

NATIONAL WAITING TIMES CENTRE BOARD

ANNUAL REPORT AND ACCOUNTS

For Year ended 31st March 2011

The Accounting Officer authorised these financial statements for issue on 16 June 2011

National Waiting Times Centre Board

Annual Report and Accounts

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National Waiting Times Centre Board

DIRECTORS REPORT

The Directors present their report and the audited financial statements for the year ended 31 March 2011.

Naming Convention

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

Principal activities and review of the business and future developments

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

Date of Issue

Financial statements were approved and authorised for issue by the Board on 16 June 2011.

Accounting convention

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

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

Appointment of auditors

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

National Waiting Times Centre Board

Board Membership

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

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

The Directors during the period were as follows:

Chair	J Freeman OBE (appointed 1 January 2011)
Non-Executive	C Anderson - Employee Director (resigned 30 June 2010)
	J Christie – Employee Director (started 1 July 2010)
	J H Mounfield OBE
	J Freeman OBE (resigned 31 December 2010)
	Dr J E G O’Neil (interim chair until 31 December 2010)
	P J Ramsay
	M Whitehead
	J Rae
Executive Directors	J W Young - Chief Executive
	J M Carter - Director of Finance
	S Chaib - Director of Nursing
	A Flowerdew - Medical Director
	L Ferries - Director of Human Resources
	J Rogers - Director of Operations

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

Board members’ and senior managers’ interests

With the exception of the Chief Executive no other senior managers or senior staff had any interests in contracts or potential contractors with the Health Board during 2010/11, the following interests have been declared:

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

National Waiting Times Centre Board

Board members' and senior managers' interests (continued)

Name	Interest
JH Mounfield OBE	Hilary Mounfield – Convenor: Dementia Services Development Trust
Dr JEG O'Neil	Partner – Lightburn Medical Centre
PJ Ramsay	Peter Ramsay - Business Advice Services Director – ABC Schools Ltd
M Whitehead	Lay assessor of trainee doctors – NHS Education Scotland (West Deanery) Lay assessor of GPs – NHS Education Scotland Member of ethics committee – University of Strathclyde Member of executive committee – Scottish National Party
J Rae	Trustee - Ardgowan Hospice Trustee – Institute of Counselling

Directors third party indemnity provisions

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

Pension Liabilities

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

Remuneration for non-audit work

No fees were payable to auditors in respect of non-audit work during 2010/11.

Value of Land

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

Public Services Reform (Scotland) Act 2010

Following the publication of the public services reform (Scotland) act 2010 the Board is required to publish information as defined by the Act, this information can be found via the following link:
<http://www.nhsgoldenjubilee.co.uk/publications/PublicServiceReform>

National Waiting Times Centre Board

Payment policy

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

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

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

In 2010/11 average credit taken was 15 days (2009/10 – 17 days).

In 2010/11 the Board paid 86.8% by value (2009/10 – 83.10%) and 86.3% by volume within 30 days (2009/10 – 90.09%).

In 2010/11 the Board paid 61.4% by value (2009/10 – 46.40%) and 60.8% by volume within 10 days (2009/10 – 46.75%).

Corporate Governance

The Board meets regularly during the year to progress the business of the Health Board. The following standing committees are in place at the Board level:

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

Clinical governance

The membership of the Clinical Governance Committee comprises: H Mounfield, P Ramsay, J Freeman (until 31 December 2010), J Rae and is chaired by J O'Neil.

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

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

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

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

National Waiting Times Centre Board

Corporate Governance (continued)

Audit

The Audit Committee comprises: H Mounfield, J Freeman (until 31 December 2010), M Whitehead and is chaired by P Ramsay. The committee meets approximately four times per year to consider the work of internal audit, external audit and other matters as appropriate.

Staff Governance

The membership of the Staff Governance committee comprises: M Whitehead, J O'Neil, C Anderson (until 30 June 2010), J Christie (from 1 July 2010), a partnership forum representative and is chaired by J Rae.

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

Ethics

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

Disclosure of Information to Auditors

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

Human Resources

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

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

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

National Waiting Times Centre Board

Human Resources (continued)

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

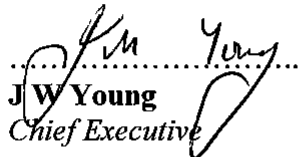
- Partnership Forum attended by Staff and Management Representatives across the Board, which ensures that there is a forum for staff input on a range of areas including service developments.
- Staff Governance Policy sub-group, which ensures there is staff input in the formulation of personnel policies and procedures, e.g. Maternity Leave, Equality and Diversity, Dependants Leave.
- Policies and Procedures, which include consultation with the staff and their representatives, e.g. Policy on Managing Workforce Change.
- Clinical Governance, Risk and Quality groups where the views of staff are taken into account in the provision of service delivery.
- Workforce Development Group includes representation from a range of Hospital disciplines on areas such as Service Redesign and Development of new roles.

Events after the end of the reporting period

There were no post balance sheets.

Financial Instruments

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


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J W Young
Chief Executive

Date: 16 June 2011

National Waiting Times Centre Board

Principal activities and review of the year

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

The Golden Jubilee National Hospital

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

Summary of our services

Clinical Services

- Cardiac Surgery
- Thoracic Surgery
- National Cardiac Services
- Diagnostic cardiology
- Interventional cardiology
- Orthopaedic surgery
- General surgery, inc Endoscopy
- Ophthalmic surgery
- Plastic surgery
- Bariatric surgery

Diagnostic Imaging Services

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

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

- all heart and lung surgery for the West of Scotland, including all bypasses, heart valve surgery and other complex procedures.
- Interventional cardiology services, including angioplasty, angiography, electrophysiology and complex pacemakers.
- the Scottish Advanced Heart Failure Service, including the heart transplant unit;
- the Scottish Pulmonary Vascular Unit; and the
- Scottish Adult Congenital Cardiac Service (SACCS), previously known as the Grown-Up Congenital Heart unit (GUCH).

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

The Beardmore Hotel and Conference Centre

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

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

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

The unique status of the centre allows them to offer preferential rates for NHS and public sector

National Waiting Times Centre Board

Principal activities and review of the year (continued)

colleagues booking conferences or events but to also cater for commercial business and keep at the heart of the local community by continuing to provide a facility for family celebrations and local events.

Facilities include:

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

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

- Scottish Conference Hotel of the Year 2011;
- Scottish Business Hotel of the Year 2010 and 2009;
- Conference Centre of Excellence accredited 2008;
- Scottish Business Hotel Special Commendation 2007 and 2008;
- Green Tourism Silver Award;
- Investors in People 10 year achievement award; and
- Investors in People Silver award 2010.

2010/11 Patient activity

In 2010/11, we were set a target of carrying a total of 21,395 in-patient, day case and diagnostic examinations. The range of services provided included: orthopaedic surgery, general surgery, ophthalmic surgery, plastic surgery, bariatric surgery, hand surgery, spinal surgery, endoscopy and diagnostic imaging. This number excludes any activity associated to the regional and national heart and lung services.

The actual number of inpatients, day cases and diagnostic examinations carried out in 2010/11 was 22,736 which was 1,341 procedures more than anticipated at the beginning of the year, and 6.3% ahead of plan.

The areas of general surgery, ophthalmic surgery, plastic surgery, endoscopy and diagnostic imaging performed better than planned.

Similarly to last year, our orthopaedic case mix included a high number of revisions and complex cases (which requires more than one theatre slot). Taking our complex joint replacements into consideration, we exceeded our Orthopaedic target by 3.2%.

In addition, due to the flexible nature of our organisation, we quickly introduced a spinal surgery pilot in response to demand from neighbouring NHS Boards. This was an additional speciality to our clinical services.

National Waiting Times Centre Board

Principal activities and review of the year (continued)

Cardiac surgery waiting time

In 2010/11, a significant amount of work has been invested in minimising the risk to patients' waiting time guarantees.

