathways and employee occupational health risk assessments.

NHS Golden Jubilee is a progressive organisation with a strong track record of promoting diversity and working with staff to ensure we establish an inclusive workplace. The Board's Diversity and Inclusion Strategy forms an integral part of NHS Golden Jubilee's aim to promote the health and wellbeing of staff, patients and volunteers.

SECTION 7: CENTRE FOR SUSTAINABLE DELIVERY

The Centre for Sustainable Delivery (CfSD) plays a key role in the recovery and redesign of NHS Scotland, by delivering against national strategic priorities to support a streamlined and joined up approach to transforming and redesigning healthcare. This includes helping to increase capacity, reduce unnecessary demand and to embed new technological innovations and ways of working.

SECTION 8: NHS SCOTLAND ACADEMY

NHS Scotland Academy (NHSSA) is an ambitious joint venture between NHS Education for Scotland (NES) and NHS Golden Jubilee. It supports 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.

NHSSA plays a critical role in addressing the workforce requirements of NHS Boards plans as well as supporting the commitment to attract staff to the National Treatment Centre Programme, with the added benefit of direct access to the clinical expertise from Scotland's first operational National Treatment Centre.

SECTION 9: GOLDEN JUBILEE CONFERENCE HOTEL

A new Hotel Strategy is being developed for 2023/2024 onwards which will outline the longer term strategy and vision for the Hotel, in response to the changing needs of NHS Scotland and the impact of the pandemic. This strategy will focus on a shift in business emphasis, prioritising residential and teaching requirements and wider use for NHS Scotland meetings and conferences.

An important focus for the Conference Hotel continues to be the provision of safe and conducive learning environments for essential clinical and medical training. The Hotel continues to develop its infrastructure to support NHS Scotland Academy both short and longer-term. Recent developments include supporting virtual and hybrid meetings with upgraded conference spaces with enhanced AV, new flooring and increased flexibility within a Covid safe environment.

SECTION 10: STRATEGIC RELATIONSHIPS

As well as creating additional capacity and making best use of the national programmes within the Centre for Sustainable Delivery and NHS Scotland Academy, NHS Golden Jubilee is building on the foundations of its many strategic relationships. Although we have relationships across a range of sectors, we are particularly strengthening our collaborations with:

- University of Strathclyde
- University of Glasgow; and
- Royal College of Physicians and Surgeons

Working with these three key partners will allow us to focus on sustainable ways to help our NHS recover and remobilise from the impact of Covid. We are working on both facilities and learning opportunities, specifically innovative skills development (e.g. simulations) to support role redesign and increasing employability – both as a response to workforce pressures and to ensure the NHS workforce is sustainable and fit for the future. This is crucially important for the success of the new National Treatment Centres.

NHS GOLDEN JUBILEE ACTIVITY- 2022/23 SUMMARY OVERVIEW

88,798
Procedures
Performed

7,155
Diagnostic Endoscopies

4,898
Orthopaedic Procedures

1,184
General / Colorectal

225
Cancer Procedures

1,175
Thoracic Procedures

1,274
Cardiac Procedures






6,835
Cardiology Procedures

12,683
Cataract Procedures



53,369
Radiology Exams

NATIONAL PERFORMANCE STANDARDS (LOCAL DELIVERY PLAN (LDP STANDARDS))

The table below describes our performance against the national performance standards that are known as the Local Delivery Plan (LDP) standards. These are now subject to a wider review as part of the future NHS Scotland Performance Framework.

| LDP Standards | | | |
|---|--|--------|---|
| WHAT WE SAID WE WILL DO | | STATUS | WHAT WE HAVE ACHIEVED SO FAR |
|  | Staphylococcus Aureus Bacteraemia (SAB), including MRSA infections, to be maintained at less than 11.2 per 100,000 occupied bed days | | NHS Golden Jubilee recorded eleven instances of SAB during 2022/23. An occurrence of 21.37 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 Golden Jubilee's existing low SAB rate and high risk patient population. |
|  | Clostridioides Difficile Infections (CDI) to be maintained at less than 1.9 per 100,000 occupied bed days. | | NHS Golden Jubilee recorded one case of CDI during 2022/23. This is an occurrence of 1.9 per 100,000 which is in line with the local target. |
|  | Achieve a sickness absence rate of below 4%. | | The sickness absence rate for 2022/23 was 5.2%. Staff continue to be supported to improve their physical and mental health with access to health and wellbeing services within the workplace. |
|  | At least 95% of patients on a cancer treatment pathway to be treated within 31 days. | | 99% of patients on a cancer treatment pathway were treated within 31 days of referral in 2022/23. |
|  | 90% of patients to receive an initial outpatient appointment within 12 weeks of referral. | | 2,726 (97%) patients referred for a heart and lung procedure received their treatment within 12 weeks |

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| | | | |
|---|---|--|---|
|  | <p>90% of patients to be treated within 18 weeks of referral.</p> | | <p>1,404 (86%) heart and lung patients on 18 week pathways were treated within the target period.</p> |
|  | <p>100% of patients to be treated within 12 weeks of decision to treat.</p> | | <p>4,163 (71%) patients referred for a heart and lung procedure received their treatment within 12 weeks.</p> |

DETAILED PERFORMANCE INFORMATION FOR 2022/23

GOLDEN JUBILEE UNIVERSITY NATIONAL HOSPITAL

The Golden Jubilee University National Hospital comprises two Divisions:

- National Elective Services Division
- Heart, Lungs and Diagnostics Division

National Elective Services Division

- The Da Vinci robotic colorectal programme supports the expansion of minimally invasive surgery, with nine surgeons now trained in the use of the robot.
- As part of the colorectal programme 538 colorectal procedures were performed.
- The Mako and Rosa orthopaedic robotic programme continues to grow with over 700 joint replacement procedures performed robotically during 2022/23. Since the programme's inception, over 1,200 Mako procedures have been performed.
- The use of criteria led discharge within orthopaedic surgery is ensuring that patients go home when they are fit to do so, this includes a cohort of uni-compartmental (partial) knee replacement and hip replacement patients on a 'discharge on day of surgery' pathway.
- The General Surgery Service performed 646 procedures during 2022/23.
- 2,423 additional cataract procedures were performed at NHS Golden Jubilee in 2022/23 compared to 2021/22, bringing the total to over 11,000.
- As part of the cancer programme 225 (250 when adjusted for complexity) procedures have been performed at NHS Golden Jubilee to support other NHS Boards.
- Endoscopy capacity has been increased with one theatre converted for scope activity and an onsite mobile unit. Over 7,000 diagnostic endoscopies were performed during 2022/23.

Heart, Lungs and Diagnostics Division

- 40 heart transplants in 2022/23, with excellent results. The outcomes compare favourably with other larger volume centres in the UK.
- 262 procedures were successfully performed with a Robotic Assisted Thoracic Surgery (RATS) procedure during 2022/23. A robotic approach is the most commonly used for lobectomy procedures, with RATS being performed every theatre day since June 2022.
- Our Trans Catheter Aortic Valve Implantation (TAVI) service continues to perform well with 206 procedures being successfully performed during 2022/23 against a plan of 131.
- The Cardiology Service successfully implemented a plan to increase bed capacity over the winter months to improve NSTEMI 72Hr transfer times and reduce post STEMI repatriation. These helped to ease pressure on the west of Scotland referring hospitals.
- 1,274 cardiac procedures were performed, 65 above the planned 1,209.
- In Radiology modalities, our year-end position was 6% ahead of the annual activity target. During 2022/23, our National Ultrasound Training Programme commenced and a new CT Colonography service commenced March 2023.

NHS SCOTLAND ACADEMY

- NHS Scotland Academy is a joint venture between NHS Golden Jubilee and National Education for Scotland (NES). The Academy supports the transformation and sustainability of the health and social care workforce through the delivery of new, accelerated programmes of learning and development for key roles.
- During 2022/2023 core members of the Academy team and clinical faculty were recruited, allowing the Academy to develop and deliver accelerated workforce development programmes and pathways across its core work streams:
 - National Workforce Programmes
 - National Clinical Skills for Pharmacists
 - Preparing for work in Health and Social Care
 - NMC OSCE Preparation
 - National Endoscopy Training Programmes (NETP)
 - Currently eight programmes
 - Bronchoscopy and Endobronchial Ultrasound (EBUS)

- National Perioperative Training Programmes

Currently five programmes

- National Imaging Training Programmes
- NHS Scotland Youth Academy
- NHS Scotland Academy Skills and Simulation Centre based at NHS Golden Jubilee

CENTRE FOR SUSTAINABLE DELIVERY

The Centre for Sustainable Delivery (CfSD) is designed to play a key role in the recovery and redesign of NHS Scotland. This includes helping to support improvements in planned care, increase capacity, reduce unnecessary demand and to embed new technological innovations and ways of working.

The CfSD workplan for 2022/23 was based on 8 key strategic priorities:

- **Clinical Leadership Model**: The Modernising Patient Pathways programme is continuing to embed the Speciality Delivery Groups (SDGs). A total of 13 SDGs have now been established, covering specialties including General Surgery, Orthopaedics, Dermatology, ENT, Gynaecology, Breast Surgery, Cardiology, Gastroenterology, Neurology, Respiratory, Rheumatology, Vascular Surgery and Cataracts. More SDGs are currently being formed, including Urology which builds on existing national networks.
- **Heat Maps**: Over the last year, CfSD has worked with NHS Boards to simplify and enhance the Heat Map model.
- **National Pathways**: Over the last year, CfSD has supported the implementation of several key national programmes, including Active Clinical Referral Triage (ACRT), Discharge Patient Initiated Reviews (PIR), Enhanced Recovery after Surgery (ERAS), Remote Health Pathways, Cytosponge and Colon Capsule Endoscopy (CCE).
- **National Elective Coordination Unit (NECU)**: Over the last year, the new NECU team has been formed. The NECU team have been tasked with carrying out a national waiting list validation exercise on patients waiting more than 52 weeks across 5 specialities: ENT, gynaecology, general surgery, orthopaedics and urology.
- **Accelerating National Innovation and Adoption (ANIA)**: Over the last year, the ANIA pipeline has been developed and several innovations have been supported through the ANIA process. The launch event for ANIA was successfully held at the NHS Scotland Event in June 2022. The team also supported the development of the new Innovation Design Authority (IDA).
- **Supporting Earlier Cancer Diagnosis**: Work with NHS Borders and NHS Lanarkshire to implement the next Rapid Cancer Diagnostic Services (RCDS) has progressed. Following

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successful publication of the optimal lung cancer diagnostic pathway and toolkit, work to scope the next pathway (head and neck) is underway. The new “be the early bird” Detect Cancer Earlier behaviour change campaign went live 6 March 2023.

- **Primary Care Secondary Interface:** Over the last year, CfSD have worked with the Royal College of General Practitioners (RCGP) to develop the primary/secondary care interface. A series of initial interface programmes have been established, with CfSD starting discussions with Scottish Government Primary Care Division (PCD) to identify and agree the ongoing funding requirements
- **Green Theatres:** The National Green Theatres Programme is a new programme, which has been developed over the course of the year. The National Green Theatres launch event was successfully held at the end of March 2023 with 350 attendees. There has been positive national media coverage following the announcement that NHS Scotland would be banning the use of Desflurane as one of the Green Theatres actions.

GOLDEN JUBILEE RESEARCH INSTITUTE

- Research activity was heavily impacted during the Covid pandemic but has now recovered and returned to a pre-pandemic level.
- Our research portfolio is dominated by complex projects, reflective of our specialist clinical services and there is a good spread of commercial and academic (eligible and not-eligible) projects.
- During the year we registered 40 new research projects against a target of 32 and there was only a small lag in actual income against plan for research.
- Our training rooms within GJRI have seen an increased occupancy against plan for 2022/23 as more face to face training has returned.

GOLDEN JUBILEE CONFERENCE HOTEL

- The Golden Jubilee Conference Hotel has continued to support the Golden Jubilee University National Hospital.
- The Hotel transformed and dedicated 18 bedrooms and one suite to support the International Recruitment programme. In addition the Hotel offer a welcome package for all International recruits to ensure a professional and welcoming first appearance for all.
- The Bedroom Modernisation programme proceeded with a now fully refurbished 116 bedrooms to an AA four-star standard. Smart use of space has seen the Hotel create an additional two bedrooms to increase its portfolio from 168 bedrooms to 170 bedrooms.

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- The Hotel continued its Conference Room Modernisation programme. Thirteen conference rooms are now fully equipped with class leading technology and features.
- The Hotel continues to experience staffing pressures. With some key senior management and staffing positions left unfilled during 2022/23. The Hotel's key workforce focus during 2022/23 was developing an online Hospitality training and development tool to support staff with standardised training.
- The Hotel faced financial challenges throughout 2022/23. Primarily the Hotel witnessed a shrink in the NHS market due to technology advancement and a pivot to more virtual training. The Hotel also witnessed a return to pre-pandemic levels within Association and Commercial markets, with a strong outturn expected in 2023/24.
- The Hotel continues to pursue a sustainable agenda, having being recognised again with Gold awards for both the Green Tourism and IACC Greenstar global accreditation. In addition the Hotel achieved the prestigious AIM accreditation for conference hotels/venues which are able to demonstrate a sustainable programme from front to back door.
- Throughout the year, the Hotel played host to various conferences and prestigious groups, spanning across multiple sectors such as medicine, education, government, sports and unions.

PERFORMANCE AGAINST KEY FINANCIAL TARGETS

CONSOLIDATED ACCOUNTS

The Annual Accounts consolidate the results of both the Board and Board Endowment Funds. The basis of this consolidation is explained in Note 1 (Accounting Policies) and is determined by the extent of control that the Board can effectively exercise over the charity. All Trustees of the Board Endowment funds are members of the NHS 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.

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;

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- 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 balance of funds for the year was £16.204m which represents an increase of £4.928m compared with a prior year total of £11.275m.

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

BOARD PERFORMANCE AGAINST STATUTORY FINANCIAL TARGETS

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

| Statutory Financial Targets | Limit as set by SGHSCD £000's | Actual Outturn £000's | Variance £000's |
|------------------------------------|--|----------------------------------|----------------------------|
| Core Revenue Resource Limit | 122,947 | 122,871 | 76 |
| Non-Core Revenue Resource Limit | 9,668 | 9,668 | - |
| Capital Resource Limit | 30,359 | 28,858 | 1,501 |
| Non-Core Capital Resource Limit | - | - | - |
| Cash Requirement | 161,592 | 161,592 | - |

All NHS 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 2022/23 | 76 |
| Funding flexibility: funding banked with/(provided by) Scottish Government | - |
| Surplus against in year Revenue Resource Limit | 76 |
| Percentage | 0% |

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NHS Golden Jubilee set a break even Financial Plan for 2022/23. This plan was predicated on the delivery of c. £4.59m of savings to be identified within the year. Whilst it has been a challenging year as a result of various factors, including significant cost pressures arising from levels of inflation and demand challenges, the final position for 2022/23 as disclosed within these financial statements has achieved the position set by the NHS Golden Jubilee Board.

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 2023. 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 2023.

INFRASTRUCTURE AND NON-CURRENT ASSETS

At the year-end £30.359m of Capital expenditure relating 2022/23 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. However due to a prior year reversal of an accrual, the actual outturn expenditure figure was reduced by £1.501m to £28.858m.

| Area | £000s |
|--------------------------|---------------|
| Property | 1,558 |
| Medical Equipment | 4,561 |
| IM&T | 2,699 |
| Reversal 2021/2022 | (1,501) |
| Formula Capital | 7,317 |
| Phase 2 Elective Centres | 21,541 |
| Total | 28,858 |

EFFICIENCY SAVINGS

High-level schemes of £3.011m have been delivered by the year end against the target of £4.59m. The remaining balance of £1.579m has been delivered through the generation of additional in-year income received in excess of budgeted expectations and other in-year expenditure savings, predominantly across the level of vacancies within Nursing areas and clinical support staff. For 2023/24, a new local programme of work to deliver efficiencies is planned around the national Sustainability and Value priority areas with the objective to identify recurrent savings.

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.

PROVISIONS FOR IMPAIRMENT OF RECEIVABLES

A provision of £721k has been provided in year in relation to bad/doubtful debts (prior year £156k).