At the end of March 2011 there were 143 patients on the available waiting list. We also had 83 patients who were on the unavailable list due to medical or social reasons. The combined total is 226 patients.

Clinical strategy

During 2010/11, work progressed in all areas of our clinical strategy. Most notably this is in relation to the introduction of Bariatric Surgery and the approval of our Advanced Heart Failure Strategy.

Bariatric service

Our new Bariatric service was introduced in June 2010 for those requiring laparoscopic banding (gastric band) procedures. The service includes pre-admission assessment, surgery and approximately two follow up visits with band adjustments carried out under radiological supervision, if required. Weight reduction and clinical psychology programmes, as well as follow up care, continue to be provided by the referring health board.

Patients visit a 'one stop shop' where they will receive an initial consultation, have their pre-operative assessment and receive pre and post operative dietary advice from the hospital's Dietician. As well as reducing the number of visits patients need to make to Clydebank; this speeds up the process from referral to treatment.

The Scottish Advanced Heart Failure Strategy

The Scottish National Advanced Heart Failure Strategy was launched in February 2011 to enhance the care and treatment of heart failure patients across the country.

The strategy identifies clear priorities including:

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

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

Ventricular Assist Devices (VADs) can be short or long term and help the failing heart by pumping blood around the body.

Short term VADs act as a bridge to either recovery, a heart transplant or a long term VAD. It can also be used to support a transplanted heart if it initially fails. Long term VADs can be used as bridge to transplant, as a bridge to recovery (which can allow full organ recovery). The intention is that, once their

National Waiting Times Centre Board

Principal activities and review of the year (continued)

clinical effectiveness is fully proven, they could be used as ‘destination’ therapy for patients who are not eligible for transplant.

When long term VADs are used as a bridge to transplantation, 79 per cent of extremely sick patients are now alive at 18 months and when VADs are used in other parts of the world as “destination therapy” the number of patients alive two years following implantation has increased from 23 per cent to 60 per cent over the last decade. The Golden Jubilee is acting as a centre of evaluation to help the development of the VAD programme in the UK.

The Beardmore Centre for Health Science

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

The first-class centre aims to:

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

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

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

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

National Waiting Times Centre Board

Financial Performance and Position

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

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

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

	Limit as set by SGHD £'000 (1)	Actual Outturn £'000 (2)	Variance (Over)/Under £'000 (3)	
1	Revenue Resource limit - core	51,755	51,242	533
	Revenue Resource limit – non core	7,685	7,654	31
2	Capital Resource Limit	4,368	4,211	157
3	Cash Requirement	53,300	53,273	27

MEMORANDUM FOR IN YEAR OUTTURN		£'000
Brought forward deficit (surplus) from previous financial year		1,690
Saving/(excess) against in year Core Revenue Resource Limit (core funding)		<u>533</u>

The reported underspend above is associated with the change in asset lives, this has been approved by the Scottish Government Health Directorate.

Provisions for bad and doubtful debts

A provision of £19,000 has been provided in year in relation to bad/doubtful debts (prior year £5,000).

Outstanding liabilities

The Board has no outstanding liabilities for the period.

Significant remote contingent liabilities

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

Legal obligations

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

- Clinical & Medical - £737,000 (prior year £403,000)
- Other - £47,000 (prior year £15,000)
- Total for year – £784,000 (prior year £418,000)

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

National Waiting Times Centre Board

Financial Performance and Position (continued)

Where no certainty has been attributed to future claims these have been accounted for via contingent liabilities, current year £185,000 (prior year £281,000).

Prior year adjustments

Until 2010/11, the Board had been charged a cost of capital charge on average relevant net assets at the Government's standard rate, as determined by HM Treasury. The rate for the period ended 31 March 2010 was 3.5%. However, the government has decided not to impose a cost of capital charge for the year ended 31 March 2011 and this has resulted in the prior year figures being restated to exclude a cost of capital charge.

Significant changes in fixed assets

As part of the annual valuation carried out an impairment of £1,745,000 has been included in the balance sheet, this relates to work on the new clinical skills and research centre and a number of smaller building projects, funding for this was received from SGHD.

PFI/PPP

There are no PFI/PPP schemes within the Board.

Post-Balance Sheet items

There are no post-balance sheet items.

Sickness absence data

The sickness absence rates for 2010/11 were 3.97% (4.00% for 2009/10).

Personal data related incidents

There were no personal data related incidents reported during 2010/11.

Key Performance Indicators

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

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

National Waiting Times Centre Board

Key Performance Indicators (continued)

NWTCB Local Delivery Plan Agreed Targets

The National Waiting Times Centre Board (NWTCB) is an NHS Special Health Board. In 2010/11, we carried out a total of 22,736 inpatient, day case and diagnostic examinations, exceeding the activity target by 6.3%. The range of services includes: orthopaedic, general, ophthalmic and plastic surgery, minor procedures, endoscopy and diagnostic imaging. This number excludes the activity associated to the West of Scotland Heart and Lung programme, which is measured through our performance management process.

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

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

The key and local targets submitted for the LDP for 2010/11 are as follows:

Key Performance Indicators

1. Local Targets and Priorities

Local Targets	Status at 31/3/11
<p>1.1 The Beardmore Hotel and Conference Centre</p>	<p>The income target for the year was met and the year end % of NHS/PS business was 53%, exceeding the target of 41%. The Beardmore Strategy was approved by the Board on 22 July 2010. The focus of the Strategy for the next three years is consolidation with modest growth, increasing the role of the Beardmore within NWTC and focussing on creating a Conference Centre of Excellence for Healthcare. This aim was strengthened through the award to the Beardmore of Scottish Conference Hotel of the Year in March 2011. The Beardmore auditorium was upgraded in May 2010 to enhance the comfort and conference experience of delegates. All 174 chairs were re-upholstered and upgraded with a writing tablet for ease of note-taking. Additional work to upgrade the projection and audio-visual facilities were scoped and implemented in December 2010.</p>
<p>1.2 Capacity and Activity target for 2010/11</p>	<p>All activity numbers are still subject to final verification, however as at end March we have carried out 23,003 (adjusted for case mix complexity) inpatient, day case and diagnostic procedures exceeding our activity target of 21,395 by 1,608 procedures (7.5%). Additional Magnetic Resonance Imaging (MRI), ultrasound, dexta scanning and Computer Tomography (CT) sessions were also made available to Boards on request. At the end of March 2011 diagnostic imaging activity had exceeded the annual target by 5.5%</p>

National Waiting Times Centre Board

Key Performance Indicators (continued)

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

2010/11 HEAT Target No.	Key Performance Targets	Status at 31/03/11	Comments
E4 KPM1	Efficiency savings: Same Day Surgery Local Board target as agreed with SGHD: % of British Association of Day Surgery (BADS) procedures carried out as day cases Target 79%	As at end March, our cumulative performance in carrying out BADS procedures is 74% against a target of 79%.	There were a number of risks associated with the delivery of this target and during 2010/11, demand for General Surgery and Orthopaedic non-joint activity has significantly reduced from the levels in previous year.
E4 KPM4	Efficiency Savings: New outpatient appointment DNA rates	Achieve 5% reduction in 1st OP DNA rate by March 2011. Target to reduce DNAs to below 7.5%.	Target reduction exceeded - 1 st OP DNA rate April 2010-March 2011 was 5.9%
E4 KPM5	Efficiency Savings: Reduce Pre-operative Stay (planned surgery only)	Trajectory target for June 2010 of 0.78% reducing to 0.75% by March 2011	The most recent ISD data available indicates a pre-operative stay % of 0.89 in September 2010 against a trajectory of 0.77 putting this KPI in the red range at that stage. Our pre-op stay target performance is heavily influenced by the levels of activity for General Surgery and our Orthopaedic case mix complexity (joint versus non-joint activity).
E5 KPM1	Financial Performance NHS boards to operate within their agreed revenue resource limit; operate within their capital resource limit; meet their cash requirement; meet their cash efficiency target	RRL out-turn £0.533m underspend in-year. Total capital spend of £4.211m against a capital resource limit of £4.368m.	