LEGAL OBLIGATIONS

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

- Clinical & Medical - £877k (prior year £2,632k)
- Participation in Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) – £2,927k (prior year £2,186k)
- Total for year – £3,804k (prior year £4,833k)

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 £835k (prior year £1,088k).

PAYMENT POLICY

NHS Golden Jubilee is committed to supporting Scottish Government priorities in helping businesses during the current economic situation by paying liabilities timeously. The aim is to achieve payment of all undisputed invoices within 10 working days across all public bodies.

- In 2022/23 average credit taken was 19 days (2021/22–13 days).
- In 2022/23 the Board paid 89.39% by value (2021/22–92.95%) and 85.89% by volume within 30 days (2021/22–89.02%).
- In 2022/23 the Board paid 83.06% by value (2021/22–86.5%) and 77.37% by volume within 10 days (2020/21–81.86%).

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

PENSION LIABILITIES

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

SOCIAL MATTERS

NHS Golden Jubilee strives to 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. NHS Golden Jubilee produces information and statistics to report progress on mainstreaming under the public sector equality duty. NHS Golden Jubilee publishes equality outcomes including publishing an Annual Workforce Monitoring Report.

In accordance with the Equality Act 2010 and regulations, NHS Golden Jubilee 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.

NHS Golden Jubilee recognises 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.

NHS Golden Jubilee has 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. Regular updates on the Diversity and Inclusion outcomes are provided to the Board Committees confirming the developments and achievements as well as planned activity for the coming months.

CONFLICTS OF INTEREST

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.

SUSTAINABILITY AND ENVIRONMENTAL REPORTING

The Climate Change (Scotland) Act 2009 originally set out measures adopted by Scottish Government to reduce emissions in Scotland by at least 80% by 2050. The Climate Change (Emissions Reductions Targets) (Scotland) Act 2019 amended this longer-term target to net-zero by 2045, five years in advance of the rest of the UK. In 2020 'The Climate Change (Scotland)

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Amendment order came into force to reflect this and now requires NHS Boards to report on their progress in delivering their emissions reduction targets.

All designated Major Players (of which NHS Golden Jubilee is one) are required to submit an annual report to the Sustainable Scotland Network detailing compliance with the climate change duties imposed by the Act and the Amendment order. The information returned is compiled into a national analysis report, published annually and superseding the prior requirement for public bodies to publish individual sustainability reports.







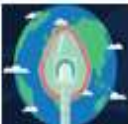









Further information on Scottish Government’s approach can be found in the Climate Change Plan 2018-2032 accessed through the website address below.

<https://www.gov.scot/publications/scottish-governments-climate-change-plan-third-report-proposals-policies-2018>

Whilst national reports can be found at the following resource:

<https://sustainablesotlandnetwork.org/reports>

Our aim is to be a national leader in sustainable health and care delivery in relation to climate, net zero and decarbonisation. NHS Golden Jubilee have developed an Environmental and Sustainability Strategic Plan. This sets out a broad range of actions that will all contribute to a sustainable future for our organisation and our journey to net zero. In addition, the Board also has a Climate Emergency and Sustainable Development Non-Executive Director in post to support the strategy.

| | | | |
|---|--|---|---|
| <p>Improve how we use water and energy and become more efficient</p>  | <p>Work with partners to generate and use renewable energy sources</p>  | <p>Increase how much we recycle and minimise waste</p>  | <p>Develop our site sustainably and be resilient to climate change</p>  |
| <p>Support our staff to make changes so the care they provide is sustainable</p>  | <p>Create a green healthcare innovation hub to deliver more sustainable ways of delivering high quality care</p>  | <p>Reduce how much anaesthetic gas we use that has a greenhouse effect</p>  | <p>Lead on sustainability for NHS Scotland through the Green Theatres Programme</p>  |
| <p>Raise awareness and engagement of our staff in our sustainability work</p>  | <p>Support our staff to use sustainable travel including Active Travel and Public Transport</p>  | <p>Support staff, patients and visitors to use carbon neutral vehicles</p>  | <p>Use carbon neutral fleet vehicles and reduce unnecessary travel</p>  |
| <p>Develop a 'Sustainability Impact Assessment' that we will use in our governance and policies</p>  | <p>Use 'Sustainability Principles' when deciding on which suppliers, products and services we will use</p>  | <p>Work with our community and our partners to support their sustainability priorities</p>  | <p>Develop our greenspace for use by our local people and by our staff, patients and visitors</p>  |

APPROVAL OF PERFORMANCE REPORT

The Accountable Officer authorised the Performance Report for issue on 7 July 2023.

Gordon James.

G James

Date: 14 July 2023

Chief Executive

ACCOUNTABILITY REPORT

The purpose of the 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 2023.

DATE OF ISSUE

The Accountable Officer authorised these financial statements for issue on 28 June 2023 following approval from NHS Golden Jubilee Board.

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 KPMG LLP to undertake the audit of the National Waiting Times Centre Board for a 5 year period from 2022/23. 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 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 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. Board Members are also Trustees of the Endowment Funds.

The members of the Board who served during the year to 31 March 2023 and up to the date of approval of these accounts are as follows:

| | |
|-------------------------|---|
| Chair | S Douglas-Scott |
| Non-Executive Directors | J Christie-Flight (Employee Director) K Kelly M Boyle L Semple S McAllister M Brown R Moore C Blackburn S Wallace (From 23 August 2022) E Cameron (Left 5 April 2022) |
| Executive Directors | J Gardner–Chief Executive (Left 30 November 2022) G James–Chief Executive (From 1 December 2022) C Neil–Director of Finance (Left 7 August 2022) G Stewart*–Director of Finance (From 8 August 2022 to 30 October 2022) M Breen–Director of Finance (From 31 October 2022) M MacGregor–Medical Director J Rogers–Director of Operations (Left 30 June 2022) L Ayton*–Director of Operations (From 30 June 2022 to 6 October 2022) C O’Connor–Director of Operations (From 7 October 2022) AM Cavanagh–Director of Nursing G Adkins–Director of Strategy, Performance and Planning Serena Barnatt–Director of Workforce |

**To ensure continuity of service in key areas interim appointments were made.*

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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 23](#). The following interests have been declared:

| Name | Interest |
|-------------------|--|
| S Douglas-Scott | Celebrant and Chaplain (Celebrate People) Board Chair-ILF Scotland Board Chair-VoiceAbility |
| J Christie-Flight | Lay representative–Unite Non-Executive Director–Scottish Pensions Advisory Board Scottish National Party–Member |
| K Kelly | Cochrane-Board Member/Trustee |
| M Boyle | Hymans Robertson Foundation-CEO Scottish Tech Army-Ambassador Consultancy–Kilpatrick Solutions Ltd |
| L Semple | Non-Executive Director – NHS Ayrshire and Arran Scottish National Party–Member National Trust for Scotland–Member Chair South Ayrshire Integration Joint Board RSPB–Member |
| S McAllister | NHS Forth Valley–Non-Executive Director Risk Management Authority–Non-Executive Director SARMAR Consultancy-Director Lifelink–Trustee |
| M Brown | Glasgow Association for Mental Health-Trustee Unison-Life Member |
| R Moore | Mouswald Limited-Sole Director and owner |
| C Blackburn | HalfWild Ltd–Director |
| S Wallace | University of Strathclyde-Chief Financial Officer (as at 31 March 2023) J&J Denholm-Chief Financial Officer (appointment in 2023/24) Ayrshire College-Non Executive Director |
| E Cameron | Refugee Survival Trust – Chief Executive |

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| | |
|-------------|---|
| J Gardner | Innoscot-Non Executive Director Professorship with University of Strathclyde |
| G James | Innoscot-Non Executive Director |
| C Neil | Trustee–Accord Hospice |
| G Stewart | No declared interests |
| M Breen | No declared interests |
| M MacGregor | Scottish Medicines Consortium-Honorary Clinical Advisor |
| J Rogers | No declared interests |
| L Ayton | No declared interests |
| C O'Connor | No declared interests |
| AM Cavanagh | No declared interests |
| G Adkins | No declared interests |
| S Barnatt | No declared interests |

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 KPMG LLP in relation to non-audit work in 2022/23.

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 on our website.

www.nhsgoldenjubilee.co.uk

PERSONAL DATA RELATED INCIDENTS

A total of two incidents have been reported to our Regulators during 2022/23. One was reported to the Information Commissioner's Office (ICO) and one was reported to the Scottish Health Competent Authority (SHCA). Both incidents were in relation to inappropriate processing of data.

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Internal investigation of both incidents were undertaken with regular updates provided to both the ICO and SHCA. ICO and SHCA have confirmed that they are satisfied with the investigation process that has been carried out and the actions taken. No further actions were required from the Regulators.

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.

EVENTS AFTER THE END OF THE REPORTING PERIOD

The Board has no significant post balance sheet events to report.

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 2023 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.

NHS 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.

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

STATEMENT OF THE ACCOUNTABLE OFFICERS 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 disclosed 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 1 December 2022.

GOVERNANCE STATEMENT

SCOPE OF 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. I have been supported in my role as Accountable Officer throughout the year by a multi-disciplinary management team, focused on

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ensuring the delivery of strategic objectives in a prudent, economical, efficient and effective manner.

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

Under the terms of the Scottish Health Plan, the Board is a board of governance. Its purpose is to ensure the efficient, effective and accountable governance of the local NHS system and to provide strategic leadership and direction for the system as a whole, focused on agreed outcomes.

Board Members are appointed by Scottish Ministers and are selected on the basis of particular expertise which enables them to contribute to the decision making process at a strategic level.

The Board had a robust portfolio of governance arrangements in place for the year ended March 2023. The key points of this governance 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 – Second Edition published in November 2022. As we recovered from the pandemic the Board continued to review its governance arrangements to ensure a more flexible approach was in place. The Board discharged its governance responsibilities effectively and responded appropriately during this unprecedented period. The Board in 2022/23 met generally in person (but also via video conferencing technology for some Members), the Committees resumed their schedule of meetings during 2022/23 and this is referred to later in this section.

The Committee structure remains the same as reported in the Annual Accounts for financial year 2021/22.

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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 NHS Scotland's strategic direction.

The Board has a number of key forums in place as part of its governance structures and these will continue to be reviewed during 2023/24:

- The Board has a very well established Partnership Forum, which works effectively and provides formal updates to the Board via the Staff Governance and Person Centred Committee. Over the course of the year a series of topics are reviewed in a more detailed manner, such as workforce data and recruitment including international recruitment;
- 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 is led by an Executive Director and this monitors compliance, statutory obligations, programme implementation and delivery. This Group reports to the Board via the Finance and Performance Committee;
- The Board has in place robust governance arrangements to support the work of the Centre for Sustainable Delivery and NHS Scotland Academy. Each of these programmes of work report to the Board through the Strategic Portfolio Governance Committee (SPGC). The Chair of SPGC provided an Assurance Statement to the Board regarding the work of CfSD against its approved plans.

NHS Scotland Academy is operated in partnership with NHS Education for Scotland. In respect of NHS Golden Jubilee's responsibilities in delivering on the partnership's ambitions, governance oversight is provided via the Strategic Portfolio Governance Committee.

- The Board has in place strong governance to support the development of the hospital expansion programme and other key strategic programmes via the Strategic Programme Board. The Strategic Programme Board then reports its programme of work to SPGC. With regard to the expansion of the National Elective Centres this is overseen by a Programme Board, with involvement from relevant staff from the Board.

All Committees have submitted formal annual reports regarding the work of the Committee to the Board with scrutiny applied through the Audit and Risk Committee.

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 by the Executive Leadership Team 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. These have been reviewed in 2022/2023 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 had been refreshed from the previous year and a continuous review of the Board Risk Register is ongoing and will form part of the substantive work of the Committee in the next financial year 2023/24.

- **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.

Throughout 2022/23, the Committee received videos providing a welcome insight into patients' experiences whilst in Golden Jubilee University National Hospital.

- **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**

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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 (in respect of financial years 2022/23 and 2023/24, this comprises Delivery Planning Templates and moving into the second quarter of financial year 2023/24 onwards, more medium term plans);
- 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 by Scottish Ministers; 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 Leadership Team meeting and Performance Review Groups, before bi-monthly review at the Board Meetings.

Systems are in place to ensure that performance relating to Treatment Time Guarantees and other key performance indicators 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 Board Strategy and expanding Board portfolio. This includes the scrutiny of key enabling plans, implementation progress and delivery.

The Committee ensures 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 Board Strategy.
- Delivery against key elements of the Board Strategy, this includes the strategic intent of programmes.

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- Delivery of objectives within Project, Programme and Portfolio parameters to ensure all work aligns with the Board's strategic direction.
- Work in financial year 2022/23 has focused to a considerable degree on developing systems of accountability for the NHS Scotland Academy and Centre for Sustainable Delivery work streams, as well as the Board's expansion programme.
- Each quarter the Board meeting received an Assurance Statement from the Chair of the Committee confirming satisfaction with the progress of CfSD against its work programme, with onward communication to the Scottish Government.

BOARD APPROACH-COVID-19 PANDEMIC ONWARDS

The Board's approach to governance throughout the Covid-19 pandemic ensured the organisation effectively responded to Covid-19. It was agreed that governance arrangements could move in a more flexible way if required.

Throughout the financial year 2022/23 the Board re-commenced its usual cycle of Board and Committee meetings, via in person and remote video conferencing technology. A full timetable of Board and Committee meetings were held over the course of the financial year.

BOARD DEVELOPMENT

In line with the Blueprint for Good Governance – Second Edition, we recognised the important 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 during 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 Active Governance, Diversity and Inclusion, Phase 2 Updates, Service Updates, Cyber Security, NHS Scotland Academy, Sustainability, overview of the Health and Care (Staffing) Act and Counter Fraud Update. Further Seminars are planned on a bi-monthly basis for 2023/24.

During 2022/23 there was only one virtual session walk round within the Cardiac Physiology department. With Covid restrictions relaxed the Board will restart in-person walk rounds in 2023/24.

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:

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- The role of the Board is clearly defined in the Standing Orders, which detail 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-Second Edition.
- During Financial Year 2022/23 and into 2023/24, a review of the Board development resource is ongoing to assist with Non-Executive development.
- 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.
- 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 Clinical Governance Committee and shared with the Staff Governance and Person Centred 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 as the Counter Fraud Champion and we also have a named Fraud Liaison Officer. The updated partnership agreement with CFS has been approved by the Audit and Risk Committee, and the agreement entered into on behalf of the Board in March 2023.
- 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 to take into consideration the emerging portfolio of the Board, which has already resulted in communication strategies for NHS Scotland Academy and the national Centre for Sustainable Delivery.

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This will ensure that we continue to inform, engage and communicate appropriately with our patients, the public, staff and other stakeholders. Reports on performance against key communication indicators are submitted to our 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 Treatment Centre Programme. The team also attend the Partnership Forum, Volunteers Forum and all patient involvement and stakeholder 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 an Expansion Programme Board with involvement of relevant staff including the Chair of the Board. The Expansion Programme Board reports through the Strategic Portfolio Governance Committee.
- 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-Second Edition.

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 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
- Statements made by the External Auditors in their management letters and other reports.

The Internal Auditors for the Board during 2022/23 were Grant Thornton UK LLP who provided detailed reports on internal audit recommendations which were then presented to Audit and Risk

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Committee. KPMG LLP, our External Auditors also attended the Audit and Risk Committee from February 2023 to provide detail on the work that they are undertaking.

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 2022/23 and, therefore, this Committee provides additional assurance on risk as well as the internal control environment.

Additional assurance has been provided during 2022/23 via the receipt of formal reports relating to each of the Governance Committees.

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 are Board Risk Registers in place which link with organisational objectives and performance management. The Strategic Risk Register is presented to the Board at every meeting and is reviewed by the Audit and Risk Committee.

The overall 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 2022/23 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.

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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 2023 and up to the signing of the accounts:

- Continuation of work associated with the Blueprint for Good Governance-Second Edition;
- Continued use of Governance systems during recovery from 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.

INTERNAL AUDIT OPINION – GRANT THORNTON

Our overall opinion for the period 1 April 2022 to 31 March 2023 is that based on the scope of reviews undertaken and the sample tests completed during the period, partial assurance with improvement required can be given on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

NHS GOLDEN JUBILEE CHARITY

During the course of the year NHS Golden Jubilee staff provided all administration services for the Board Charity. An Annual Report for the Charity will be submitted to OSCR following Trustees approval on 28 June 2023.