National Waiting Times Centre Board

Key Performance Indicators (continued)

2010/11 HEAT Target No.	Key Performance Targets	Status at 31/03/11	Comments
E6 KPM1	Cash Efficiencies	Recurring efficiency savings of £3,009 achieved against target of £2,470k.	
E8 KPM1	Reduce Carbon Emissions by 3% year on year from 2010/11 to 2015/16 (2009/10 Baseline).	The validated carbon emissions figures for the period April to December 2010 indicate that we have increased our CO2 emissions by 5% against the 2009/10 baseline.	A number of Board initiatives are ongoing to reduce energy consumption and CO2 emissions. These are split into: <ul style="list-style-type: none"> - Estates Projects - Supporting Initiatives e.g. culture of good energy behaviour.
E8 KPM2	Reduce Energy Consumption by 1% year on year from 2010/11 to 2015/16 (2009/10 Baseline).	The validated energy usage figures for the period April to December 2010 indicate that we have increased our energy usage by 3.9% against the 2009/10 baseline.	Estates projects ongoing include: <ul style="list-style-type: none"> - installation of sub-metering - review of plant and lighting controls - bid placed for support to decentralise the boiler system
E10 KPM1	Knowledge and Skills Framework (KSF) – Personal Development Plan (PDP) Review	As at end March 2011, 87% of staff on Agenda for Change contracts had a KSF PDP review on e-KSF against a target of 80%.	HEAT Target achieved.

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

2010/11 HEAT Target No.	Key Performance Targets	Status at 31/03/11	Comments
A9 KPM2	All Cancer Treatment (31 days)	100% of lung cancer patients were treated at GJNH within the 31 day wait time target	Full Quarter 4 data for this target is not yet available

National Waiting Times Centre Board

Key Performance Indicators (continued)

A10: Deliver 18 weeks referral to treatment from 31 December 2011. No patient will wait longer than 12 weeks from referral to a first outpatient appointment from 31 March 2010. No patient will wait longer than 9 weeks from being placed on a waiting list to admission for an inpatient or day case treatment from 31 March 2010.

A10.KPM1.a – Admitted Performance

A10.KPM1.b – Admitted Completeness

A10.KPM1.c – Non-Admitted Performance

A10.KPM1.d – Non-Admitted Completeness

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

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

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

The Board's systems allow us to capture the Unique Care Pathway Number (UCPN) on both the inpatient and outpatient episode. The UCPN is a unique number generated via SCI Gateway when a GP makes a referral to secondary care. This number follows the patient journey until that particular journey stops with either treatment or removal from the system. The UCPN will be used solely for tracking purposes as patients move through their particular pathways and also move Boards for treatment. It is an identifier only and does not carry any related 18 Week RTT information. However it does ease the tracking of patients and we are keen that referring Boards increase compliance with including the UCPN number on tertiary referrals.

2010/11 HEAT Target No.	Key Performance Targets	Status at 31/03/11	Comments
A10 KPM3	Inpatients & Day Cases: Maximum 9 weeks	Wait Times targets achieved in March 2011.	Between April 2010 and March 2011 all waiting time guarantees were met with the exception in January of one patient waiting for Angiography breaching the 4 week wait time guarantee. This was a result of the patient's referral not being registered on the waiting list.

National Waiting Times Centre Board

Key Performance Indicators (continued)

4. NHS Scotland Objective 4 – Treatment

		Status at 31/03/11	Comments
T11 KPM 1	MRSA/MSSA Bacteraemias: 15% Reduction by March 2011	SABs for 2009/10 = 26 SABs for 2010/11 = 13 During 2010/11 there was a 50% reduction in SAB's	Target exceeded. The Board agreed with Health Protection Scotland that performance in reducing bacteraemias would be measured using 2009/10 as a baseline year. The 50% reduction during 2010/11 is a significant achievement and will prove challenging to maintain.
T11 KPM 2	Clostridium difficile infections in ages 65+: at least 50% Reduction by March 2011. Target reduction increased from 30% to 50% in June 2010.	CDI for 2009/10 = 8 CDI for 2010/11 = 3	Between 2009/10 and 2010/11 we achieved a 62.5% reduction in CDI. The revised CDI target meant that NWTCB should not exceed 2 CDI cases during 2010/11. The target was therefore not met due to one CDI case. Maintaining these reductions is very challenging due to the very small number of cases involved.

Sustainability and environmental reporting

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

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

Works undertaken in the past 12 months include:

- Further installation of high frequency lighting and automatic lighting systems in the hospital.
- Installation of a further cycle shed.
- Replacement of chillers with energy efficient models.
- Identified leads for each strand of the sustainability strategy.

Plans for the coming year include:

- Continued installation of high frequency lighting and automatic lighting system.
- Further staff awareness training to be organised in conjunction with the Carbon Trust.

National Waiting Times Centre Board

Sustainability and environmental reporting (continued)

- Improved energy saving signage around the building.
- Installation of controls to slow down the theatre air handling units of a night or when theatres are not in use.
- Further upgrades to BMS controls to improve the efficiency of major plant and equipment.
- Continue working with Clydebank Rebuilt regarding the development of the new path to run through the hospital grounds. Demonstrating the partnership working to develop a sustainable community project.
- Planting to improve the natural habitat along the riverside including the development of a “meadow grass” area.
- Continuing review of the steam systems with a view to decentralising the heating and replacing the steam to water calorifiers with high efficiency gas boilers.
- Working with local businesses to create a biogas plant to supply the hospital heating systems.

REMUNERATION REPORT

Remuneration

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

Notice Periods

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

Remuneration Committee – Role and Purpose

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

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

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

The Remuneration Committee - Membership

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

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

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

National Waiting Times Centre Board

REMUNERATION REPORT (continued)

The Remuneration Committee - Conduct of Business:

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

Performance Appraisal

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

Performance Appraisal – for staff covered under Agenda for Change

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

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

Payments to past senior managers

No significant payments were made to past senior managers during 2010/11.

National Waiting Times Centre Board

BOARD MEMBERS AND SENIOR EMPLOYEES REMUNERATION

The following tables provide a breakdown of executive and non-executive directors' remuneration in 2010/11 and 2009/10 and have been audited by the Board's auditors.

FOR THE YEAR ENDED 31 MARCH 2011

2011 Name	Remuneration (bands of £5,000)	Real increase in pension at age 60 (bands of £2,500)	Total accrued pension at age 60 at 31 March (bands of £5,000)	Cash equivalent Transfer Value (CETV) at 31 March 2010 £'000	Cash equivalent Transfer Value (CETV) at 31 March 2011 £'000	Real Increase in CETV in year £'000	Benefits in kind £'000
Remuneration of:							
Executive Members							
Chief Executive: JW Young	110-115	0-2.5	40-45	644	813	(13)	3.3
Director of Finance: J M Carter	75-80	0-2.5	15-20	180	245	35	-
J Rogers	70-75	0-2.5	5-10	136	186	18	4.8
A Flowerdew	145-150	0-2.5	5-10	30	85	54	9.8
S Chaib	80-85	0-2.5	5-10	111	155	15	6.2
L Ferries	85-90	0-2.5	5-10	114	164	20	3.0
Non-Executive Members							
Chair: J Freeman OBE (started 1 January 2011)	10-15	-	-	-	-	-	-
C Anderson (resigned 30 June 2010)	0-5	-	-	-	-	-	-
J Christie (started 1 July 2010)	5-10	-	-	-	-	-	-
J H Mounfield OBE	5-10	-	-	-	-	-	-
Dr J E G O'Neil (acting Chair to 31 December 2010)	20-25	-	-	-	-	-	-
P J Ramsay	5-10	-	-	-	-	-	-
J Rae	5-10	-	-	-	-	-	-
M Whitehead	5-10	-	-	-	-	-	-

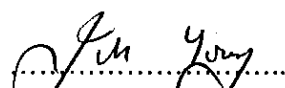
The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year. There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2009/10 and are included in the salary costs.