A full audit of all financial transactions and governance arrangements will be undertaken for the 2022/23 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 for NHS Golden Jubilee for 2022/23. 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 AND STAFF REPORT

REMUNERATION REPORT

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.

The agreed notice periods for Agenda for Change staff have recently been agreed via the Partnership Forum as follows:

| | | |
|-------------------|-------------|--------------|
| Agenda for Change | Band 2 to 6 | One Month |
| Agenda for Change | Band 7 | Two Months |
| Agenda for Change | Band 8 to 9 | Three Months |

These changes came into effect from 4 March 2022, therefore are in place for any new employees who joined NHS Golden Jubilee after this date.

All Medical Staff are required to serve the notice period in accordance with the requirements stated in their 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 calibre of 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

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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.

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 2022/23.

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

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

The 'total earnings in year' column shows the remuneration relating to actual earnings in 2022/23.

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REMUNERATION FOR THE YEAR ENDED 31 MARCH 2023

Table Subject to Audit Opinion

| 2022/23 All £'000 Bands of £5,000 | Directors Gross Salary | Benefits in Kind | Total Earnings In Year | Pension Benefits | Total Remuneration |
|--------------------------------------|------------------------|------------------|------------------------|------------------|--------------------|
| Executive Members | | | | | |
| J Gardner <i>Note 1</i> | 90-95 | 0-5 | 90-95 | 40-50 | 140-145 |
| G James <i>Note 2</i> | 20-25 | - | 20-25 | - | - |
| C Neil <i>Note 3</i> | 40-45 | - | 40-45 | 10-15 | 55-60 |
| G Stewart <i>Note 4</i> | 90-95 | - | 90-95 | 50-55 | 145-150 |
| M Breen <i>Note 5</i> | 45-50 | - | 45-50 | 10-15 | 55-60 |
| M MacGregor <i>Note 6</i> | 215-220 | - | 215-220 | 50-55 | 270-275 |
| J Rogers <i>Note 7</i> | 25-30 | - | 25-30 | - | - |
| L Ayton <i>Note 8</i> | 90-95 | - | 90-95 | - | 90-95 |
| 77C O'Connor <i>Note 9</i> | 50-55 | - | 50-55 | 10-15 | 65-70 |
| AM Cavanagh <i>Note 10</i> | 100-105 | 0-5 | 105-110 | 20-25 | 125-130 |
| G Adkins <i>Note 11</i> | 95-100 | 0-5 | 95-100 | 25-30 | 125-130 |
| S Barnatt | 90-95 | - | 90-95 | 0-5 | 95-100 |
| Non-Executive Members | | | | | |
| S Douglas-Scott | 40-45 | - | 40-45 | - | 40-45 |
| J Christie-Flight <i>Note 12</i> | 65-70 | - | 65-70 | 75-80 | 140-145 |
| K Kelly | 5-10 | - | 5-10 | - | 5-10 |
| M Boyle | 5-10 | - | 5-10 | - | 5-10 |
| L Semple | 5-10 | - | 5-10 | - | 5-10 |
| S McAllister | 5-10 | - | 5-10 | - | 5-10 |
| M Brown | 5-10 | - | 5-10 | - | 5-10 |
| R Moore | 5-10 | - | 5-10 | - | 5-10 |
| C Blackburn | 5-10 | - | 5-10 | - | 5-10 |
| S Wallace | 5-10 | - | 5-10 | - | 5-10 |
| E Cameron <i>Note 13</i> | 0-5 | - | 0-5 | - | 0-5 |

Note 1 Chief Executive from 01/04/2022-30/11/2022, part year actuals disclosed. Full year equivalent salary is £140,995. The benefits in kind figure quoted is from financial year 21/22 and pro-rated for 8 months. Figures for financial year 22/23 unavailable until 6th of July. The figure remains consistent within the £0-5k band

Note 2 Chief Executive from 01/02/2023, part year actuals disclosed.

Note 3 Director of Finance from 01/04/22-07/08/22, part year actuals quoted above. Full year equivalent salary is £122,848.42

Note 4 Director of Finance from 08/08/22-30/10/22. The salary above includes £68,279 in respect of non-Board duties.

Note 5 Director of Finance from 31/10/22. Part year actuals disclosed.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

Note 6 Medical Director. 6 PAs are recharged for work undertaken at Health Improvement Scotland (£72,302.76 billed in year)

Note 7 Director of Operations from 1/4/2022-30/6/2022, part year actuals quoted above. Full year equivalent salary is £116,264.

Note 8 Director of Operations from 01/04/2022-6/10/22. The salary above includes £47,461.79 in respect of non-Board duties.

Note 9 Deputy Chief Executive / Director of Operations from 7/10/2022. Part year actuals disclosed.

Note 10 The benefits in kind figure quoted is from financial year 2021/22 and is for 12 months. Figures for financial year 2022/23 unavailable until 6 July. The figure remains consistent within the £0-5k band

Note 11 The benefits in kind figure quoted is from financial year 2021/22 and is for 12 months. Figures for financial year 2022/23 unavailable until 6 July. The figure remains consistent within the £0-5k band.

Note 12 The Employee Director salary includes £57,861 in respect of non-Board duties.

Note 13 Excluded Non-Executive Member who left in financial year 2021/22. 2022/23 figure is a salary adjustment of £148 relating to prior year

**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 2022/23 financial year and are included in the salary costs.

PENSION VALUES FOR THE YEAR ENDED 31 MARCH 2023

Table Subject to Audit Opinion

| 2022/23 Pension Values | Total Accrued Pension at Age at 31/03/23 (Bands of £5,000) | Total Accrued Lump Sum at Pension Age at 31/03/23 (Bands of £5,000) | Real increase in Pension at Pension Age 31/03/23 (Bands of £2,500) | Real increase in Lump Sum at 31/03/23 ((Bands of £2,500) | Cash Equivalent Transfer Value (CETV) at 31/03/23 (£000) | Cash Equivalent Transfer Value (CETV) at 31/03/22 (£000) | Real increase in Cash Equivalent Transfer Value (CETV) in Year (£000) |
|------------------------------|--|---|--|---|---|---|---|
| Executive Members | | | | | | | |
| J Gardner <i>Note 1</i> | - | - | - | - | 882 | 796 | 86 |
| G James <i>Note 2</i> | 25-30 | 70-75 | 0-2.5 | 0 | 489 | 476 | 13 |
| C Neil <i>Note 3</i> | - | - | - | - | 1,076 | 1,011 | 65 |
| G Stewart | 30-35 | 85-90 | 2.5-5 | 2.5-5 | 589 | 531 | 58 |
| M Breen | 0-5 | - | 0-2.5 | - | 12 | - | 12 |
| M MacGregor | 70-75 | 210-215 | 2.5-5 | 0-2.5 | 1,636 | 1,543 | 93 |
| J Rogers <i>Note 4</i> | 30-35 | - | - | - | 666 | 667 | - |
| L Ayton | 25-30 | - | 0-2.5 | - | 445 | 431 | 14 |
| C O'Connor | 0-5 | - | 0-2.5 | - | 14 | - | 14 |
| AM Cavanagh | 45-50 | 135-140 | 0-2.5 | - | 1,119 | 1,070 | 49 |
| G Adkins | 30-35 | 85-90 | 0-2.5 | 0-2.5 | 584 | 548 | 36 |
| S Barnatt | 30-35 | 80-85 | 0-2.5 | - | 654 | 637 | 17 |
| Non-Executive Members | | | | | | | |
| S Douglas-Scott | - | - | - | - | - | - | - |
| J Christie-Flight | 30-35 | 85-90 | 2.5-5 | 5-7.5 | 661 | 579 | 82 |
| K Kelly | - | - | - | - | - | - | - |
| M Boyle | - | - | - | - | - | - | - |
| L Semple | - | - | - | - | - | - | - |
| S McAllister | - | - | - | - | - | - | - |
| M Brown | - | - | - | - | - | - | - |
| R Moore | - | - | - | - | - | - | - |
| C Blackburn | - | - | - | - | - | - | - |
| S Wallace | - | - | - | - | - | - | - |
| E Cameron | - | - | - | - | - | - | - |

Note 1 Chief Executive from 01/04/2022-30/11/2022.CETV as at 30/11/22 was £868,693

Note 2 Chief Executive from 01/02/2023. .Equivalent CETV value immediately before joining the Board was £484,007. Full year pension is disclosed above.

Note 3 Director of Finance from 01/04/22-07/08/22.CETV as at 07/08/22 on departure was £1,055,108. Full year pension is disclosed above.

Note 4 Director of Operations retired on 30/6/2022. CETV immediately before leaving the board was £635,117

REMUNERATION FOR THE YEAR ENDED 31 MARCH 2022

Table Subject to Audit Opinion

| 2021/22 All £'000 Bands of £5,000 | Directors Gross Salary | Benefits in Kind | Total Earnings In Year | Pension Benefits | Total Remuneration |
|--------------------------------------|---------------------------|---------------------|---------------------------|---------------------|-----------------------|
| Executive Members | | | | | |
| J Gardner | 120-125 | 5-10 | 125-130 | 50-55 | 180-185 |
| C Neil | 110-115 | - | 110-115 | 135-140 | 250-255 |
| M MacGregor <i>Note 1</i> | 205-210 | - | 205-210 | 95-100 | 300-310 |
| J Rogers | 115-120 | - | 115-120 | 100-105 | 215-220 |
| AM Cavanagh | 90-95 | 0-5 | 95-100 | 50-55 | 150-155 |
| G Adkins | 85-90 | 0-5 | 90-95 | 40-45 | 130-135 |
| Non-Executive Members | | | | | |
| S Douglas-Scott | 35-40 | - | 35-40 | - | 35-40 |
| J Christie-Flight | 60-65 | - | 60-65 | 46-50 | 100-105 |
| K Kelly | 5-10 | - | 5-10 | - | 5-10 |
| M Boyle | 5-10 | - | 5-10 | - | 5-10 |
| L Semple | 5-10 | - | 5-10 | - | 5-10 |
| S McAllister | 5-10 | - | 5-10 | - | 5-10 |
| M Brown | 5-10 | - | 5-10 | - | 5-10 |
| R Moore | 5-10 | - | 5-10 | - | 5-10 |
| C Blackburn | 5-10 | - | 5-10 | - | 5-10 |
| S Wallace | 5-10 | - | 5-10 | - | 5-10 |
| E Cameron | 5-10 | - | 5-10 | - | 5-10 |

Note 1 Extra Programmed Activity (EPAs) paid to Medical Director were previously included in 2021-22 that were not pensionable.

The above Table has been amended to restate the correct figures.

PENSION VALUES FOR THE YEAR ENDED 31 MARCH 2022

Table Subject to Audit Opinion

| 2021/22 Pension Values | Total Accrued Pension at Age at 31/03/22 (Bands of £5,000) | Real increase in Pension at Pension Age 31/03/22 (Bands of £2,500) | Total Accrued Lump Sum at Pension Age at 31/03/22(£000) | Cash Equivalent Transfer Value (CETV) at 31/03/22 (£000) | Cash Equivalent Transfer Value (CETV) at 31/03/21(£000) | Real increase in Cash Equivalent Transfer Value (CETV) in Year (£000) |
|------------------------------|--|--|---|--|---|---|
| Executive Members | | | | | | |
| J Gardner | 35-40 | 2.5-5 | 73 | 679 | 617 | 62 |
| C Neil | 45-50 | 5-7.5 | 109 | 906 | 763 | 143 |
| M MacGregor <i>Note 1</i> | 75-80 | 5-7.5 | 170 | 1,531 | 1,401 | 130 |
| J Rogers | 25-30 | 5-7.5 | 77 | 616 | 493 | 123 |
| AM Cavanagh | 45-50 | 2.5-5 | 11 | 984 | 908 | 76 |
| G Adkins | 25-30 | 2.5-5 | 57 | 475 | 431 | 44 |
| Non-Executive Members | | | | | | |
| S Douglas-Scott | - | - | - | - | - | - |
| J Christie-Flight | 25-30 | 2.5-5 | 65 | 543 | 488 | 55 |
| K Kelly | - | - | - | - | - | - |
| M Boyle | - | - | - | - | - | - |
| L Semple | - | - | - | - | - | - |
| S McAllister | - | - | - | - | - | - |
| M Brown | - | - | - | - | - | - |
| R Moore | - | - | - | - | - | - |
| C Blackburn | - | - | - | - | - | - |
| S Wallace | - | - | - | - | - | - |
| E Cameron | - | - | - | - | - | - |

Note 1 Extra Programmed Activity (EPAs) paid to Medical Director were previously included in 2021-22 that were not pensionable.

The above Table has been amended to restate the correct figures.

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 Accounts, 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.

Table Subject to Audit Opinion

| 2022/23 | £000s | 2021/22 | £000s | % Change |
|--|---------|--|---------|----------|
| Range of staff remuneration | 9-200 | Range of staff remuneration | 8-199 | -2% |
| Highest earning Director's total remuneration | 190-200 | Highest earning Director's total remuneration | 180-190 | 4% |
| Median (Total pay and benefits) | 35,522 | Median (Total pay and benefits) | 34,427 | 3% |
| Median (Salary only) | 35,522 | Median (Salary only) | 34,427 | 3% |
| Ratio | 5.49 | Ratio | 5.42 | 1% |
| 25 th Percentile (Total pay and benefits) | 28,049 | 25 th Percentile (Total pay and benefits) | 25,982 | 8% |
| 25 th Percentile (salary only) | 28,049 | 25 th Percentile (salary only) | 25,982 | 8% |
| Ratio | 6.95 | Ratio | 7.19 | -3% |
| 75 th Percentile (Total pay and benefits) | 45,249 | 75 th Percentile (Total pay and benefits) | 45,406 | 0% |
| 75 th Percentile (salary only) | 45,249 | 75 th Percentile (salary only) | 45,406 | 0% |
| Ratio | 4.31 | Ratio | 4.11 | 5% |

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

HIGHER PAID EMPLOYEES REMUNERATION

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

| Clinicians From | | 2023 | 2022 |
|------------------------|-----------|-------------|-------------|
| £70,001 | £80,000 | 12 | 12 |
| £80,001 | £90,000 | 11 | 7 |
| £90,001 | £100,000 | 7 | 6 |
| £100,001 | £110,000 | 10 | 7 |
| £110,001 | £120,000 | 10 | 10 |
| £120,001 | £130,000 | 9 | 11 |
| £130,001 | £140,000 | 10 | 15 |
| £140,001 | £150,000 | 12 | 13 |
| £150,001 | £160,000 | 9 | 14 |
| £160,001 | £170,000 | 11 | 5 |
| £170,001 | £180,000 | 9 | 4 |
| £180,001 | £190,000 | 9 | 6 |
| £190,001 | £200,000 | - | 6 |
| £200,001 | And Above | 13 | 7 |

| Others From | | 2023 | 2022 |
|--------------------|-----------|-------------|-------------|
| £70,001 | £80,000 | 15 | 19 |
| £80,001 | £90,000 | 6 | 7 |
| £90,001 | £100,000 | 10 | 9 |
| £100,001 | £110,000 | 4 | 4 |
| £110,001 | £120,000 | - | 1 |
| £120,001 | £130,000 | - | - |
| £130,001 | £140,000 | - | - |
| £140,001 | £150,000 | - | - |
| £150,001 | £160,000 | - | - |
| £160,001 | £170,000 | - | - |
| £170,001 | £180,000 | - | - |
| £180,001 | £190,000 | - | - |
| £190,001 | £200,000 | - | - |
| £200,001 | And Above | - | - |

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

The number of clinical staff earning over £200,000 primarily relates to payments received for distinction awards and some additional payments in relation to EPAs.

The numbers above are exclusive from the Executive Directors of the Board who are disclosed separately within the Remuneration Report.