National Waiting Times Centre Board

FOR THE YEAR ENDED 31 MARCH 2010

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

The remuneration of Executive Directors includes employers' superannuation incurred by the Board in year. There were no performance related bonuses paid to the executives of the Board during the year. Discretionary points were paid to the medical director during the year relating to 2008/09 and are included in the salary costs.


 JW Young
 Chief Executive

Date: 16 June 2011

National Waiting Times Centre Board

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

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

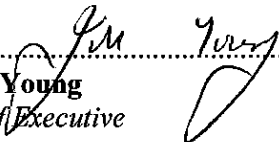
This designation carries with it, responsibility for:

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

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

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

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

.....

J W Young
Chief Executive

Date: 16 June 2011

National Waiting Times Centre Board

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

Under the National Health Service (Scotland) Act 1978, the National Waiting Times Centre Board is required to prepare accounts in accordance with the directions of the Scottish Ministers which require that those accounts give a true and fair view of the state of affairs of the NHS Board as at 31 March 2011 and of its operating costs for the year then ended. In preparing those accounts, the Directors are required to:

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

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

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



.....

J Freeman OBE

Chair



.....

J M Carter

Director of Finance

Date: 16 June 2011

National Waiting Times Centre Board

Statement on internal control

Responsibility

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

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

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

On an annual basis the Board completes the Audit Scotland Best Value self assessment toolkit to ensure that the Board has sound systems and processes in place to confirm that the nine characteristics of best value are embedded in the work of the Board. This is an iterative process undertaken to ensure that continuous improvement is evident in the working of the Board. During the year steps have also been taken to ensure that the characteristics of best value are incorporated into all business cases prepared within the Board.

During the course of the review a detailed review of the organisational structure was undertaken which gave due consideration to five key drivers:

- Quality of care;
- Staff governance;
- Efficiency and productivity;
- Financial environment; and
- Service providers.

The outcome from phase one of the review has seen a reduction in the number of clinical directorates, based on the patient pathway and the introduction of corporate groupings and was completed by 31 March 2011 with the new structure being in place for 2011/12. This new structure will further enhance the governance arrangements already embedded across the organisation.

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

Purpose of the System of Internal Control

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

The system of internal control is based on an ongoing process designed to identify and prioritise the

National Waiting Times Centre Board

Statement on internal control (continued)

principal risks to the achievement of the organisation's policies, aims and objectives, to evaluate the likelihood of the nature and extent of those risks and to manage them efficiently, effectively and economically.

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

Risk and Control Framework

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

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

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

Clinical Governance and Risk Management Steering Group, which has been operational for the full year, ensures that all risks are addressed fully and in a timely manner. The group meets on a regular basis with updates being provided via the clinical governance committee to the Board and Audit Committee.

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

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

Review of Effectiveness

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

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

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

National Waiting Times Centre Board

Statement on internal control (continued)

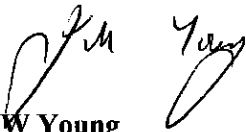
The Audit Committee, through its statutory role of reviewing internal controls, and the Clinical Governance and Risk Management Steering Group, through its role in ensuring that risks are being managed, provides assurance to me as accountable officer.

In preparing this statement recognition has been given to the revised guidance for ensuring best value in public services and work is in progress to streamline and incorporate this guidance with the existing reporting of the best value characteristics.

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

Disclosures

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



J W Young

Chief Executive

Date: 16 June 2011

National Waiting Times Centre Board

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

We have audited the financial statements of National Waiting Times Centre Board for the year ended 31 March 2011 set out on pages 31 to 73. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRS) as adopted by the European Union, and as interpreted and adapted by HM Treasury Financial Reporting Manual 2010-11.

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

Respective responsibilities of the accountable officer and auditors

As explained more fully in the statement of the Chief Executives Responsibilities as the accountable officer of the Health Board, set out on page 24, the accountable officer is responsible for the preparation of financial statements and for being satisfied that they give a true and fair view, and is also responsible for ensuring the regularity of expenditure and receipts. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors. We are also responsible for giving an opinion of the regularity of expenditure and receipts.

Scope of the audit of financial statements

An audit involved obtaining evidence about the amounts, disclosures, and regularity of expenditure and receipts in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This included an assessment of: whether the accounting policies are appropriate to the Health Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the accountable officer; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify any material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications in our report.

Opinion on financial statements

In our opinion the financial statements:

- Give a true and fair view of the state of the Health Board's affairs as at 31 March 2011 and of its net operating cost for the year then ended;
- Have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union, and as interpreted and adapted by the HM Treasury Financial Reporting Manual 2010-11; 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.

National Waiting Times Centre Board

INDEPENDENT AUDITOR'S REPORT TO NATIONAL WAITING TIMES CENTRE BOARD, THE AUDITOR GENERAL FOR SCOTLAND AND THE SCOTTISH PARLIAMENT (continued)

Opinion on regularity prescribed by the Public Finance and Accountability (Scotland) Act 2000

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

Opinion on other matters prescribed by the Public Finance and Accountability (Scotland) Act 2000

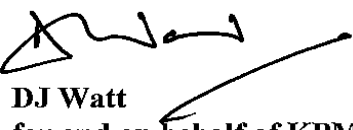
In our opinion:

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Public Finance and Accountability (Scotland) Act 2000 requires us to report to you if, in our opinion:

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


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

24 June 2011

National Waiting Times Centre Board

Statement of Comprehensive Net Expenditure (SOCNE) and Summary of Resource Outturn for the year ended 31 March 2011

	<i>Note</i>	2011	2011	2010	2010
		£'000	£'000	(restated)	(restated)
				£'000	£'000
Clinical Services Costs					
Hospital and Community Health Services	4	106,670		102,959	
Less: Hospital and Community Income	8	51,015		48,860	
			55,655		54,099
Family Health	5	-		-	
Less: Family Health Income	8	-		-	
			55,655		54,099
Total Clinical Services Costs					
Administration Costs	6	7,995		7,828	
Less: Administration Income	8				
			7,995		7,828
Other Non Clinical Services	7				
Less: Other Operating Income	8	4,754		5,344	
			(4,754)		(5,344)
Net Operating Costs	<i>SOCTE</i>		58,896		56,583
 Other Comprehensive Net Expenditure					
			2011		2010
			£'000		£'000
Net (gain)/loss on Revaluation of Property, Plant and Equipment			280		1,712
Net (gain)/loss on Revaluation of Intangible assets					
Net (gain)/loss on Revaluation of available for sale financial assets					
Other comprehensive expenditure			280		1,712
Total Comprehensive Expenditure			59,176		58,295

National Waiting Times Centre Board

Statement of Comprehensive Net Expenditure and Summary of Resource Outturn for the year ended 31 March 2011

SUMMARY OF CORE REVENUE RESOURCE OUTTURN

	2011 £'000	2011 £'000
Net Operating Costs		58,896
Total Non Core Expenditure (see below)		(7,654)
FHS Non Discretionary Allocation		-
Total Core Expenditure		51,242
Core Revenue Resource Limit		51,775
Saving/(excess) against Core Revenue Resource Limit		533

SUMMARY OF NON CORE REVENUE RESOURCE OUTTURN

Capital Grants to / (from) Other Bodies	-	
Depreciation/Amortisation	5,435	
Annually Managed Expenditure - Impairments	1,745	
Annually Managed Expenditure - Creation of Provisions	474	
IFRS PFI Expenditure	-	
Total Non Core Expenditure		7,654
Non Core Revenue Resource Limit		7,685
Saving/(excess) against Non Core Revenue Resource Limit		31

SUMMARY RESOURCE OUTTURN

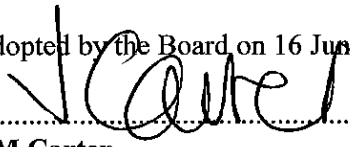
	Resource £'000	Expenditure £'000	Saving/(Excess) £'000
Core	51,775	51,242	533
Non Core	7,685	7,654	31
Total	59,460	58,896	564

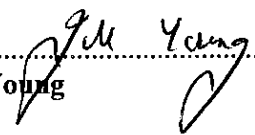
National Waiting Times Centre Board

Balance sheet as at 31 March 2011

	Note	2011 £000	2011 £000	2010 £'000	2009 £'000
Non-Current Assets					
Property, plant and equipment	11	134,800		138,049	136,303
Intangible Assets	10	-		-	-
Financial Assets:					
- Available for sale financial assets	14	-		-	-
- Trade and other receivables	13	-		-	-
Total Non-current Assets			<u>134,800</u>	<u>138,049</u>	<u>136,303</u>
Current assets					
Inventories	12	1,106		1,245	1,542
Financial Assets:					
- Trade and other receivables	13	4,705		10,396	17,395
- Cash and cash equivalents	15	6,097		3,286	3,269
- Available for sale financial assets	14	-		-	-
- Derivatives financial assets	28	-		-	-
Assets classified as held for sale	11c	-		-	-
Total Current Assets			<u>11,908</u>	<u>14,927</u>	<u>22,206</u>
Total Assets			<u>146,708</u>	<u>152,976</u>	<u>158,509</u>
Current Liabilities					
Provisions	17	(784)		(418)	(248)
Financial Liabilities:					
- Trade and other payables	16	(20,766)		(18,687)	(20,943)
- Derivative financial Liabilities	28	-		-	-
Total Current Liabilities			<u>(21,550)</u>	<u>(19,105)</u>	<u>(21,191)</u>
Non-current assets plus/less net current assets/liabilities			<u>125,158</u>	<u>133,871</u>	<u>137,318</u>
Non-current liabilities					
Provisions	17	-		-	-
Financial Liabilities:					
- trade and other payables	16	-		-	-
Total Non-current liabilities			<u>-</u>	<u>-</u>	<u>-</u>
Assets less liabilities			<u>125,158</u>	<u>133,871</u>	<u>137,318</u>
Taxpayers' Equity					
General Fund	SOCTE		51,044	59,477	64,636
Revaluation reserve	SOCTE		74,114	74,394	72,682
Donated asset reserve	SOCTE		-	-	-
Other reserves	SOCTE		-	-	-
Government Grant Reserve	SOCTE		-	-	-
Total Taxpayers' Equity			<u>125,158</u>	<u>133,871</u>	<u>137,318</u>

Adopted by the Board on 16 June 2011

 Director of Finance
J M Carter

 Chief Executive
J W Young

National Waiting Times Centre Board

Cash flow statement for the year ended 31 March 2011

	<i>Note</i>	2011	2011	2010	2010
		£'000	£'000	(restated)	(restated)
				£'000	£'000
Cash flows from operating activities					
Net operating cost	<i>SOCNE</i>	(58,896)		(56,583)	
Adjustments for non-cash transactions	<i>3</i>	7,180		7,320	
Add back: interest payable recognised in net operating cost	<i>3</i>	-		-	
Deduct: interest receivable recognised in net operating cost	<i>8</i>	-		-	
(Increase)/decrease in trade and other receivables	<i>18</i>	5,691		6,999	
(Increase)/decrease in inventories	<i>18</i>	139		297	
Increase/(decrease) in trade and other payables	<i>18</i>	(731)		(2,845)	
Increase in provisions	<i>18</i>	366		170	
			<u>(46,251)</u>		<u>(44,642)</u>
Cash flows from investing activities					
Purchase of property, plant and equipment		(4,211)		(6,794)	
Purchase of intangible assets		-		-	
Proceeds of disposal of property, plant and equipment		-		11	
Proceeds of disposal of intangible assets		-		-	
Interest received		-		-	
Net cash outflow from investing activities			<u>(4,211)</u>		<u>(6,783)</u>
Cash flows from financing activities					
Funding	<i>SOCTE</i>	50,463		51,424	
Movement in general fund working capital	<i>SOCTE</i>	2,810		18	
Cash drawn down			<u>53,273</u>	<u>51,442</u>	
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts					
Interest paid	<i>3</i>	-		-	
Interest element of finance leases and on-balance sheet PFI/PPP contracts	<i>3</i>	-		-	
Net financing			<u>53,273</u>	<u>51,442</u>	
Net Increase/(decrease) in cash and cash equivalents in the period			2,811		17
Cash and cash equivalents at the beginning of the period			3,286		3,269
Cash and cash equivalents at the end of the period			<u>6,097</u>		<u>3,286</u>
Reconciliation of net cash flow to movement in net debt/cash					
Increase/(decrease) in cash in year			2,811		17
Net debt/cash at 1 April	<i>15</i>		3,286		3,269
Net debt/cash at 31 March	<i>15</i>		<u>6,097</u>		<u>3,286</u>

National Waiting Times Centre Board

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

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

National Waiting Times Centre Board

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

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

Notes to the Accounts

Note 1 Accounting Policies

1. Authority

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

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

(a) Standards, amendments and interpretations effective in 2010/11

There are no new standards, amendments or interpretations effective for the first time in 2010/11.

(b) Standards, amendments and interpretations early adopted in 2010/11

There are no new standards, amendments or interpretations early adopted in 2010/11.

2. Basis of Consolidation

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

3. Prior Year Adjustments

As indicated in chapter 11 of the 2010-11 FReM the financial regime of health bodies has been amended to remove the Cost of Capital from 1 April 2010. This is considered to a voluntary change in accounting policy for which the following disclosure is required:

- Nature – change in the NHS financial regime removing Cost of Capital charge
- Reasons – to properly reflect the revised costs under the current financial regime
- Quantification – the cost of capital charge of £4.815m for 2009/10 has been removed from the comparative figures in the operating cost statement, balance sheet, cash flow statement and statement of changes in taxpayers equity together with notes 3, 4 and 6.

4. Going Concern

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

5. Accounting Convention

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

6. Funding

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

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

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

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

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

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

Expenditure on goods and services is recognised when, and to the extent that they have been received, and is measured at the fair value of those goods and services.

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

7. Property, plant and equipment

The treatment of fixed 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.

2.1 Recognition

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

All assets falling into the following categories are capitalised:

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

2.2 Measurement

Valuation

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

All assets are measured subsequently at fair value as follows:

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

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

Subsequent expenditure:

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

Revaluation and Impairment:

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

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

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Note 1 Accounting Policies (continued)

2.3 Depreciation

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

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

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

Depreciation is charged on a straight-line basis.

The following asset lives have been used for the period:

Asset Category/Component	Useful Life
Structure	29 – 74 years
Landscaping & Surfacing	18 – 42 years
Engineering	24 – 39 years
Medical Equipment	10 years
Furniture & Fittings	10 years
Information Systems & Office Equipment	5 years

8. Sale of Property, plant and equipment, intangible assets and non-current assets held for sale

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

9. Leasing

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

10. Impairment of non-financial assets

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

identifiable cash flows (cash-generating units). Non-financial assets that suffer an impairment are reviewed for possible reversal of the impairment. Impairment losses charged to the Operating Cost Statement (OCS) are deducted from future operating costs to the extent that they are identified as being reversed in subsequent revaluations.

11. General Fund Debtors and Creditors

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

12. Inventories

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

13. 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.

14. Employee Benefits

Short-term Employee Benefits

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

Pension Costs

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

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

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

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

15. Clinical and Medical Negligence Costs

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

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

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

16. Related Party Transactions

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

17. Value Added Tax

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

18. Provisions

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

19. Contingencies

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

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

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

20. Corresponding Amounts

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

21. Financial Instruments

Financial assets

Classification

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

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

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

(b) Loans and receivables

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

(c) Available-for-sale financial assets

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

Recognition and measurement

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

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

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

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

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

(b) Loans and receivables

Loans and receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of loans and receivables is established when there is objective evidence that the Board will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the loan and receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the operating cost statement. When a loan or receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited in the operating cost statement.