STAFF EXPENDITURE

| 2023 £'000 | Executive Board Members | Non-Executive Members | Permanent Staff | Inward Secondees | Other Staff | Outward Secondees | Total 2023 | 2022 |
|----------------------------------|-------------------------|-----------------------|-----------------|------------------|--------------|-------------------|----------------|----------------|
| Salaries and Wages | 893 | 180 | 91,612 | - | 2,510 | (80) | 95,115 | 85,760 |
| Taxation & Social security costs | 120 | 14 | 10,657 | - | 186 | (8) | 10,969 | 9,697 |
| NHS Scheme Employers' Costs | 178 | 12 | 16,657 | - | 195 | (20) | 17,022 | 15,148 |
| Other Employers' Pension Costs | - | - | 20 | - | 3 | - | 23 | 25 |
| Inward Secondees | - | - | - | 851 | - | - | 851 | 339 |
| Agency Staff | - | - | - | - | 5,935 | - | 5,935 | 3,755 |
| Total | 1,191 | 206 | 118,946 | 851 | 8,829 | (108) | 129,915 | 114,724 |

STAFF NUMBERS (WHOLE TIME EQUIVALENT)

| 2023 | Executive Board Members | Non-Executive Members | Permanent Staff | Inward Secondees | Other Staff | Outward Secondees | Total 2023 | 2022 |
|------------------------------|-------------------------|-----------------------|-----------------|------------------|-------------|-------------------|------------|-------|
| Whole Time Equivalent (WTEs) | 7 | 10 | 1,976 | 8 | 122 | 3 | 2,126 | 2,034 |

STAFF COMPOSITION

The Table below includes the breakdown of the number of persons of each gender who were Directors and employees of the Board as at 31 March 2023.

| Staff Composition | 2023 | | | 2022 | | |
|---|--------------|--------------|--------------|------------|--------------|--------------|
| | Male | Female | Total | Male | Female | Total |
| Executive Directors | 7 | 6 | 13 | 3 | 3 | 6 |
| Non-Executive Directors and Employee Director | 4 | 7 | 11 | 3 | 7 | 10 |
| Senior Employees | 123 | 57 | 180 | 3 | 2 | 5 |
| Other | 883 | 2,556 | 3,439 | 809 | 2,120 | 2,929 |
| Total Headcount | 1,017 | 2,626 | 3,643 | 818 | 2,132 | 2,950 |

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 54](#). Senior Employees for 2022/23 as per the “Manual for Accounts” now includes all staff earning over £70,000 who are not Executive Directors of the Board.

SICKNESS ABSENCE

The annual sickness absence rate for 2022/23 was 5.2% (5.9% for 2021/22).

STAFF POLICIES

Our staff policies are continually reviewed to ensure that they are up to date and we continue promoting a positive workplace culture within the Board. The first phase of the ‘Once for Scotland’ Workforce Policies (attendance, bullying and harassment, capability, conduct, grievance and a workforce policies investigation process) were introduced in March 2020. The consultation process for ‘Once for Scotland’ Workforce Policies “Supporting the Work-Life Balance” took place in November 2022 with the release date of the new suite of policies confirmed. When released, the policies will be implemented with full training provided.

The Once for Scotland Policies have been developed nationally in partnership with NHS Scotland employers, Trade Unions and the Scottish Government and the policies and associated supporting documents, continue to set the scene for the employment practices all NHS 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 promote a positive working culture within the organisation. Our policies support the delivery of the organisational values to support employee experience, engagement and overall employee lifecycle.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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 dedicated time with their Manager to assist with their learning, identify support where required and discuss overall career development.

The Once for Scotland Whistleblowing Policy was launched on 1 April 2021. The policy and resources available including contact information about our Whistleblowing Champion are available through our local website. We have 6 confidential contacts within the Board. A local procedure is now in place with agreed governance for reporting concerns within the Board.

STAFF POLICIES RELATING SPECIFICALLY TO STAFF WITH A DISABILITY

NHS Golden Jubilee is committed to delivering an ambitious set of equality outcomes in the reporting period 2021–2025.

We recognise the value a diverse workforce brings in offering different perspectives to how we deliver high quality, safe, effective, person-centred care. This allows us to foster a healthy, vibrant and inclusive culture throughout our organisation.

These objectives build on our long-standing reputation as a progressive organisation and commitment to maintaining an inclusive culture for our patients, service users, staff, and volunteers.

Our 4-year Diversity and Inclusion Strategy (2021-2025), provides an intersectional approach to mainstreaming equalities across the organisation, covering five core themes:

- Education and training.
- On-boarding diverse talent.
- Leadership and organisational development.
- Inclusivity and data.
- Inclusive service design.

In keeping with the Equality Act 2010 and the Equality Act (Specific Duties) (Scotland) Regulations 2012, we have recently published our Equality Outcomes Midpoint Report 2023 which can be accessed via the following link:

https://www.nhsgoldenjubilee.co.uk/application/files/9716/8061/5568/Equality_Outcomes_Midpoint_Report_2023.pdf

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.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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. With this in mind, we have recently implemented a Reasonable Adjustment Policy which supports our staff to access adjustments to their working arrangements, equipment and leave to support them to work safely and effectively and with dignity and respect.

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.

We have also introduced a number of staff diversity networks to represent the nine Protected Characteristics and Fairer Scotland duty. The Ability Network provides a confidential, psychologically safe space for staff with a disability or long-term health condition and allies. The Network enables members to share experiences, information and best practice, offer peer support and influence positive change for people with disabilities across the organisation.

Our diversity and inclusion training for 2022/23 has primarily focused on raising awareness of neurodiversity. NHSGJ rolled out three workshops of 'Autism in the Workplace' facilitated by the National Autistic Society (NAS). The course was attended by key staff members from Human Resources, Recruitment, Occupational Health, Learning and Organisational Development, eHealth, Communications and Spiritual Care.

The course is accredited by Continuing Professional Development and covers key topics of understanding autism, communication and interaction, processing information, sensory differences, potential workplace stressors, and workplace adjustments.

OTHER EMPLOYEE MATTERS

The recognised principles of fairness, respect, equality, dignity and autonomy are firmly embedded in our organisational values. The Boards Embracing Equality, Diversity, Human Rights, 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 2022/23 our workforce have continued to adapt and adjust to new ways of working. With the support of technology provided by our eHealth department our workforce have adopted a hybrid working arrangement between home and the workplace. 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 health and wellbeing continues to be a priority for the Board. The Board is committed to providing services, resources and a healthy working environment for staff to flourish in. As well as encouraging staff to take a personal responsibility for their own wellbeing.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

The Board launched its Health and Wellbeing Strategy in 2020 and takes a holistic approach to wellbeing by focusing on mental wellbeing; physical and social wellbeing; financial wellbeing and creating a culture that promotes staff wellbeing. A Health and Wellbeing Group was established to oversee delivery of the strategy through Annual Delivery Plans.

The Health and Wellbeing Delivery Plan 2022/23 continues to build on previous years' work.

EXIT PACKAGES

Table Subject to Audit Opinion

2022/23

| 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 | - | - | - |
| Total Number Exit Packages by Type | - | - | - |
| Total Resource Cost (£'000) | - | - | - |

2021/22

| 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 | - | - | - |
| Total Number Exit Packages by Type | - | - | - |
| Total Resource Cost (£'000) | - | - | - |

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.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

RELEVANT TRADE UNION OFFICIALS

| Number of Employees who were relevant Union Officials during the period 1 April 2022 to 31 March 2023 | Whole Time Equivalent Employee Number |
|--|--|
| 17 | 17 |

PERCENTAGE OF TIME SPENT ON FACILITY TIME

| Percentage of Time | Number of Representatives |
|---------------------------|----------------------------------|
| 0% | - |
| 1-50% | 16 |
| 51-99% | 1 |
| 100% | - |

PERCENTAGE OF PAYBILL SPENT OF FACILITY TIME

| | |
|---|--------------|
| Total Cost of Facility time | £17,888 |
| Total Paybill | £129,915,000 |
| Percentage of Total Pay Spend on Facility Time | 0.01% |

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

In the year 2022/23, the Board was required to pay out £1,313k in respect of three claims individually greater than £300k each settled under the CNORIS scheme (2021/22: £1,784k). Further details can be found in [Note one](#) (accounting policies of the Annual Accounts).

The Board is also required to provide for CNORIS claims notified to it and which will be settled at a future date, details of these provisions can be found in [Note 12](#).

The Board under its delegated authority wrote off a Cash loss in 2022/23 of c. £7.2k in relation to a salary overpayment.

APPROVAL OF ACCOUNTABILITY REPORT

The Accountable Officer authorised the Accountability Report for issue on 7 July 2023

Gordon James.

.....

G James

Chief Executive

Date: 14 July 2023

INDEPENDENT AUDITOR'S REPORT

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 2023 under the National Health Service (Scotland) Act 1978. The financial statements comprise the Consolidated Statement of Comprehensive Net Expenditure, 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 significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards, as interpreted and adapted by the 2022/23 Government Financial Reporting Manual (the 2022/23 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view of the state of the affairs of the board and its group as at 31 March 2023 and of the group's net expenditure for the year then ended;
- have been properly prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 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 18 May 2022. Our period of appointment is five years, covering 2022/23 to 2026/27. 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.

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 ability of the board and its group 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.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

These conclusions are not intended to, nor do they, provide assurance on the current or future financial sustainability of the board and its group. However, we report on the board's arrangements for financial sustainability in a separate Annual Audit Report available from the [Audit Scotland website](#).

Risks of material misstatement

We report in our separate Annual Audit Report 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 there is an intention to discontinue the operations of the board and its group.

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 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:

- using our understanding of the health sector to identify that the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers are significant in the context of the board;
- inquiring of the Accountable Officer as to other laws or regulations that may be expected to have a fundamental effect on the operations of the board;
- inquiring of the Accountable Officer concerning the board's policies and procedures regarding compliance with the applicable legal and regulatory framework;
- discussions among our audit team on 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.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

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. 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 in respect of irregularities explained in the audit of the financial statements section of our report, 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 the audited parts 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 parts of the Remuneration and Staff Report have been properly prepared in accordance with the National Health Service (Scotland) Act 1978 and directions made thereunder by the Scottish Ministers.

Other information

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

Our responsibility is to read all the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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 other information, we are required to report that fact. We have nothing to report in this regard.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on 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 the 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 parts 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 108 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.

Rashpal Khangura, (for and on behalf of KPMG LLP),
Chartered Accountants
1 Sovereign Street
Leeds
LS1 4DA

Rashpal Khangura

14 July 2023

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE NET EXPENDITURE (SOCNE)

For the Year Ended 31 March 2023

| | Note | 2023 £'000 | 2022 £'000 |
|-------------------------------------|------|----------------|----------------|
| Staff Costs | 3a | 130,245 | 114,844 |
| Other Operating Expenditure: | | | |
| Drugs and Medical Supplies | 3b | 38,484 | 35,382 |
| Other Health Care Expenditure | 3b | 41,813 | 35,374 |
| Gross Expenditure In Year | | 210,542 | 185,600 |
| Less: Operating Income | 4 | (82,931) | (72,007) |
| Net Expenditure for the Year | | 127,611 | 113,593 |

OTHER COMPREHENSIVE NET EXPENDITURE

| | Note | 2023 £'000 | 2022 £'000 |
|---|------|----------------|----------------|
| Net (Gain)/Loss on revaluation of Property, Plant and Equipment | | (4,956) | (5,305) |
| Other Comprehensive Expenditure | | (4,956) | (5,305) |
| Comprehensive Net Expenditure | | 122,655 | 108,288 |

The Notes to the Accounts, numbered 1 to 26 form an integral part of these Accounts.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | 2023 Consolidated £'000 | 2023 Board £'000 | 2022 Consolidated £'000 | 2022 Board £'000 |
|------------------------------------|------|-------------------------------|------------------------|-------------------------------|------------------------|
| Non-Current Assets | | | | | |
| Property, Plant and Equipment | 7c | 232,959 | 232,959 | 203,502 | 203,502 |
| Intangible Assets | 6 | - | - | - | - |
| Trade and Other Receivables | 9 | 2,340 | 2,340 | 4,300 | 4,300 |
| Total Non-Current Assets | | 235,299 | 235,299 | 207,802 | 207,802 |
| Current Assets | | | | | |
| Inventories | 8 | 3,002 | 3,002 | 2,886 | 2,886 |
| Financial Assets: | | | | | |
| - Trade and other Receivables | 9 | 13,729 | 13,070 | 7,385 | 5,980 |
| - Cash and cash equivalents | 11 | 15,462 | 1,038 | 13,109 | 2,858 |
| Assets classified as held for sale | 7b | - | - | - | - |
| Total Current Assets | | 32,193 | 17,110 | 23,380 | 11,724 |
| Total Assets | | 267,492 | 252,409 | 231,182 | 219,526 |

| | | | | | |
|--|-----|-----------------|-----------------|-----------------|-----------------|
| Current Liabilities | | | | | |
| Provisions | 13a | (1,209) | (1,209) | (686) | (686) |
| Financial Liabilities: | | | | | |
| - Trade and Other Payables | 12 | (47,165) | (48,285) | (54,023) | (53,642) |
| Total Current Liabilities | | (48,374) | (49,494) | (54,709) | (54,328) |
| Total Assets Less Current Liabilities | | 219,118 | 202,915 | 176,473 | 165,198 |

| | | | | | |
|--------------------------------------|-----|----------------|----------------|----------------|----------------|
| Non-Current Liabilities | | | | | |
| Provisions | 13a | (2,595) | (2,595) | (4,147) | (4,147) |
| Total Non-Current Liabilities | | (2,595) | (2,595) | (4,147) | (4,147) |
| Assets Less Liabilities | | 216,523 | 200,320 | 172,326 | 161,051 |

| | | | | | |
|--------------------------------|--|----------------|----------------|----------------|----------------|
| Taxpayers' Equity | | | | | |
| General Fund | | 106,045 | 106,045 | 73,925 | 73,925 |
| Revaluation Reserve | | 94,275 | 94,275 | 87,126 | 87,126 |
| Funds Held on Trust | | 16,203 | - | 11,275 | - |
| Total Taxpayers' Equity | | 216,523 | 200,320 | 172,326 | 161,051 |

The financial statements were approved by the Board on 7 July 2023 and signed on their behalf by

Michael Breen *Michael Breen* Director of Finance

Gordon James *Gordon James.* Chief Executive

The Notes to the Accounts, numbered 1 to 26 form an integral part of these Accounts.

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

CONSOLIDATED STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 MARCH 2023

| | Note | 2023 £'000 | 2022 £'000 |
|--|-------|------------------|-----------------|
| Cash Flows from Operating Activities | | | |
| Net Expenditure | SoCTE | (127,611) | (113,593) |
| Adjustments for Non-Cash Transactions | 2(b) | 8,992 | 7,687 |
| Add back: Interest Payable recognised in Net Operating Expenditure | | - | - |
| Movement in Working Capital | 2 | (11,762) | 14,973 |
| Net Cash Flows from Operating Activities | | (130,381) | (90,933) |

| | | | |
|---|--|-----------------|-----------------|
| Cash Flows from Investing Activities | | | |
| Purchase of Property, Plant and Equipment | | (28,858) | (39,238) |
| Proceeds of Disposal of Property, Plant and Equipment | | - | - |
| Net Cash Outflow from Investing Activities | | (28,858) | (39,238) |

| | | | |
|--|-------|----------------|----------------|
| Cash Flows from Financing Activities | | | |
| Funding | | 163,412 | 135,893 |
| Movement in General Fund Working Capital | SoCTE | (1,820) | (12,918) |
| Cash Drawn down | | 161,592 | 122,975 |
| Net Cash Flow from Financing Activities | | 161,592 | 122,975 |

| | | | |
|--|--|---------------|---------------|
| Net Increase/(decrease) in Cash and Cash equivalents in the period | | 2,353 | (7,196) |
| Cash and Cash equivalents at the beginning of the period | | 13,109 | 20,305 |
| Cash and Cash Equivalents at the end of the period | | 15,462 | 13,109 |

| | | | |
|--|--|---------------|---------------|
| Reconciliation of Net Cash Flow to Movement in Net Debt/ Cash | | | |
| Increase/(Decrease) in Cash in Year | | 2,353 | (7,196) |
| Net Debt/Cash at 1 April 2022 | | 13,109 | 20,305 |
| Net Debt/Cash at 31 March 2023 | | 15,462 | 13,109 |

The Notes to the Accounts, numbered 1 to 26 form an integral part of these Accounts.