(c) Available-for-sale financial assets

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

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

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

Financial Liabilities

Classification

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

(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.

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

(b) Other financial liabilities

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

Recognition and measurement

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

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

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

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

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

(b) Other financial liabilities

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

22. Segmental Reporting

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

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

23. Cash and cash equivalents

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

National Waiting Times Centre Board

Note 1 Accounting Policies (continued)

24. Foreign exchange

The functional and presentational currencies of the Board are sterling.

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

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

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

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

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

25. Key Sources of judgement and estimation uncertainty

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

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

Impairments

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

Material Provisions

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

Significant Risks

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

National Waiting Times Centre Board

Note 2(a) Staff Numbers and Costs

(i) Segmentation of Staff Costs

2011	Executive Board Members £'000	Non Executive Members £'000	Permanent Staff £'000	Inward Secondees £'000	Other Staff £'000	Outward Secondees £'000	Total £'000	2010 £'000
Salaries and wages	513	73	46,743	-	783	81	48,193	45,804
Social security costs	55	5	4,005	-	34	6	4,105	3,859
NHS Scheme employers' costs	66	-	5,003	-	7	11	5,087	4,580
Other employers' pension costs	-	-	5	-	-	-	5	6
Inward Secondees	-	-	-	240	630	-	870	909
Agency staff	-	-	-	-	3,594	-	3,594	5,150
	<u>634</u>	<u>78</u>	<u>55,756</u>	<u>240</u>	<u>5,048</u>	<u>98</u>	<u>61,854</u>	<u>60,578</u>
Early retirement	-	-	92	-	-	-	92	-
Total	<u>634</u>	<u>78</u>	<u>55,848</u>	<u>240</u>	<u>5,048</u>	<u>98</u>	<u>61,946</u>	<u>60,578</u>

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

	Annual Mean 2011 No.	Annual Mean 2010 No.
Administration Costs	293.1	298.7
Hospital and Community Services	901.3	888.4
Non Clinical Services	177.5	162.3
Other, including recharge Trading Accounts	-	-
Inward Secondees	5.3	5.9
Agency staff	41.8	72.8
Outward Secondees	2.0	(0.5)
Total Board Average Staff	<u>1,421.0</u>	<u>1,427.6</u>
Disabled staff	<u>-</u>	<u>-</u>

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

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

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Note 2 (b) Higher Paid Employees Remuneration

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

	2011	2010
<i>Clinicians</i>		
£50,001 - £60,000	3	11
£60,001 - £70,000	2	7
£70,001 - £80,000	1	2
£80,001 - £90,000	3	2
£90,001 - £100,000	4	6
£100,001 - £110,000	5	5
£110,001 - £120,000	4	5
£120,001 - £130,000	4	4
£130,001 - £140,000	8	4
£140,001 - £150,000	5	2
£150,001 - £160,000	3	5
£160,001 - £170,000	3	3
£170,001 - £180,000	1	3
£180,001 - £190,000	4	-
£190,001 - £200,000	-	3
£200,001 and above	6	2
<i>Other</i>		
£50,001 - £60,000	23	18
£60,001 - £70,000	12	10
£70,001 - £80,000	8	5
£80,001 - £90,000	2	-
£90,001 - £100,000	-	1
£100,001 - £110,000	-	-
£110,001 - £120,000	-	-
£120,001 - £130,000	1	-
£130,001 - £140,000	-	-
£140,001 - £150,000	-	-
£150,001 - £160,000	-	-
£160,001 - £170,000	-	-
£170,001 - £180,000	-	-
£180,001 - £190,000	-	-
£190,001 - £200,000	-	-
£200,001 and above	-	-

Arrears of pay received by staff in 2010/11, which amounts to £283,532. This is split between clinical £124,641 and non-clinical £158,891.

The increase in the number of clinical staff earning over £200k relates to additional payments in relation to waiting list initiative sessions caused by the variation in demand of patient activity from other NHS Boards, these staff members were previously remunerated via a different payment method.

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

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Note 3 Other Operating Costs

	<i>Note</i>	2011	2010
Expenditure Not Paid in Cash		£'000	£'000
Depreciation	<i>11</i>	5,435	5,608
Impairments on property, plant and equipment charged to OCS	<i>11</i>	1,745	1,712
Cost of Capital Charge		-	-
Loss/ (Profit) on disposal of property, plant and equipment	<i>9</i>	-	-
Total Expenditure Not Paid in Cash		7,180	7,320

Interest Payable

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

Statutory Audit	2011	2010
	£'000	£'000
External auditor's remuneration and expenses	85	89
	85	89

National Waiting Times Centre Board

Note 4 Hospital and Community Health Services

By Provider	2011 £'000	2010 £'000
Treatment in Board area of NHS Scotland patients	106,648	102,876
Other NHS Scotland Bodies	-	-
Health Bodies outside Scotland	-	-
Private Sector	22	83
Total NHS Scotland Patients	<u>106,670</u>	<u>102,959</u>
Treatment of UK residents based outside Scotland	-	-
Total Hospital and Community Health Service	<u>106,670</u>	<u>102,959</u>

All expenditure has been in the Acute Services category.

Note 5 Family Health Service Expenditure

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

Note 6 Administration Costs

	2011 £'000	2010 £'000
Board Members' Remuneration	712	696
Administration of Board Meetings and Committees	132	138
Corporate Governance and Statutory Reporting	161	150
Health Planning, Commissioning and Performance Reporting	-	-
Treasury Management and Financial Planning	24	21
Public Relations	-	-
Other	6,966	6,823
Total Administration Costs	<u>7,995</u>	<u>7,828</u>

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Note 7 Other non-clinical services

	2011	2010
	£'000	£'000
Loss on Disposal of non-current assets	-	-
Other	-	-
Total Other Non Clinical Services	-	-

Note 8 Operating Income

	2011	2010
	£'000	£'000
HCH Income		
NHS Scotland Bodies – Boards	50,627	48,609
Non-NHS:		
Private patients	32	194
Other HCH Income	356	57
Total HCH Income	51,015	48,860
Other operating income		
NHS Scotland Bodies	403	791
Profit on disposal of non-current Assets	-	-
Interest Received	-	-
Other	4,351	4,553
Total other operating income	4,754	5,344
Total income	55,769	54,204
Of the above, the amount derived from NHS bodies is	51,030	49,400

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Note 9 Analysis of Capital Expenditure

	<i>Note</i>	2011	2010
Expenditure		£'000	£'000
Acquisition of Intangible Fixed Assets	<i>10</i>	-	-
Acquisition of property, plant and equipment	<i>11</i>	4,211	7,365
(Profit)/Loss of disposal of non-current assets	<i>OCS</i>	-	-
Gross Capital Expenditure		4,211	7,365
Income			
Net Book Value of disposal of Intangible Fixed Assets	<i>10</i>	-	-
Net Book Value of disposal of Property, plant and equipment	<i>11a</i>	-	11
Capital Income		-	11
Net Capital Expenditure		4,211	7,354
Summary of Capital Resource Outturn			
Net capital expenditure as above		4,211	7,354
Capital Resource Limit		4,368	7,696
Savings/(Excess) against capital resource limit		157	342

Note 10 Intangible Fixed Assets

There were no intangible fixed assets during the period.