CONSOLIDATED STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE YEAR ENDED 31 MARCH 2023

| All £'000 | Note | General Fund | Revaluation Reserve | Funds Held on Trust | Total Reserves |
|----------------------------------|------|--------------|---------------------|---------------------|----------------|
| Balance at 31 March 2022 | | 73,925 | 87,126 | 11,275 | 172,326 |
| Restated Balance at 1 April 2022 | | 73,925 | 87,126 | 11,275 | 172,326 |

| Changes in Taxpayers' Equity for 2022/23 | | | | | |
|--|----|------------------|--------------|--------------|------------------|
| Net Gain/(Loss) on Revaluation/Indexation of Property, Plant and Equipment | 7a | - | 9,037 | - | 9,037 |
| Impairments of Property, Plant and Equipment | | - | (641) | - | (641) |
| Revaluation & Impairments taken to Operating Costs | 2 | - | - | - | - |
| Transfers between Reserves | | 1,247 | (1,247) | - | - |
| Net Operating Cost for Year | | (132,539) | - | 4,928 | (127,611) |
| Total Recognised Income and Expense for 2022/23 | | (131,292) | 7,149 | 4,928 | (119,215) |

| Funding: | | | | | |
|--|--|----------------|---------------|---------------|----------------|
| Drawn Down | | 161,592 | - | - | 161,592 |
| Movement in General Fund (Creditor)/Debtor | | 1,820 | - | - | 1,820 |
| Balance at 31 March 2023 | | 106,045 | 94,275 | 16,203 | 216,523 |

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY FOR THE PRIOR YEAR

| All £'000 | Note | General Fund | Revaluation Reserve | Funds held on Trust | Total Reserves |
|----------------------------------|------|--------------|---------------------|---------------------|----------------|
| Balance at 31 March 2021 | | 56,012 | 82,924 | 5,785 | 144,721 |
| Restated balance at 1 April 2021 | | 56,012 | 82,924 | 5,785 | 144,721 |

| Changes in Taxpayers' Equity for 2021/22 | | | | | |
|--|----|------------------|--------------|--------------|------------------|
| Net Gain/(Loss) on Revaluation/Indexation of Property, Plant and Equipment | 7a | - | 6,369 | - | 6,369 |
| Impairments of Property, Plant and Equipment | | - | (1,064) | - | (1,064) |
| Revaluation & Impairments taken to Operating Costs | 2 | - | - | - | - |
| Transfers between Reserves | | 1,103 | (1,103) | - | - |
| Net Operating Cost for Year | | (119,083) | - | 5,490 | (113,593) |
| Total Recognised Income and Expense for 2021/22 | | (117,980) | 4,202 | 5,490 | (108,288) |

| Funding: | | | | | |
|--|--|---------------|---------------|---------------|----------------|
| Drawn Down | | 122,975 | - | - | 122,975 |
| Movement in General Fund (Creditor)/Debtor | | 12,918 | - | - | 12,918 |
| Balance at 31 March 2022 | | 73,925 | 87,126 | 11,275 | 172,326 |

The Notes to the Accounts, numbered 1 to 26 form an integral part of these Accounts.

NOTES TO THE ACCOUNTS

NOTE 1 ACCOUNTING POLICIES

SECTION 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 (IFRS) as adopted by the United Kingdom, Interpretations issued by the IFRS Interpretations Committee (IFRIC) 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

IFRS 16 is the new standard, which has been issued and adopted in 2022/23.

(b) Standards, Amendments and Interpretations Early adopted this Year

There are no new standards, amendments or interpretations early adopted in the current year

(c) Standards, Amendments and Interpretations issued but not adopted this Year

The table below summaries recent standards, amendments and interpretations issued but not adopted in the current year.

| Standard | Current Status |
|--|---|
| IFRS 14 – Regulatory Deferral Accounts | Effective for accounting periods starting on or after 1 January 2016. Not applicable to NHS Scotland bodies. |
| IFRS 17 – Insurance Contracts | Effective for accounting periods beginning on or after 1 January 2021. However this standard is not yet adopted by the FReM. Expected adoption by the FReM from April 2025. |

SECTION 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.

SECTION 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.

SECTION 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, unless informed by the Scottish Ministers for the intention for dissolution without transfer of services or functions to another entity.

SECTION 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, financial assets and liabilities (including derivative instruments) at fair value as determined by the relevant accounting standards and the FReM,

SECTION 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 (RRL). Cash drawn down to fund expenditure within this RRL is credited to the general fund.

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

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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 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.

SECTION 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. In cases where a new hospital would face an exceptional write-off of items of equipment costing individually less than £5,000, the Board has the option to capitalise initial revenue equipment costs with a standard life of 10 years.
3. 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 (including VAT where this is not recoverable) in total, or where they are part of the initial cost of equipping a new development and total over £20,000 (including VAT where this is not recoverable).

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.

Thereafter, valuations of all land and building assets are re-assessed annually by valuers. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

(RICS) Appraisal and Valuation Manual (Red Book) insofar as these terms are consistent with the agreed requirements of Scottish Government.

In general, operational assets which are in use delivering front line services or back-office functions, are valued at current market value in existing use. However, to meet the underlying objectives established by the Scottish Government the following accepted variations of the RICS Appraisal and Valuation Manual are adopted:

1. Specialised operational assets are valued on a modified replacement cost basis to take account of modern substitute building materials and locality factors only.
2. Non-specialised equipment, installations and fittings are valued at fair value, using the most appropriate valuation methodology available. A depreciated historical cost basis is considered an appropriate proxy for fair value in respect of assets which have short useful lives or low values (or both).
3. The Golden Jubilee Conference Hotel is stated at fair value.

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 accesses to the market are measured subsequently at fair value as follows:

1. Specialised NHS land, buildings, installations and fittings are stated at depreciated replacement cost, as a proxy for fair value agreed by the valuer.
2. Non-specialised land and buildings, such as offices, are stated at fair value.

Surplus assets with restrictions on their disposal are valued at the 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.

Assets under construction are valued at current cost. This is calculated by the expenditure incurred to which an appropriate index is applied to arrive at current value. These are also subject to impairment review on completion.

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 NHS 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

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land/buildings together. Gains and losses on revaluation are reported in the statement of Comprehensive Net Expenditure.

Permanent decreases in asset values and impairments arising from a reduction in service potential or consumption of economic benefit are charged 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 arising from a change in market price are charged to the revaluation reserve where there is an available balance for the asset concerned, and thereafter are charged to 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:

- Freehold land is considered to have an infinite life and is not depreciated.
- Assets in the course of construction are not depreciated until the asset is brought into use.
- Property, plant and equipment which has been classified as 'held for sale' ceases to be depreciated upon reclassification.
- 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.
- Equipment is depreciated over the estimated life of the asset.
- Property, plant and equipment held under leases are depreciated over the shorter of the lease term and the estimated useful life. Unless there is reasonable certainty the Board will obtain ownership of the asset by the end of the lease term in which case it is depreciated over its useful life.

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

| Asset Category/Component | Useful Life |
|--|--------------------|
| Building - Structure | 30 – 72 years |
| Building - Landscaping & Surfacing | 16 – 38 years |
| Building - Engineering | 15 – 46 years |
| Medical Equipment | 10 years |
| Plant | 10- 20 years |
| Information Systems & Office Equipment | 5 years |

SECTION 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 that are not held for their service potential (i.e. 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 at fair value. Where an active (homogeneous) market exists, intangible assets are carried at market value in existing use. Where no active market exists, the intangible asset is revalued, using indices or an alternative 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.

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.

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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 below, amortisation is charged on a straight-line basis.

The following asset lives have been used:

| | |
|-------------------|---------|
| Software | 5 years |
| Software Licences | 5 years |

SECTION 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.

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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.

SECTION 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 full replacement cost of the asset. Donated assets are revalued, depreciated/amortised and subject to impairment in the same way as other non-current assets in accordance with the NHS Capital Accounting Manual.

SECTION 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.

SECTION 12: LEASING

Accounting Policies

IFRS 16 Leases became effective for periods beginning on or after 1 January 2019, however the FReM deferred adoption until 2021. The cumulative catch-up method has been mandated by the FReM. Consequently, the comparatives for 2021-22 reflect the requirements of IAS 17 Leases.

Leases-Scope and classification

Leases are contracts, or parts of a contract that convey the right to use an asset in exchange for consideration. The FReM expands the scope of IFRS 16 to include arrangements with nil consideration. The standard is also applied to accommodation sharing arrangements with other government departments.

Contracts or parts of contract that are leases in substance are determined by evaluating whether they convey the right to control the use of an identified asset, as represented by rights both to obtain substantially all the economic benefits from that asset and to direct its use.

The following are excluded:

- Contracts for low-value items, defined as items costing less than £5,000 when new, provided they are not highly dependent on or integrated with other items; and
- Contracts with a term shorter than twelve months (comprising the non-cancellable period plus any extension options that are reasonably certain to be exercised and any termination options that are reasonably certain not to be exercised).

Initial Recognition

At the commencement of a lease (or the IFRS 16 transition date, if later), a right-of-use asset and a lease liability are recognised. The lease liability is measured at the present value of the payments for the remaining lease term (as defined above), net of irrecoverable value added tax, discounted either by the rate implicit in the lease or, where this cannot be determined, the rate

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advised by HM Treasury for that calendar year. The liability includes payments that are fixed or in-substance fixed excluding, for example, changes arising from future rent reviews or changes in an index. The right-of-use asset is measured at the value of the liability, adjusted for any payments made or amounts accrued before the commencement date; lease incentives received; incremental costs of obtaining the lease; and any disposal costs at the end of the lease. However, for peppercorn or nil consideration leases, the asset is measured at its existing use value.

Subsequent Measurement

The asset is subsequently measured using the fair value model. The cost model is considered to be a reasonable proxy except for leases of land and property without regular rent reviews. For these leases, the asset is carried at a revalued amount. In these financial statements, right-of-use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration have been valued using market prices or rentals for equivalent land and properties. The liability is adjusted for the accrual of interest, repayments, and reassessments and modifications. These are measured by re-discounting the revised cash flows.

Lease Expenditure

Expenditure includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rental payments for leases of low-value items or shorter than twelve months are expensed.

Transitional Arrangements

The following determinations have been made:

- To adopt IFRS 16 retrospectively, without restatement of comparative balances. Consequently, the Statement of Comprehensive Net Expenditure and the Statement of Financial Position for 2021-2 reflect the requirements of IAS 17;
- Not to reassess the classification of contracts previously classified as leases or service contracts under IAS 17 and IFRIC 4. However, new contracts entered into from 1 April 2022 have been classified using the IFRS 16 criteria;
- For leases previously treated as operating leases:
 - To measure the liability at the present value of the remaining payments, discounted by the discount rate issued by HM Treasury;
 - To measure the asset at an amount equal to the liability, adjusted for any prepayment or accrual balances previously recognised for that lease;
 - To exclude leases whose term ends within twelve months of first adoption;
 - To use hindsight in assessing remaining lease terms;
 - For leases previously identified as onerous and provided for, to use the practical expedient of adjusting the right-of-use asset by the amount of that provision.
- For leases previously treated as finance leases:
 - To use the carrying amount of the lease asset and liability measured immediately before first adoption under IAS 17 as the carrying value of the right-of-use asset and lease liability as at first adoption.

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- The 2023/24 FReM has been amended to require reporting entities to record indexation linked payments in PPP liabilities in accordance with IFRS 16 from 2023/24. The 2022/23 FReM has not been amended to clarify that this specific aspect of IFRS 16 has been deferred until 2023/24 and therefore does not apply in 2022/23. Where entities have in the past applied the principles of IAS 17 to account for the impact of changes in the relevant indices (e.g. CPI or RPI) in respect of on-balance sheet PPP/PFI contracts with index-linked payments, the application of IFRS 16 requirements is deferred to 1 April 2023.

Estimates and Judgements

The Board determines the amounts to be recognised as the right-of-use asset and lease liability for embedded leases based on the stand-alone price of the lease and non-lease component or components. This determination reflects prices for leases of the underlying asset, where these are observable; otherwise, it maximises the use of other observable data, including the fair values of similar assets, or prices of contracts for similar non-lease components. In some circumstances, where stand-alone prices are not readily observable, the entire contracts are treated as a lease as a practical expedient. The FReM requires right-of-use assets held under “peppercorn” leases to be measured at existing use value.

Accounting for Leases under IAS 17 (2021-22)

Finance Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Board, the asset is recorded as Property, Plant and Equipment and a corresponding liability is recorded. Assets held under finance leases are valued at their fair values and are depreciated over the remaining period of the lease in accordance with IFRS.

The asset and liability are recognised at the inception of the lease, and are de-recognised when the liability is discharged, cancelled or expires. The minimum lease payments (annual rental less operating costs e.g. maintenance and contingent rental) are apportioned between the repayment of the outstanding liability and a finance charge. The annual finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability using either the implicit interest rate or another relevant basis of estimation such as the sum of the digits method. Finance charges are recorded as interest payable in the Statement of Comprehensive Net Expenditure. Contingent rental and operating costs are charged as expenses in the periods in which they are incurred.

Operating Leases

Other 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.

SECTION 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

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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.

SECTION 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 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.

SECTION 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.

SECTION 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.

SECTION 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.

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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.

SECTION 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 NHS Boards from a central fund held by the Clinical Negligence and Other Risks Indemnity Scheme (CNORIS) by 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 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.

SECTION 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](#).

SECTION 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.

SECTION 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

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significant, the estimated cash flows are discounted using the discount rate prescribed by HM Treasury.

SECTION 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.

SECTION 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.

SECTION 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:

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- the financial asset is held within a business model where the objective is to collect contractual cash flows; and
- 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:

- the financial asset is held within a business model where the objective is to collect contractual cash flows *and* sell the asset; and
- 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

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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 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 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 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.

SECTION 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.

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

SECTION 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.

SECTION 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.

Where the Board has assets or liabilities denominated in a foreign currency at the Statement of Financial Position date:

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

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

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

SECTION 28: KEY SOURCES OF JUDGEMENT AND ESTIMATION UNCERTAINTY

Estimates and judgements are continually evaluated and are based on historic 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. 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 a material adjustment to the carrying amounts of assets and liabilities within the financial statements within the next financial year are expressed below.

- Accruals- The board has placed reliance on estimation and judgement based on evidence to quantify amounts accrued within the accounts.

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- Provisions- Pensions and Similar Obligations. The Board has provided for estimated costs relating to pensions and similar obligations and reliance has been placed on methodology provided by the Scottish Public Pensions Agency (SPPA) in order to quantify the amounts provided.
- Provisions-Clinical and Medical Negligence claims. The Board has provided for estimated costs relating to clinical and medical negligence claims.
- Non-Current Assets- Valuation of land and buildings. The Board commissioned a valuation of land and buildings as at 31 March 2023 and this valuation has been used to as the basis of the values disclosed within these financial statements.