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11 (a) Property, Plant and Equipment (Purchased Assets) for the year ended 31 March 2011

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

National Waiting Times Centre Board

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

	Land £'000	Buildings £'000	Plant and machinery £'000	Information Technology £'000	Furniture & Fittings £'000	Assets under construction £'000	Total £'000
Cost or valuation							
At 1 April 2009	5,680	108,583	31,379	5,270	534	2,356	153,802
Additions	-	-	2,572	667	-	4,126	7,365
Completions	-	5,449	910	-	-	(6,359)	-
Revaluation	-	(857)	-	-	-	-	(857)
Impairment Charge	-	(1,712)	-	-	-	-	(1,712)
Disposals	-	-	(54)	-	-	-	(54)
At 31 March 2010	5,680	111,463	34,807	5,937	534	123	158,544
Depreciation							
At 1 April 2009	-	-	13,760	3,295	444	-	17,499
Provided during the year	-	2,569	2,495	531	13	-	5,608
Revaluation	-	(2,569)	-	-	-	-	(2,569)
Impairment Charge	-	-	-	-	-	-	-
Disposals	-	-	(43)	-	-	-	(43)
At 31 March 2010	-	-	16,212	3,826	457	-	20,495
<i>Net book value purchased assets</i>							
At 1 April 2009	5,680	108,583	17,619	1,975	90	2,356	136,303
At 31 March 2010	5,680	111,463	18,595	2,111	77	123	138,049
Open Market value of Land included above	-	-					
Asset Financing:							
Owned	5,680	111,463	18,595	2,111	77	123	138,049
Net Book Value at 31 March 2010	5,680	111,463	18,595	2,111	77	123	138,049

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

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

Note 11 (c) Assets Held for Sale

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

Note 11 (d) Property, Plant and Equipment Disclosures

Net book value of tangible fixed assets as at 31 March	<i>Note</i>	2011	2010
		£'000	£'000
Purchased	<i>11a</i>	134,800	138,049
Donated	<i>11b</i>	-	-
	<i>BS</i>	134,800	138,049

Land, hospital and hotel buildings were fully valued by James Barr at the 31 March 2011 on the basis of existing use value or market value, where no longer in use.

The net impact was a decrease in value of £0.28 million (2009/10: £1.7 million) which was charged to the Statement of Comprehensive Net Expenditure and Summary of Resource Outturn.

Note 12 Inventories

	2011	2010	2009
	£'000	£'000	£'000
Raw Materials and Consumables	1,106	1,245	1,542

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Note 13 Trade and Other Receivables

	2011 £'000	2010 £'000	2009 £'000
Debtors due within one year			
National Health Service in Scotland			
SGHD	-	-	
Boards	3,760	9,490	16,383
Total National Health Service in Scotland Receivables		3,760	16,383
NHS Non-Scottish Bodies	-		
General Fund Receivable	-		
VAT recoverable	85	80	77
Prepayments	406	439	592
Accrued income	47	13	18
Other Receivables	407	374	325
Reimbursement of provisions		-	-
Other Public Sector Bodies		-	-
Total Receivables within one year		4,705	10,396
Total Receivables due after more than one year		-	-
Total Receivables		4,705	17,395

The total receivables figure above includes a provision for bad debts of £13,000.

Movements on the provision for Impairment of Debtors are as follows:	2011 £'000	2010 £'000
As at 1 April 2010	5	4
Provisions for debtors impairment	12	5
Debtors written off during the year as uncollectible	(3)	(4)
Unused amounts reverses	(1)	-
At 31 March 2011	13	5

As at 31 March 2011, debtors with a carrying value of £19,360 (2009/10: £20,322) were impaired and provided for. The amount of the provision was £13,185 (2009/10: £5,197). The aging of these receivables is as follows:

	2011 £'000	2010 £'000
3 to 6 months past due	-	-
Over 6 months past due	13	5
	13	5

The receivables assessed as individually impaired were mainly insurance bureau and agents, which are in unexpected difficult economic situations and it was assessed that not all of the debtor balance may be recovered.

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Note 13 Trade and Other Receivables (continued)

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

	2011	2010
	£'000	£'000
Up to 3 months past due	193	29
3 to 6 months past due	272	330
Over 6 months past due	-	-
	465	359

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

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

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

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

	2011	2010
	£'000	£'000
Counterparties with external credit ratings		
A	5	98
BB	17	61
BBB	-	-
Counterparties with no external credit rating	-	-
New customers	-	-
Existing customers with no defaults in the past	15	7
Existing customers with some defaults in the past	-	-
	37	166

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

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

	2011	2010
	£'000	£'000
Pounds	4,705	10,396
Euros	-	-
US Dollars	-	-
	4,705	10,396

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Note 13 Trade and Other Receivables (continued)

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

Note 14 Available for Sale Financial Assets

There were no investments in the period.

Note 15 Cash at Bank and in Hand

	As at 1 April 2010 £'000	Cash Flows £'000	As at 31 March 2011 £'000
OPG Account Balance	3,229	1,678	4,907
Cash at Bank and in Hand	<u>57</u>	<u>1,133</u>	<u>1,190</u>
Total cash – balance sheet	3,286	2,811	6,097
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	<u>3,286</u>	<u>2,811</u>	<u>6,097</u>
Prior Year			
	As at 1 April 2009 £'000	Cash Flows £'000	As at 31 March 2010 £'000
OPG Account Balance	3,047	182	3,229
Cash at Bank and in Hand	<u>222</u>	<u>(165)</u>	<u>57</u>
Total cash – balance sheet	3,269	17	3,286
Bank Overdrafts	-	-	-
Total Cash – Cash Flow Statement	<u>3,269</u>	<u>17</u>	<u>3,286</u>

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

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Note 16 Trade and Other Payables

	2011		2010	2009
	£'000	£'000	£'000	£'000
Payables due within one year				
National Health Service in Scotland				
SGHD	-		-	-
Boards	2,557		2,708	8,988
Total NHS Scotland Payables		2,557	2,708	8,988
NHS Non-Scottish Bodies			-	-
General fund payable	6,097		3,287	3,269
Trade payables	734		2,103	457
Accruals	9,406		8,663	6,590
Deferred Income	-		54	1
Payments received on account	107		125	-
Interest Payable	-		-	-
Bank Overdrafts	-		-	-
Income tax and social security	1,253		1,209	1,073
Superannuation	612		538	565
Clinical/Medical Negligence claims	-		-	-
VAT	-		-	-
Other Public Sector Bodies	-		-	-
EC Carbon Emissions	-		-	-
Other payables	-		-	-
Total Payables due within one year		20,766	18,687	20,943
Total Payables due after more than one year		-	-	-
Total Payables		20,766	18,687	20,943

There are no borrowings included in the above.

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

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

	2011	2010
	£'000	£'000
Pounds	20,766	18,675
Euros	-	-
US Dollars	-	-
	20,766	18,675

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Note 17 Provisions for year-ended 31 March 2011

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

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

Analysis of expected timing of discounted flows

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

Provisions for Prior-year

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

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

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Note 17 Provisions for year-ended 31 March 2010

Analysis of expected timing of discounted flows

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

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

Pensions and similar obligations

The Board meets the additional costs of benefits beyond the National Health Service Superannuation Scheme for Scotland benefits in respect of employees who retire early by paying the required amounts annually to the National Health Service Superannuation Scheme for Scotland over the period between early departure and normal retirement date. The Board provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.9% in real terms.

Clinical and Medical

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

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Note 18 Movement on Working Capital Balances

	Opening Balances	Closing Balances	2011 Net Movement	2010 Net Movement
	£'000	£'000	£'000	£'000
Inventories				
Balance Sheet	1,245	1,106		
Net Decrease/(Increase)			139	297
Trade and Other Receivables				
Due within one year	10,396	4,705		6,999
Due after more than one year				
	10,396	4,705		6,999
Less: Property, plant and equipment included above	-	-		-
Less: intangible assets included above	-	-		-
Less: general fund debtor included above	-	-		-
	10,396	4,705		
Net Decrease/(Increase)			5,691	6,999
Trade and Other Payables				
Due within one year	18,687	20,766		(2,256)
Due after more than one year	-	-		-
Less: Property, plant and equipment included above	-	-		(571)
Less: intangible assets included above	-	-		-
Less: Bank Overdraft	-	-		-
Less: General Fund Creditor included in above	(3,287)	(6,097)		(18)
Less: Lease and PFI Creditors included in above	-	-		-
	15,400	14,669		
Net (Decrease)/Increase			(731)	(2,845)
Provisions				
Balance Sheet	418	784		170
Transfer from Provision to General Fund	-	-		
Net (Decrease)/Increase			366	170
Net Movement (Decrease)/Increase			5,465	4,621

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Note 19 Contingent Liabilities

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

Nature	2011 £'000	2010 £'000
Clinical and medical compensation payments	147	267
Employer's liability	-	-
Other	38	14
Total Contingent Liabilities	185	281

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

Equal Pay Claims

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

The basis of claims is as follows:

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

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

Contingent Assets

The Board currently has no contingent assets.