NOTE 2A SUMMARY OF CORE REVENUE RESOURCE OUTTURN

| | 2023 £'000 |
|---|-----------------------------|
| Net Expenditure | 127,611 |
| Total Non-Core Expenditure (see below) | (9,668) |
| Endowment Net Expenditure | 4,928 |
| Total Core Expenditure | 122,871 |
| Core Revenue Resource Limit | 122,947 |
| Saving against Core Revenue Resource Limit | 76 |

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

| | 2023 £'000 |
|--|-----------------------------|
| Depreciation/Amortisation | 7,788 |
| Annually Managed Expenditure- Impairments | - |
| Annually Managed Expenditure- Creation of Provisions | 676 |
| Annually Managed Expenditure- Depreciation of Donated assets | 9 |
| Right of Use (RoU) Asset Depreciation | 1,195 |
| Total Non-Core Expenditure | 9,668 |
| Non-Core Revenue Resource Limit | 9,668 |
| Saving against Non-Core Revenue Resource Limit | - |

SUMMARY OF RESOURCE OUTTURN

| | Resource £'000 | Expenditure £'000 | Saving £'000 |
|--------------|---------------------------------|------------------------------------|-------------------------------|
| Core | 122,947 | 122,871 | 76 |
| Non-Core | 9,668 | 9,668 | - |
| Total | 132,615 | 132,539 | 76 |

NOTE 2B NOTES TO THE CASHFLOW STATEMENT

Consolidated Adjustment for Non-Cash Transactions (Expenditure not paid in cash)

| | Note | 2023 £'000 | 2022 £'000 |
|---|------------|---------------|---------------|
| Depreciation | 7a | 7,788 | 7,678 |
| Amortisation | 6 | - | - |
| Depreciation of Donated Assets | 7a | 9 | 9 |
| Depreciation of Right of Use (ROU) assets | 17b | 1,195 | |
| Impairments on Property, Plant and Equipment charged to SOCNE | | | |
| Net revaluation on PPE charged to SOCNE | | - | - |
| Funding of Donated Assets | | - | - |
| Total Expenditure Not Paid in Cash | CFS | 8,992 | 7,687 |

Consolidated Movements in Working Capital

| | Opening Balances £'000 | Closing Balances £'000 | 2023 Net Movement £'000 | 2022 Net Movement £'000 |
|---------------------------------|------------------------------|------------------------------|-------------------------------|-------------------------------|
| Inventories | | | | |
| Statement of Financial Position | 2,886 | 3,002 | | |
| Net Decrease/(Increase) | | | (116) | 924 |

| | | | | |
|--|---------------|---------------|----------------|----------------|
| Trade and Other Receivables | | | | |
| Due within one year | 7,385 | 13,729 | | |
| Due after more than one year | 4,300 | 2,340 | | |
| Total Trade and Other Receivables | 11,685 | 16,069 | | |
| Net Decrease/(Increase) | | | (4,384) | (1,753) |

| | | | | |
|---|---------------|---------------|----------------|---------------|
| Trade and Other Payables | | | | |
| Due within one year | 54,023 | 47,165 | | |
| Less: General Fund Creditor included in above | (2,858) | (1,038) | | |
| Less: Lease Creditors included in the above | - | (1,195) | | |
| Total Trade and Other Payables | 51,165 | 44,932 | | |
| Net Decrease/(Increase) | | | (6,233) | 17,563 |

| | | | | |
|---------------------------------|-------|-------|----------------|----------------|
| Provisions | | | | |
| Statement of Financial Position | 4,833 | 3,804 | | |
| Net Decrease/(Increase) | | | (1,029) | (1,761) |

| | | | | |
|---|--|--|-----------------|---------------|
| Net Movement Decrease/(Increase) | | | (11,762) | 14,973 |
|---|--|--|-----------------|---------------|

NOTE 3 OPERATING EXPENSES

3a STAFF COSTS

| | 2023 Board £'000 | 2023 Consolidated £'000 | 2022 Consolidated £'000 |
|--------------------------|---------------------|----------------------------|----------------------------|
| Medical and Dental | 36,888 | 36,888 | 31,033 |
| Nursing | 44,207 | 44,383 | 41,235 |
| Other staff | 48,928 | 48,974 | 42,576 |
| Total Staff Costs | 130,023 | 130,245 | 114,844 |

Further detail and analysis of employee costs can be found in the Remuneration and Staff report, forming part of the Accountability Report. It should be noted that the prior year numbers have been reclassified in order to be comparable with the current year.

3b OTHER OPERATING EXPENSES

| | 2023 Board £'000 | 2023 Consolidated £'000 | 2022 Consolidated £'000 |
|---|------------------------|-------------------------------|-------------------------------|
| Drugs and Medical Supplies | | | |
| Prescribed drugs, secondary care | 4,905 | 4,905 | 4,871 |
| PPE and Testing kits | 152 | 152 | 933 |
| Medical Supplies | 33,427 | 33,427 | 29,578 |
| Total Drugs and Medical Supplies | 38,484 | 38,484 | 35,382 |
| Other Health Care Expenditure | | | |
| Goods and services from other NHS Scotland Bodies | 2,652 | 2,652 | 1,839 |
| Goods and services from other NHS Bodies | 52 | 52 | - |
| Goods and services from private patients | 3,611 | 3,611 | 2,293 |
| <i>Resource Transfer</i> | 6,088 | - | - |
| Other operating expenses | 34,266 | 34,266 | 29,884 |
| External Audit Remuneration – audit fee | 87 | 87 | 70 |
| External Audit other services | - | - | - |
| Endowment Fund Expenditure | - | 1,145 | 1,288 |
| Total Other Health Care Expenditure | 46,756 | 41,813 | 35,374 |
| Total Other Operating Expenditure | 85,240 | 80,297 | 70,756 |

NOTE 4 OPERATING INCOME

| | 2023 Board £'000 | 2023 Consolidated £'000 | 2022 Consolidated £'000 |
|---|---------------------------------|--|--|
| Income from Scottish Government | 4,259 | 4,259 | 519 |
| Income from other NHS Scotland Bodies | 76,152 | 76,152 | 68,157 |
| Income from other non NHS Scotland Bodies | 136 | 136 | 166 |
| Income from Private patients | 60 | 60 | 21 |
| Profit on disposal of assets | - | - | - |
| Donations | - | - | 406 |
| Contributions in respect of CNORIS | - | - | - |
| Non-NHS | - | - | - |
| Endowment fund income | - | 207 | 229 |
| Other | 2,117 | 2,117 | 2,509 |
| Total Operating Income | 82,724 | 82,931 | 72,007 |

NOTE 5 SEGMENTAL INFORMATION

| | 2023 Board £'000 | 2022 Board £'000 |
|-------------------------------------|---------------------------------|---------------------------------|
| Net Operating Cost | 127,611 | 113,593 |
| Total Assets | 267,492 | 231,182 |
| Total Liabilities | (50,969) | (58,826) |
| Impairment Loss recognised in SOCNE | (641) | (1,064) |
| Depreciation and Amortisation | 7,788 | 7,687 |

The Board currently reports as one segment

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NOTE 6 INTANGIBLE FIXED ASSETS

| | 2023 Board Software Licences £'000 | 2022 Board Software Licences £'000 |
|--|---|---|
| Cost or Valuation | | |
| at 1 April | - | - |
| At 31 March | - | - |
| Amortisation at 1 April | | |
| Provided during the Year | - | - |
| At 31 March | - | - |
| Net Book Value Purchased Assets | | |
| at 1 April | - | - |
| At 31 March | - | - |

NOTE 7A PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

All Purchased Assets are held within the Board and therefore only the consolidated position is shown below

2022/23 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)

| 2022/23 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total |
|------------------------------------|-----------------------|----------------------------|--|---|---|--|----------------|
| Cost or Valuation at 1 April 2022 | 5,950 | 115,770 | 73,897 | 10,765 | 130 | 58,183 | 264,695 |
| Additions/Purchased | - | - | - | - | - | 28,858 | 28,858 |
| Additions Donated | - | - | - | - | - | - | - |
| Completions | - | 914 | 3,831 | 390 | - | (5,135) | - |
| Transfer between Assets Categories | - | - | - | - | - | - | - |
| Revaluation | - | 5,533 | - | - | - | - | 5,533 |
| Impairment Charges | - | (641) | - | - | - | - | (641) |
| Disposals/Purchased | - | - | - | - | - | - | - |
| At 31 March 2023 | 5,950 | 121,576 | 77,728 | 11,155 | 130 | 81,906 | 298,445 |

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| 2022/23 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total |
|--------------------------------------|---------------|--------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------------|---------------|
| Depreciation at 1 April 2022 | - | - | 50,658 | 10,407 | 128 | - | 61,193 |
| Provided during the Year – Purchased | - | 3,504 | 4,047 | 235 | 2 | - | 7,788 |
| Provided during the Year – Donated | - | - | 9 | - | - | - | 9 |
| Transfers between Asset Categories | - | - | - | - | - | - | - |
| Revaluation | - | (3,504) | - | - | - | - | (3,504) |
| Disposals / Purchased | - | - | - | - | - | - | - |
| Impairment Charges | - | - | - | - | - | - | - |
| At 31 March 2023 | - | - | 54,714 | 10,642 | 130 | - | 65,486 |

| 2022/23 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total £'000 |
|---|---------------|--------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------------|----------------|
| At 1 April 2022 | 5,950 | 115,770 | 23,239 | 358 | 2 | 58,183 | 203,502 |
| At 31 March 2023 | 5,950 | 121,576 | 23,014 | 513 | - | 81,906 | 232,959 |
| Open Market value of Land included above | | | | | | | |

| 2022/23 Asset Financing: | | | | | | | |
|--|--------------|----------------|---------------|------------|---|---------------|----------------|
| Owned / Purchased | 5,950 | 121,576 | 22,945 | 513 | - | 81,906 | 232,890 |
| Donated | - | - | 69 | - | - | - | 69 |
| On-Balance Sheet PFI Contracts | - | - | - | - | - | - | - |
| Net Book Value at 31 March 2023 | 5,950 | 121,576 | 23,014 | 513 | - | 81,906 | 232,959 |

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NOTE 7A 2021/22 PROPERTY, PLANT AND EQUIPMENT (CONSOLIDATED)-PRIOR YEAR

| 2021/22 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total |
|------------------------------------|---------------|--------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------------|----------------|
| Cost or Valuation at 1 April 2021 | 5,686 | 113,132 | 71,260 | 10,692 | 130 | 22,670 | 223,570 |
| Additions/Purchased | - | 767 | 407 | - | - | 38,064 | 39,238 |
| Additions Donated | - | - | - | - | - | - | - |
| Completions | - | 247 | 2,216 | 88 | - | (2,551) | - |
| Transfer between Assets Categories | - | (475) | 490 | (15) | - | - | - |
| Revaluation | 264 | 2,768 | - | - | - | - | 3,032 |
| Impairment Charges | - | (669) | (476) | - | - | - | (1,145) |
| Disposals/Purchased | - | - | - | - | - | - | - |
| At 31 March 2022 | 5,950 | 115,770 | 73,897 | 10,765 | 130 | 58,183 | 264,695 |

| 2021/22 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total |
|-------------------------------------|---------------|--------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------------|----------------|
| Depreciation at 1 April 2021 | - | - | 46,717 | 10,083 | 124 | - | 56,924 |
| Provided during the Year- Purchased | - | 3,337 | 4,013 | 324 | 4 | - | 7,678 |
| Provided during the Year- Donated | - | - | 9 | - | - | - | 9 |
| Transfers between Asset Categories | - | - | - | - | - | - | - |
| Revaluation | - | (3,337) | - | - | - | - | (3,337) |
| Disposals / Purchased | - | - | - | - | - | - | - |
| Impairment Charges | - | - | (81) | - | - | - | (81) |
| At 31 March 2022 | - | - | 50,658 | 10,407 | 128 | - | 61,193 |

| 2021/22 | Land £'000 | Buildings £'000 | Plant and Machinery £'000 | Information Technology £'000 | Furniture & Fittings £'000 | Assets under Construction £'000 | Total £'000 |
|---|---------------|--------------------|---------------------------------|------------------------------------|----------------------------------|---------------------------------------|----------------|
| At 1 April 2021 | 5,686 | 113,132 | 24,543 | 609 | 6 | 22,670 | 166,646 |
| At 31 March 2022 | 5,950 | 115,770 | 23,239 | 358 | 2 | 58,183 | 203,502 |
| Open Market value of Land included above | | | | | | | |

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| 2021/22 Asset Financing: | | | | | | | |
|--|--------------|----------------|---------------|------------|----------|---------------|----------------|
| Owned / Purchased | 5,950 | 115,770 | 23,161 | 358 | 2 | 58,183 | 203,424 |
| Donated | - | - | 78 | - | - | - | 78 |
| On-Balance Sheet PFI Contracts - | - | - | - | - | - | - | - |
| Net Book Value at 31 March 2022 | 5,950 | 115,770 | 23,239 | 358 | 2 | 58,183 | 203,502 |

NOTE 7C PROPERTY, PLANT AND EQUIPMENT DISCLOSURES

The net book value for property, plant and equipment at 31 March 2023 was £232,959,000 (prior year £203,502,000). 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 2023 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 7D ANALYSIS OF CAPITAL EXPENDITURE

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

| | Note | 2023 £'000 | 2022 £'000 |
|--|-------------|-----------------------------|-----------------------------|
| Expenditure | | | |
| Acquisition of property, plant and equipment | 7a | 28,858 | 39,238 |
| Donated asset additions | 7a | - | - |
| Gross Capital Expenditure | | 28,858 | 39,238 |

| | | | |
|---|--|---------------|---------------|
| Income | | | |
| Net Book Value of disposal of Property, Plant and Equipment | | - | - |
| Capital Income | | - | - |
| Net Capital Expenditure | | 28,858 | 39,238 |

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NOTE 8 INVENTORIES

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

| | Note | 2023 £'000 | 2022 £'000 |
|-------------------------------|------|---------------|---------------|
| Raw Materials and Consumables | | 3,002 | 2,886 |

NOTE 9 TRADE AND OTHER RECEIVABLES

Total Receivables Due within One Year

| | 2023 Consolidated £'000 | 2023 Board £'000 | 2022 Consolidated £'000 | 2022 Board £'000 |
|--|-------------------------------|------------------------|-------------------------------|------------------------|
| NHS Scotland Boards | 6,228 | 6,228 | 2,332 | 2,332 |
| Total NHS Scotland Receivables | 6,228 | 6,228 | 2,332 | 2,332 |
| VAT Recoverable | 142 | 138 | 315 | 313 |
| Prepayments | 1,083 | 1,083 | 937 | 937 |
| Accrued income | 2,644 | 1,392 | 3,466 | 2,716 |
| Other Receivables | 5,337 | 5,934 | 1,123 | 470 |
| Reimbursement of provisions | (1,705) | (1,705) | (788) | (788) |
| Total Other Receivables | 7,501 | 6,842 | 5,053 | 3,648 |
| Total Receivables within One Year | 13,729 | 13,070 | 7,385 | 5,980 |

Total Receivables Due after more than One Year

| | | | | |
|-----------------------------|---------------|---------------|---------------|---------------|
| Reimbursement of Provisions | 2,340 | 2,340 | 4,300 | 4,300 |
| Total Receivables | 16,069 | 15,410 | 11,685 | 10,280 |

| | | | | |
|---|------------|------------|------------|------------|
| The Total Receivables figure above includes a provision for impairments of: | 721 | 721 | 156 | 156 |
|---|------------|------------|------------|------------|

Movements on the Provision for Impairment of Receivables are as follows:

| | 2023 Consolidated £'000 | 2023 Board £'000 | 2022 Consolidated £'000 | 2022 Board £'000 |
|--|-------------------------------|------------------------|-------------------------------|------------------------|
| At 1 April 2022 Provision for Impairment | 156 | 156 | 182 | 182 |
| Provision for impairment | 516 | 516 | 14 | 14 |
| Receivables written of during the year | 204 | 204 | (142) | (142) |
| Unused amount reversed | (155) | (155) | 102 | 102 |
| At 31 March 2023 Provision for Impairment | 721 | 721 | 156 | 156 |

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As at 31 March 2023, receivables with a carrying value of £721,000 (2022: £156,000) were impaired and provided for. The ageing of these receivables is as follows:

| | 2023 Consolidated £'000 | 2023 Board £'000 | 2022 Consolidated £'000 | 2022 Board £'000 |
|-------------------|--|---------------------------------|--|---------------------------------|
| 3-6 months due | 516 | 516 | 14 | 14 |
| Over 6 months due | 205 | 205 | 142 | 142 |
| Total | 721 | 721 | 156 | 156 |

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.

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):

| | 2023 £'000 | 2022 £'000 |
|-------------------------|-----------------------|-----------------------|
| Up to 3 months past due | 8,424 | 1,585 |
| 3 to 6 months past due | 497 | 109 |
| Over 6 months past due | 1,530 | 207 |
| Total | 10,451 | 1,901 |

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

| | 2023 £'000 | 2022 £'000 |
|---|-----------------------|-----------------------|
| A | - | - |
| BB | - | - |
| BBB | - | - |
| Existing customers with no defaults in the past | - | - |
| Total Neither past due or Impaired | - | - |

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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 INVESTMENTS

No investments are held by the Board.

NOTE 11 CASH AND CASH EQUIVALENTS

| | 2023 Consolidated £'000 | 2022 Consolidated £'000 |
|---|--|--|
| Balance at 1 April 2022 | 13,109 | 20,305 |
| Net Change in Cash and Cash Equivalent Balances | 2,353 | (7,196) |
| Balance at 31 March 2023 | 15,462 | 13,109 |
| Overdrafts | - | - |
| Total Cash - Cash Flow Statement | 15,462 | 13,109 |

| The following balances at 31 March 2023 were held at: | | |
|--|---------------|---------------|
| Government Banking Service | 814 | 2,622 |
| Commercial Banks and Cash in Hand | 224 | 236 |
| Endowment Cash | 14,424 | 10,251 |
| Balance at 31 March 2023 | 15,462 | 13,109 |

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

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NOTE 12 TRADE AND OTHER PAYABLES

Payables due within One Year

| | 2023 Consolidated £'000 | 2023 Board £'000 | 2022 Consolidated £'000 | 2022 Board £'000 |
|---|-------------------------------|------------------------|-------------------------------|------------------------|
| NHS Scotland Boards | 6,934 | 6,934 | 4,177 | 4,177 |
| Total NHS Scotland Payables | 6,934 | 6,934 | 4,177 | 4,177 |
| General Fund Payable | 1,038 | 1,038 | 2,858 | 2,858 |
| Trade Payables | 600 | 595 | 2,762 | 2,762 |
| Accruals | 29,647 | 30,772 | 36,411 | 36,030 |
| Deferred Income | 2,000 | 2,000 | 2,009 | 2,009 |
| Payments received on account | 107 | 107 | 117 | 117 |
| Net obligations under leases | 1,195 | 1,195 | 0 | 0 |
| Income Tax and Social Security | 2,952 | 2,952 | 2,588 | 2,588 |
| Superannuation | 2,082 | 2,082 | 1,865 | 1,865 |
| Holiday Pay Accrual | 610 | 610 | 1,236 | 1,236 |
| Total Other Payables | 40,231 | 41,351 | 49,846 | 49,465 |
| Total Payables due within One Year | 47,165 | 48,285 | 54,023 | 53,642 |

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 13A PROVISIONS FOR YEAR ENDED 31 MARCH 2023

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|---------------------------|--------------------------------|-------------------------------------|----------------|----------------|
| As at 1 April 2022 | 2,632 | 2,186 | 15 | 4,833 |
| Arising during the year | 1,100 | 1,322 | - | 2,422 |
| Utilised during the year | (1,824) | (581) | (15) | (2,420) |
| Unwinding | (1,031) | - | - | (1,031) |
| Reversed unutilised | - | - | - | - |
| At 31 March 2023 | 877 | 2,927 | 0 | 3,804 |

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Analysis of expected timing of discounted flows to 31 March 2023

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|----------------------------|-----------------------------|-------------------------------------|----------------|----------------|
| Payable within One Year | 478 | 731 | - | 1,209 |
| Payable in 2-5 years | 400 | 1,780 | - | 2,180 |
| Payable between 6-10 years | - | 152 | - | 152 |
| Thereafter | (1) | 264 | 0 | 263 |
| At 31 March 2023 | 877 | 2,927 | 0 | 3,804 |

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

Provisions for Prior Year

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|--------------------------|-----------------------------|-------------------------------------|----------------|----------------|
| As at 1 April 2021 | 4,525 | 2,054 | 15 | 6,594 |
| Arising during the year | 1,040 | 356 | 8 | 1,404 |
| Utilised during the year | (1,871) | (224) | (8) | (2,103) |
| Unwinding | (1,047) | - | - | (1,047) |
| Reversed unutilised | (15) | - | - | (15) |
| At 31 March 2022 | 2,632 | 2,186 | 15 | 4,833 |

Analysis of expected timing of discounted flows to 31 March 2022

| | Clinical & Medical £'000 | Participation in CNORIS £'000 | Other £'000 | Total £'000 |
|----------------------------|-----------------------------|-------------------------------------|----------------|----------------|
| Payable within One Year | 125 | 546 | 15 | 686 |
| Payable in 2-5 years | 2,567 | 1,328 | - | 3,895 |
| Payable between 6-10 years | - | 113 | - | 113 |
| Thereafter | (60) | 199 | 0 | 139 |
| At 31 March 2022 | 2,632 | 2,186 | 15 | 4,833 |

NOTE 13B CLINICAL NEGLIGENCE AND OTHER RISKS INDEMNITY SCHEME (CNORIS)

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Provision recognising individual claims against the Board as at 31 March | 937 | 2,692 |
| Associated CNORIS receivable at 31 March | (635) | (3,512) |
| Provision recognising the Board's liability from participating in the scheme as at 31 March | 2,927 | 2,186 |
| Net Total Provision relating to CNORIS at 31 March | 3,229 | 1,366 |

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 NHS 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, NHS 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 14 CONTINGENT LIABILITIES / ASSETS

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

| | 2023 | 2022 |
|--|--------------|--------------|
| | £'000 | £'000 |
| Clinical and Medical Compensation payments | 835 | 1,088 |
| Other | - | - |
| Total Contingent Liabilities | 835 | 1,088 |

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 £613,000 in year (prior year £840,000).

NOTE 15 POST BALANCE SHEET EVENTS AFTER THE END OF THE REPORTING YEAR

There are no material events that require to be disclosed.

NOTE 16 COMMITMENTS

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

Contracted

| | 2023/24 | 2024/25 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Hospital Expansion Programme (Phase 2) | 16,287 | - |
| Total Commitments | 16,287 | - |

Authorised but not yet contracted

| | 2023/24 | 2024/25 |
|--|----------------|----------------|
| | £'000 | £'000 |
| Hospital Expansion Programme (Phase 2) | 3,153 | 10,710 |
| Total Commitments | 3,153 | 10,710 |

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NOTE 17A LEASES ASSETS

The right of use assets held by the Board are detailed below:

Cost or Valuation

| | 2023 Transport & Equipment £'000 | 2023 Plant & Machinery £'000 | Total £'000 |
|---------------------------|---|------------------------------------|----------------|
| At 1 April 2022 | 17 | 1,178 | 1,195 |
| Additions during the Year | - | - | - |
| At 31 March 2023 | 17 | 1,178 | 1,195 |

Depreciation

| | 2023 Transport & Equipment £'000 | 2023 Plant & Machinery £'000 | Total £'000 |
|---------------------------|---|------------------------------------|----------------|
| At 1 April 2022 | 17 | 1,178 | 1,195 |
| Additions during the Year | - | - | - |
| At 31 March 2023 | 17 | 1,178 | 1,195 |

Net Book Value Purchased Assets

| | 2023 Transport & Equipment £'000 | 2023 Plant & Machinery £'000 | Total £'000 |
|-------------------------|---|------------------------------------|----------------|
| At 1 April 2022 | - | - | - |
| At 31 March 2023 | - | - | - |

NOTE 17B LEASES LIABILITIES

The lease liabilities were all due within the current year.

| | 2023 Transport & Equipment £'000 | 2023 Plant & Machinery £'000 | Total £'000 |
|---------------------------|---|------------------------------------|----------------|
| Not later than one year | 17 | 1,178 | 1,195 |
| Additions during the Year | - | - | - |
| At 31 March 2023 | 17 | 1,178 | 1,195 |

NOTE 17C PART YEAR LEASES

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

Operating Leases

| | 2023 £'000 | 2022 £'000 |
|---|---------------|---------------|
| Not later than one year | 1,195 | 721 |
| Later than one, not later than two years | - | 1,224 |
| Later than two years, not later than five | - | - |
| Amounts charged to operating costs in the year were: | | |
| Hire of equipment (including vehicles) | - | - |

NOTE 18 PFI

The Board is not party to any PFI Contracts.

NOTE 19 PENSION COSTS

19.1 NHS Golden Jubilee 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.

19.2 NHS Golden Jubilee has no liability for other employers' obligations to the multi-employer scheme.

19.3 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.

19.4 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 2021 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

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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.

NHS Golden Jubilee's level of participation in the scheme is 1.2% based on the proportion of the employer contributions paid in 2022/23 against total employers' contribution across NHS Scotland.

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 2022-23 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.

The existing NHS Superannuation Scheme (Scotland)

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 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 £6,240 up to £50,000, but will be reviewed every year by the government. The initial employee contribution

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is 1% of qualifying earnings, with an employer contribution of 1%. This will increase in stages to meet levels set by government.

| Date | Employee Contribution | Employer Contribution | Total Contribution |
|------------------|------------------------------|------------------------------|---------------------------|
| 1st March 2013 | 1% | 1% | 2% |
| 1st October 2018 | 3% | 2% | 5% |
| 1st October 2019 | 5% | 3% | 8% |

Pension members can 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.

| | 2023 | 2022 |
|---|--------------|--------------|
| | £'000 | £'000 |
| Pension payments to SPPA (Employers and Employees Contribution) | 23,754 | 22,318 |
| Pension payments to SPPA (Employers Contribution) | 16,292 | 15,165 |

NOTE 20 RETROSPECTIVE RESTATEMENTS

No disclosures in relation to this note

NOTE 21 RESTATED PRIMARY STATEMENTS

No disclosures in relation to this note.

NOTE 22 FINANCIAL INSTRUMENTS

22a FINANCIAL INSTRUMENTS BY CATEGORY

Financial Assets at Fair Value (Consolidated)

At 31 March 2023 Assets per Statement of Financial Position

| | 2023 Loans and Receivables £'000 | 2022 Loans and Receivables £'000 |
|---|---|---|
| Trade and other receivables excluding prepayments, reimbursements and VAT Recoverable | 9,233 | 4,589 |
| Cash and Cash Equivalents | 15,462 | 13,109 |
| Total | 24,695 | 17,698 |

Financial Assets at Fair Value (Board)

At 31 March 2023 Assets per Statement of Financial Position

| | 2023 Loans and Receivables £'000 | 2022 Loans and Receivables £'000 |
|---|---|---|
| Trade and other receivables excluding prepayments, reimbursements and VAT Recoverable | 7,326 | 3,186 |
| Cash and Cash Equivalents | 1,038 | 2,858 |
| Total | 8,364 | 6,044 |

Financial Liabilities at Amortised Cost (Consolidated)

At 31 March 2023 Liabilities per Statement of Financial Position

| | 2023 Other Financial Liabilities £'000 | 2022 Other Financial Liabilities £'000 |
|---|---|---|
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 33,197 | 43,384 |
| Total | 33,197 | 43,384 |

Financial Liabilities at Amortised Cost (Board)

At 31 March 2023 Liabilities per Statement of Financial Position

| | 2023 Other Financial Liabilities £'000 | 2022 Other Financial Liabilities £'000 |
|---|---|---|
| Trade and other payables excluding statutory liabilities (VAT and income tax and social security), deferred income and superannuation | 34,317 | 43,003 |
| Total | 34,317 | 43,003 |

22b 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.

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| | |
|--|-------------------------|
| 31 March 2023 (Board) | Less than 1 Year |
| Trade and other payables excluding Statutory Liabilities | 34,317 |
| Total | 34,317 |

| | |
|--|-------------------------|
| 31 March 2022 (Board) | Less than 1 Year |
| Trade and other payables excluding Statutory Liabilities | 43,003 |
| Total | 43,003 |

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.

- 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.

- Foreign Currency risk

The Board is not exposed to foreign currency risk.

- Price Risk

The Board is not exposed to equity security price risk.

22c 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 23 DERIVATIVES FINANCIAL INSTRUMENTS

No disclosures in relation to this note.

NOTE 24 RELATED PARTY TRANSACTIONS

The Board has the following related party transactions for 2022/23

| Company Details | Details of Related Party Transactions | Name of Individual |
|------------------------|--|--------------------------------------|
| NHS Ayrshire & Arran | The National Waiting Times Centre Board (NWTCB) have made payments of £246,170.43 and received income of £9,405,686.92 from NHS Ayrshire & Arran. We are showing | L Semple – Non-Executive Director |

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| | | |
|---------------------------|--|--|
| | an outstanding payables figure of £17,286.89 and receivables of £332,956.99 at 31/3/23. | |
| NHS Forth Valley | The National Waiting Times Centre Board (NWTCB) have made payments of £278,431.92 and received income of £3,026,488.02 from NHS Forth Valley. We are showing an outstanding payables figure of £84,812.75 and receivables of £263,003.61 at 31/3/23. | S McAllister – Non-Executive Director |
| Unison | The National Waiting Times Centre Board (NWTCB) have made payments of £40,225.40 to UNISON. | M Brown – Non-Executive Director |
| University of Strathclyde | The National Waiting Times Centre Board (NWTCB) have made payments of £186,533.27 to University of Strathclyde. | S Wallace – Non-Executive Director |

The National Waiting Times Centre Board Endowment Fund is overseen by Trustees who are also Non-Executive Directors of the Board (as disclosed in the Remuneration Report) and is therefore a related party. The National Waiting Times Centre Board Endowment Fund (also known as the Golden Jubilee National Hospital (Scotland) Endowment Fund) is a registered Scottish Charity which expends donations for any NHS purpose and in accordance with the donor of the funds.

During 2022/23 the Board transferred £6.088m which it received as funding from the Scottish Government for the purpose of innovation projects, this is recognised in the charity accounts as income. 2021/22 transfer was £6.522m for the same purpose

NOTE 25 THIRD PARTY ASSETS

No disclosures in relation to this note.

NOTE 26 GROUP STATEMENTS

NOTE 26a CONSOLIDATED STATEMENT OF COMPREHENSIVE EXPENDITURE

| | Note | Board 2023 £'000 | Endowments 2023 £'000 | Intragroup Adjustment 2023 £'000 | Consolidated 2023 £'000 | Consolidated 2022 £'000 |
|---------------------------------------|------|------------------------|-----------------------------|---|-------------------------------|-------------------------------|
| Total Income and Expenditure | | | | | | |
| Staff Costs | 3a | 130,023 | 222 | - | 130,245 | 114,844 |
| Other Operating Expenditure | | | | | | |
| Drugs and Medical supplies | 3b | 38,484 | - | - | 38,484 | 35,382 |
| Other Health Care Expenditure | 3b | 46,756 | 1,145 | (6,088) | 41,813 | 35,374 |
| Gross Expenditure for the Year | | 215,263 | 1,367 | (6,088) | 210,542 | 185,600 |
| Less: Operating Income | 4 | (82,724) | (6,295) | 6,088 | (82,931) | (72,007) |
| Net Expenditure | | 132,539 | (4,928) | - | 127,611 | 113,593 |

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NOTE 26b CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| | Note | Board 2023 £'000 | Endowments 2023 £'000 | Intra Group Adjustments | Consolidated 2023 £'000 | Consolidated 2022 £'000 |
|---------------------------------------|------|------------------------|-----------------------------|----------------------------|-------------------------------|-------------------------------|
| NON CURRENT ASSETS | | | | | | |
| Property, Plant and Equipment | SoFP | 232,959 | - | | 232,959 | 203,502 |
| Intangible Assets | SoFP | - | - | | - | - |
| <i>Financial Assets:</i> | | | | | | |
| Trade and Other Receivables | SoFP | 2,340 | - | | 2,340 | 4,300 |
| Total Non-Current Assets | | 235,299 | - | | 235,299 | 207,802 |
| CURRENT ASSETS | | | | | | |
| Inventories | SoFP | 3,002 | - | | 3,002 | 2,886 |
| <i>Financial Assets:</i> | | | | | | |
| Trade and other Receivables | SoFP | 13,070 | 1,911 | (1,252) | 13,729 | 7,385 |
| Cash and Cash Equivalents | SoFP | 1,038 | 14,424 | | 15,462 | 13,109 |
| Total Current Assets | | 17,110 | 16,335 | (1,252) | 32,193 | 23,380 |
| TOTAL ASSETS | | 252,409 | 16,335 | (1,252) | 267,492 | 231,182 |
| CURRENT LIABILITIES | | | | | | |
| Provisions | SoFP | (1,209) | - | | (1,209) | (686) |
| <i>Financial Liabilities:</i> | | | | | | |
| Trade and Other Payables | SoFP | (48,285) | (132) | 1,252 | (47,165) | (54,023) |
| Total Current Liabilities | | (49,494) | (132) | 1,252 | (48,374) | (54,709) |
| Total Assets Less Current Liabilities | | 202,915 | 16,203 | 1,252 | 219,118 | 176,473 |
| NON CURRENT LIABILITIES | | | | | | |
| Provisions | SoFP | (2,595) | - | | (2,595) | (4,147) |
| Total Non-Current Liabilities | | (2,595) | - | | (2,595) | (4,147) |
| ASSETS LESS LIABILITIES | | 200,320 | - | 0 | 216,523 | 172,326 |
| TAXPAYERS EQUITY | | | | | | |
| General Fund | SoFP | 106,045 | - | | 106,045 | 73,925 |
| Revaluation Reserve | SoFP | 94,275 | - | | 94,275 | 87,126 |
| Funds Held on Trust | SoFP | - | 16,203 | | 16,203 | 11,275 |
| TOTAL TAXPAYERS EQUITY | | 200,320 | 16,203 | 0 | 216,523 | 172,326 |