Note 20 Events after the end of the reporting period

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

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Note 21 Commitments

Capital Commitments

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

	2011	2010
	£'000	£'000
Contracted		
Clinical Skills Lab	-	898
Orthopaedic expansion	-	441
Theatre 16	150	753
Authorised but not contracted		
MRI Scanner	1,900	-
External Store	300	-
Total	<u>2,350</u>	<u>2,092</u>

National Waiting Times Centre Board

Note 22 Commitments under Leases

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

	2011	2010
	£'000	£'000
Operating leases		
Total future minimum lease payments under operating leases are given in the table below for each of the following periods.		
Obligations under operating lease comprise:		
Land	-	-
Buildings	-	-
Other		
Not later than one year	262	274
Later than one	376	593
After five years	-	-
Amounts charged to operating costs in the year were:		
Hire of equipment (including vehicles)	451	-
Other Operating leases	-	-
Total	<u>1,089</u>	<u>867</u>

The Board held no finance leases in the reporting period.

Note 23 Commitments under Private Finance Initiative contracts

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

Note 24 Pensions Costs

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

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

For 2010/11, normal employer contributions of £4,764,048 were payable to the SPPA (prior year £4,484,600) at the rate of 13.5% (2008/09: 13.5%) of total pensionable salaries. No additional costs were incurred during the accounting period arising from the early retirement of staff. The most recent actuarial valuation discloses a balance of £340 million to be met by future contributions from employing authorities.

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Note 24 Pensions Costs (continued)

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

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

Existing Scheme:

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

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

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

New 2008 Arrangements:

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

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

Staff remaining under HCI terms and conditions of employment continue to receive benefits in the format of contribution to a defined contribution pension scheme unless they elected to join the National Health Superannuation Scheme. Contributions to the defined contribution pension scheme amounted to £4,774.

Pension Costs	2010/11	2009/10
	£'000	£'000
Pension cost charge for year	4,764	4,485
Additional Costs arising from early retirement	-	-
Provisions/Pre-payments included in the Balance Sheet	-	-

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Note 25 Exceptional Items and Prior Period Adjustments

Until 2010/11, the Board had been charged a cost of capital charge on average relevant net assets at the Government's standard rate, as determined by HM Treasury. The rate for the period ended 31 March 2010 was 3.5%. However, the government has decided not to impose a cost of capital charge for the year ended 31 March 2011 and this has resulted in the prior year figures being restated to exclude a cost of capital charge.

	Dr £'000	Cr £'000
General Fund	4,815	
Expenditure		4,815

Note 26 Restated SOCNE

	Previous Accounts £'000	Adjustment as per Note 25 £'000	These Accounts £'000
Clinical Services Costs			
Hospital and Community	107,774	(4,815)	102,959
Less: Hospital and Community Income	48,860	-	48,860
	58,914	(4,815)	54,099
Family Health Services	-	-	-
Less: Family Health Services Income	-	-	-
	-	-	-
Total Clinical Services Costs	58,914	(4,815)	54,099
Administration Costs	7,828	-	7,828
Less: Administration Income	-	-	-
	7,828	-	7,828
Other Non Clinical Services	-	-	-
Less: Other Operating Income	5,344	-	5,344
	(5,344)	-	(5,344)
Net Operating Costs	61,398	(4,815)	56,583

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Note 26 Restated Cash Flow

	Previous Accounts	Adjustment as per Note 25	These Accounts
	£'000	£'000	£'000
Cash flows from operating activities			
Net operating cost	(61,398)	4,815	(56,583)
Adjustments for non-cash transactions	12,135	(4,815)	7,320
Add back: interest payable recognised in net operating cost	-	-	-
Deduct: interest receivable recognised in net operating cost	-	-	-
(Increase) / decrease in trade and other receivables	6,999	-	6,999
(Increase) / decrease in inventories	297	-	297
Increase / (decrease) in trade and other payables	(2,845)	-	(2,845)
Increase / (decrease) in provisions	170	-	170
Net cash outflow from operating activities	(44,642)	-	(44,642)
Cash flows from investing activities			
Purchase of property, plant and equipment	(6,794)	-	(6,794)
Purchase of intangible assets	-	-	-
Proceeds of disposal of property, plant and equipment	11	-	11
Proceeds of disposal of intangible assets	-	-	-
Interest received	-	-	-
Net cash outflow from investing activities	(6,783)	-	(6,783)
Cash flows from financing activities			
Funding	51,424	-	51,424
Movement in general fund working capital	18	-	18
Cash drawn down	51,442	-	51,442
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts	-	-	-
Interest paid	-	-	-
Interest element of finance leases and on-balance sheet PFI/PPP contracts	-	-	-
Net Financing	51,442	-	51,442
Net Increase / (decrease) in cash and cash equivalents in the period	17	-	17
Cash and cash equivalents at the beginning of the period	3,269	-	3,269
Cash and cash equivalents at the end of the period	3,286	-	3,286
Reconciliation of net cash flow to movement in net debt/cash			
Increase/(decrease) in cash in year	17	-	17
Net debt/cash at 1 April	3,269	-	3,269
Net debt/cash at 31 March	3,286	-	3,286

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Note 27 Financial Instruments

27a Financial Instruments by category

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

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

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Note 27 Financial Instruments (continued)

Financial Liabilities	Liabilities at fair value through profit and loss £'000	Other financial liabilities £'000	Total £'000
At 31 March 2011			
Liabilities per balance sheet			
Trade and other payables excluding statutory liabilities (VAT, income tax and social security)	-	16,344	16,344
	-	16,344	16,344

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

27b Financial Risk Factors

Exposure to risk

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

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

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

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

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

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

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Note 27 Financial Instruments (continued)

A - Credit Risk

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

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

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

The utilisation of credit limits is regularly monitored.

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

B – Liquidity Risk

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

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

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

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

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Note 27 Financial Instruments (continued)

C – Market Risk

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

i) Cash flow and fair value interest rate risk

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

ii) Foreign currency risk

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

iii) Price risk

The Board is not exposed to equity security price risk.

27c Fair value estimation

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

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

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

Note 28 Derivative Financial Instruments

The Board does not hold any forward exchange contracts.

Note 29 Related Party Transactions

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

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

Note 30 Segment Information

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

	Segment 1 2010/11 £'000	Segment 1 2009/10 £'000
Net Operating Cost	58,896	61,386
Total Assets	125,158	138,049

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

National Waiting Times Centre Board

Note 31 Third Party Assets

There are no third party assets within the accounting period.

Note 32 Exit Packages

The financial values included in the tables below include amounts for cash payments and for accruals.

EXIT PACKAGES 2010/11

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	3	3
£10,000 - £25,000	-	-	-
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	3	3
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
Total number exit packages by type	-	6	6
Total resource cost (£'000)	-	264	264

EXIT PACKAGES - PRIOR YEAR

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	-	5	5
£10,000 - £25,000	-	1	1
£25,000 - £50,000	-	-	-
£50,000 - £100,000	-	-	-
£100,000- £150,000	-	-	-
£150,000- £200,000	-	-	-
>£200,000	-	-	-
Total number exit packages by type	-	6	6
Total resource cost (£'000)	-	30	30

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DIRECTION BY THE SCOTTISH MINISTERS

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

Signed by the authority of the Scottish Ministers



Dated 8 February 2006