NOTE 26c CONSOLIDATED STATEMENT OF CASHFLOWS

| | 2023 Board £'000 | 2023 Endowment £'000 | 2023 Consolidated £'000 | 2022 Board £'000 | 2022 Endowment £'000 | 2022 Consolidated £'000 |
|---|---------------------------------|-------------------------------------|--|---------------------------------|-------------------------------------|--|
| Net Operating Cost | (132,539) | 4,928 | (127,611) | (119,083) | 5,490 | (113,593) |
| Adjustments for Non-Cash Transactions | 8,992 | - | 8,992 | 7,687 | - | 7,687 |
| Movement in Working Capital | (11,007) | (755) | (11,762) | 14,973 | - | 14,973 |
| Net Cash outflow from Operating Activities | (134,554) | 4,173 | (130,381) | (96,423) | 5,490 | (90,933) |
| Purchase of Property, Plant and Equipment | (28,858) | - | (28,858) | (39,238) | - | (39,238) |
| Proceeds of disposal of Property, Plant and Equipment | - | - | - | - | - | - |
| Net Cash outflow from Investing Activities | (28,858) | - | (28,858) | (39,238) | - | (39,238) |
| Funding | 163,412 | - | 163,412 | 135,893 | - | 135,893 |
| Movement in General Fund Working Capital | (1,820) | - | (1,820) | (12,918) | - | (12,918) |
| Cash drawn down | 161,592 | - | 161,592 | 122,975 | - | 122,975 |
| Net Financing | 161,592 | - | 161,592 | 122,975 | - | 122,975 |
| Net Increase / (Decrease) in Cash and Cash Equivalents in the period | (1,820) | 4,173 | 2,353 | (12,686) | 5,490 | (7,196) |
| Cash and Cash Equivalents at the beginning of the period | 2,858 | 10,251 | 13,109 | 13,762 | 6,543 | 20,305 |
| Cash and Cash Equivalents at the end of the period | 1,038 | 14,424 | 15,462 | 1,076 | 12,033 | 13,109 |
| Increase/(decrease) in Cash in Year | (1,820) | 4,173 | 2,353 | (7,196) | - | (7,196) |
| Net Debt/Cash at 1 April 2022 | 2,858 | 10,251 | 13,109 | 13,762 | 6,543 | 20,305 |
| Net Debt/Cash at 31 March 2023 | 1,038 | 14,424 | 15,462 | 6,566 | 6,543 | 13,109 |

DIRECTIONS BY THE SCOTTISH MINISTERS

The Scottish Ministers, in exercise of their functions under section 86(1) and (3) of the National Health Service (Scotland) Act 1978, in relation to the functions of Health Boards in that section which apply to the National Waiting Times Centre Board by virtue of the National Waiting Times Centre Board (Scotland) Order 2002 as amended, and all the powers enabling them to do so hereby DIRECT that:

1. National Waiting Times Centre Board must prepare a statement of accounts for each financial year in accordance with the accounting principles and disclosure requirements set out in the edition of the Government Financial Reporting Manual which is applicable for the financial year for which the statement of accounts is prepared.
2. In preparing a statement of accounts in accordance with paragraph 1, National Waiting Times Centre Board must use the National Waiting Times Centre Board Annual Accounts Template which is applicable for the financial year for which the statement of accounts is prepared.
3. In preparing a statement of accounts in accordance with paragraph 1, National Waiting Times Centre Board must adhere to any supplementary accounting requirements set out in the following documents which are applicable for the financial year for which the statement of accounts is prepared:-
 - a. The NHS Scotland Capital Accounting Manual;
 - b. The Manual for the Annual Report and Accounts of NHS Boards and Scottish Financial Returns; and
 - c. The Scottish Public Finance Manual.
4. A statement of accounts prepared by National Waiting Times Centre Board in accordance with paragraphs 1, 2 and 3, must give a true and fair view of the income and expenditure and cash flows for that financial year, and of the state of affairs as at the end of the financial year.
5. National Waiting Times Centre Board must attach these directions as an appendix to the statement of accounts which it prepares for each financial year.
6. In these Directions:-

“Financial year” has the same meaning as that given by Schedule 1 of the Interpretation Act 1978,

“Government Financial Reporting Manual” means the technical accounting guide for the preparation of financial statements issued by HM Treasury,

“Manual for the Annual Report and Accounts of NHS Boards and for Scottish Financial Returns” means the guidance on preparing annual accounts issued to Health Boards by the Scottish Ministers,

“NHS Act 1978” means the National Health Service (Scotland) Act 1978 (c. 29),

“NHS Scotland Capital Accounting Manual” means the guidance on the application of accounting standards and practice for capital accounting transactions in the NHS issued by the Scottish Ministers,

Annual Report and Consolidated Accounts for the Year Ended 31 March 2023

“National Waiting Times Centre Board” is a Special Health Board for the whole of Scotland constituted under the National Waiting Times Centre Board (Scotland) Order 2002 (S.S.I 2002/305)’

“National Waiting Times Centre Board Annual Accounts template” means the Excel spreadsheet issued to National Waiting Times Centre Board by the Scottish Ministers as a template for their statement of accounts, and

“Scottish Public Finance Manual” means the guidance on proper handling and reporting of public funds issued by the Scottish Ministers.

7. Any expressions or definitions, where relevant and unless otherwise specified, take the meaning which they have in section 108 of the NHS Act 1978.
8. This Direction will come in to force on the day after the day on which it is signed.
9. This Direction will remain in force until such time that it is varied, amended or revoked by a further Direction of the Scottish Ministers under section 86 of the NHS Act 1978.

A large, stylized handwritten signature in black ink, appearing to read 'DMCC' followed by a long horizontal stroke.

Signed by the authority of the Scottish Ministers

Dated

22 March 2022

Delivering care through collaboration

NHS Golden Jubilee

Beardmore Street, Clydebank G81 4HX

Telephone: 0141 951 5000

www.nhsgoldenjubilee.co.uk



Chair: Susan Douglas-Scott CBE

Chief Executive: Gordon James

14 July 2023

Mr Rashpal Khangura
KPMG LLP
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

Dear Rashpal

This representation letter is provided in connection with your audit of the Group and Board financial statements of National Waiting Times Centre Board (“the Board”), for the year ended 31 March 2023, for the purpose of expressing an opinion:

- i. as to whether these financial statements give a true and fair view of the state of the Group’s and Board’s affairs as at 31 March 2023 and of the Group’s and Board’s income and expenditure for the financial year then ended; and
- ii. whether the Group’s and Board’s financial statements have been properly prepared in accordance with UK accounting policies adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
- iii. whether the Group’s and Board’s financial statements have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by Scottish Ministers.

These 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 Taxpayer’s Equity and the related notes.

The Board confirms that the representations they make in this letter are in accordance with the definitions set out in the Appendix to this letter.

The Board is required to consolidate any NHS charitable funds which are determined to be subsidiaries of the Board. The decision on whether to consolidate is dependent upon the financial materiality and governance arrangements of the charitable funds. The Board confirms that, having considered these factors, it is satisfied that the charitable funds should be consolidated.

The Board confirms that, to the best of its knowledge and belief, having made such inquiries as it considered necessary for the purpose of appropriately informing itself:

Financial statements

1. The Board has fulfilled its responsibilities, as set out in the terms of the audit engagement dated 18 May 2022, for the preparation of financial statements that:
 - i. give a true and fair view of the state of the Group's and Board's affairs as at 31 March 2023 and of the Group's and Board's income and expenditure for the financial year then ended; and
 - ii. have been prepared in accordance with UK adopted international accounting standards, as interpreted and adapted by the 2022/23 FReM; and
 - iii. have been prepared in accordance with the requirements of the National Health Service (Scotland) Act 1978 and directions made thereunder by Scottish Ministers.

The financial statements have been prepared on a going concern basis.

2. The methods, the data and the significant assumptions used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.
3. All events subsequent to the date of the financial statements and for which IAS 10 Events after the reporting period requires adjustment or disclosure have been adjusted or disclosed.
4. The effects of uncorrected misstatements are immaterial, both individually and in aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to this letter.

Information provided

5. The Board has provided you with:
 - access to all information of which it is aware, that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
 - additional information that you have requested from the Board for the purpose of the audit; and
 - unrestricted access to persons within the Group and Board from whom you determined it necessary to obtain audit evidence.
6. All transactions have been recorded in the accounting records and are reflected in the financial statements.
7. The Board confirms the following:
 - i) The Board has disclosed to you the results of its assessment of the risk that the financial statements may be materially misstated as a result of fraud.

Included in the Appendix to this letter are the definitions of fraud, including misstatements arising from fraudulent financial reporting and from misappropriation of assets.

- ii) The Board has disclosed to you all information in relation to:
 - a) Fraud or suspected fraud that it is aware of and that affects the Group's and Board and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements; and

- b) allegations of fraud, or suspected fraud, affecting the Group's and Board's financial statements communicated by employees, former employees, analysts, regulators or others.

In respect of the above, the Board acknowledges its responsibility for such internal control as it determines necessary for the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In particular, the Board acknowledges its responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud and error, and we believe we have appropriately fulfilled those responsibilities.

8. The Board has disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
9. The Board has disclosed to you and has appropriately accounted for and/or disclosed in the financial statements, in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements.
10. The Board has disclosed to you the identity of the Group and Board's related parties and all the related party relationships and transactions of which it is aware. All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with IAS 24 Related Party Disclosures.

Included in the Appendix to this letter are the definitions of both a related party and a related party transaction as we understand them and as defined in IAS 24.

11. The Board confirms that:

- a) The financial statements disclose all of the matters that are relevant to the Group's and Board's ability to continue as a going concern, including the key risk factors, assumptions made and uncertainties surrounding the Group's and Board's ability to continue as a going concern as required to provide a true and fair view and to comply with the FReM 2022/23.
- b) No material uncertainties related to events or conditions exist that may cast significant doubt on the ability of the Group's and Board to continue as a going concern.

12. The Board provides the following specific representations as follows:

- The Accountable Officer is responsible for ensuring the regularity of expenditure and income. The Board confirms that 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.

This letter was tabled and agreed at the meeting of the Board of Directors on 7 July 2023.

Yours sincerely,

Gordon James.

Gordon James
Chief Executive
NHS Golden Jubilee

14 July 2023

Appendix to the Representation Letter of National Waiting Times Centre Board:
Uncorrected audit differences

The following uncorrected audit differences have been presented as part of the Audit Report to those charged with governance and are considered by management to be immaterial to the Board's financial statements.

| Unadjusted audit differences (£'000s) | | | | |
|---------------------------------------|--|-------------------------|-----------------------------------|---|
| No | Detail | SOCI Dr/(cr) | SOPF Dr/(cr) | Comments |
| 1 | Dr Accruals Cr Other Operating Expenditure | - (964) | 964 - | Through our accruals testing, we found transactions that had been accounted for as 22/23 expenditure, however from the evidence reviewed we believe this should have been accounted for as 23/24 expenditure. This relates to three different projects for £603k, £181k and £180k respectively. |
| 2 | Dr Accruals Cr Other Operating Expenditure | - (221) | 221 - | Through our testing of goods received but not yet invoiced accruals, it was identified that VAT is automatically applied to purchase orders however VAT is not always applicable. The Board have completed an analysis and conclude that it is only NHS transactions and foreign transactions that this impacts. This creates an overstatement of accruals. |
| 3 | Dr PPE – Plant and Machinery Dr PPE – Information Technology Cr PPE – Assets under Construction Dr Other Operating Expenses - Depreciation Cr PPE - Depreciation | - - - 133 - | 671 262 (933) - (133) | Through our testing of Assets under Construction, it was identified that £933k of the balance related to assets that were completed and should have been transferred to Property, Plant and Equipment (PPE) assets in use. The Board have calculated that this would have resulted in an additional £133k of depreciation charged in 22/23. |
| Total | | (1,052) | 1,052 | |

Appendix to the Representation Letter of National Waiting Times Centre Board: Definitions

The FReM follows UK-adopted international accounting standards, as interpreted and adapted by providing technical guidance to Department for Health and Social Care bodies including NHS Boards. As such all references to international accounting standards below apply subject to interpretation provided by the FReM.

Financial Statements

FReM states that group bodies must include the following primary statements:

- a statement of financial position as at the end of the period;
- a statement of comprehensive income for the period;
- a statement of changes in taxpayers' equity for the period;
- a statement of cash flows for the period;

An entity has discretion over the presentation of the notes to the accounts. In applying discretion, the entity must be mindful of materiality, and of where the FReM sets out specific disclosure requirements that must be followed.

Entities may merge or exclude headings specified in this manual where they are irrelevant or immaterial

Material Matters

Certain representations in this letter are described as being limited to matters that are material.

IAS 1.7 and IAS 8.5 state that:

“Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Materiality depends on the nature or magnitude of information, or both. An entity assesses whether information, either individually or in combination with other information, is material in the context of its financial statements taken as a whole.

Information is obscured if it is communicated in a way that would have a similar effect for primary users of financial statements to omitting or misstating that information. The following are examples of circumstances that may result in material information being obscured:

- a) information regarding a material item, transaction or other event is disclosed in the financial statements but the language used is vague or unclear;
- b) information regarding a material item, transaction or other event is scattered throughout the financial statements;
- c) dissimilar items, transactions or other events are inappropriately aggregated;
- d) similar items, transactions or other events are inappropriately disaggregated; and
- e) the understandability of the financial statements is reduced as a result of material information being hidden by immaterial information to the extent that a primary user is unable to determine what information is material.

Assessing whether information could reasonably be expected to influence decisions made by the primary users of a specific reporting entity's general purpose financial statements requires an entity to consider the characteristics of those users while also considering the entity's own circumstances.

Many existing and potential investors, lenders and other creditors cannot require reporting entities to provide information directly to them and must rely on general purpose financial statements for much of the financial information they need. Consequently, they are the primary users to whom general purpose financial statements are directed. Financial statements are prepared for users who have a reasonable knowledge of business and economic activities and who review and analyse the information diligently. At times, even well-informed and diligent users may need to seek the aid of an adviser to understand information about complex economic phenomena.”

Fraud

Fraudulent financial reporting involves intentional misstatements including omissions of amounts or disclosures in financial statements to deceive financial statement users.

Misappropriation of assets involves the theft of an entity’s assets. It is often accompanied by false or misleading records or documents in order to conceal the fact that the assets are missing or have been pledged without proper authorisation.

Error

An error is an unintentional misstatement in financial statements, including the omission of an amount or a disclosure.

Prior period errors are omissions from, and misstatements in, the entity’s financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that:

- a) was available when financial statements for those periods were authorised for issue; and
- b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements.

Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud.

Management

For the purposes of this letter, references to “management” should be read as “management and, where appropriate, those charged with governance”.

Related Party and Related Party Transaction

Related party:

A related party is a person or entity that is related to the entity that is preparing its financial statements (referred to in IAS 24 *Related Party Disclosures* as the “reporting entity”).

- a) A person or a close member of that person’s family is related to a reporting entity if that person:
 - i. has control or joint control over the reporting entity;
 - ii. has significant influence over the reporting entity; or
 - iii. is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- b) An entity is related to a reporting entity if any of the following conditions applies:
 - i. The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii. One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

- iii. Both entities are joint ventures of the same third party.
- iv. One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v. The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- vi. The entity is controlled, or jointly controlled by a person identified in (a).
- vii. A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- viii. The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

A reporting entity is exempt from the disclosure requirements of IAS 24.18 in relation to related party transactions and outstanding balances, including commitments, with:

- a) a government that has control or joint control of, or significant influence over the reporting entity; and
- b) another entity that is a related party because the same government has control or joint control of, or significant influence over, both the reporting entity and the other entity.

Related party transaction:

A transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.